

Annual Report and Accounts 2020/21

We're an independent charitable foundation investing in a healthier society

At Guy's & St Thomas' Foundation, our mission is clear – to build the foundations of a society that helps everyone stay healthier, for longer.

For over 500 years, we've been a constant in London's ever-changing landscape, at the leading edge of health. We are rooted in the heart of a global city – our home is vibrant and diverse, but it is also a place with stark health inequity.

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

Through our family of forward-looking organisations, we collaborate with our communities, partners and hospitals, and use our assets to transform lives. We invest, partner, engage and influence to come at big health challenges from all angles.

Across everything we do, we look to increase our impact by sharing and connecting with others working on better health – from our part of the city to cities around the world. Because a healthier society is our collective endeavour.

Contents

Message from our Chair	04
Message from our Chief Executive	06
Trustees' Report	08
Strategic Report	09
Achievements and Performance	09
Priorities we set for the year	09
Driving better health with funding	14
Unlocking the potential for cities to be healthier	19
Supporting incredible NHS staff and exceptional healthcare	31
Using our assets for health	37
Better health for all through diversity, equity and inclusion	43
Our plans for 2021/22	46
Financial review	49
Principal risks and their management	55
Structure, governance and management	62
Trustees' responsibilities	68
Organisation	70
Committees	73
Advisors	78
Auditor's report and financial statements	79

Message from our Chair

For our organisation, as for so many others, 2020/21 has been a year like no other. Responding effectively to the impact of COVID-19 in our place, while maintaining focus on our mission to build the foundations of a healthier society, has been a substantial challenge. But it is a challenge we met head-on. I am very proud of the progress we have made in a year of such extraordinary need.

First, I must acknowledge our gratitude for the efforts of the staff across Guy's and St Thomas' NHS Foundation Trust to keep us safe and well throughout the pandemic. They have delivered exceptional healthcare, under a huge amount of pressure, and it has been a privilege to step up our support for this vital team's work and their wellbeing. This has been possible thanks to the unprecedented and humbling support from the public for the NHS. So, I would also like to extend my sincere thanks to everyone who has supported our fundraising efforts this year.

"I must acknowledge our gratitude for the efforts of the staff across Guy's and St Thomas' NHS Foundation Trust to keep us safe and well throughout the pandemic. They have delivered exceptional healthcare, under a huge amount of pressure, and it has been a privilege to step up our support for this incredible team's work and their wellbeing."

Our charitable expenditure this year reached a total of £29 million, an increase of £3.8 million from last year. We invested in scaling up our urban health programmes, continued to support the work of the Trust and delivered a multi-million-pound emergency response to the COVID-19 pandemic in hospitals and community sites.

Our endowment delivered a robust return over the year despite market fluctuations. Our assets continue to put us in an exceptionally strong position, allowing us to grow our endowment for the benefit of future generations. This year we set our endowment dual objectives of financial returns and health impact. In 2020/21, we grew our impact investment portfolio, investing in funds focused on life sciences and affordable housing, progressed key plans for property developments with a strong health and wellbeing focus, and took steps to become a more responsible and engaged investor.

Our many achievements this year have only been possible because of the phenomenal dedication of our staff team and the strong support given by my fellow Trustees. In summer 2020 we said goodbye to Duncan Selbie, grateful for his three years of commitment, passion and valued service

as a Trustee. In February 2021, we welcomed Dr Nikki Kanani, who played an important role in the roll out of the national COVID-19 vaccination programme and brings with her a wealth of healthcare experience to our growing organisation.

In September 2021, I step down from my position as Chair. During my six-year tenure it has been a privilege and a pleasure to work alongside a talented, committed team in a period of growth and development for the Foundation. I would like to take this opportunity to welcome the new Chair, Debu Purkayastha. Debu brings to the board years of experience in senior leadership roles and non-executive positions across some of the world's leading firms, hospitals and NGOs. I have every confidence that, in the hands of the fantastic team and with Debu's leadership, the Foundation will continue to grow its impact and ability to address head-on the challenges involved in helping to build a healthier society for everyone.

Wol Kolade CBE

Chair (from October 2015 until August 2021)

Message from our Chief Executive

I would like to start by echoing Wol's thanks for the heroic efforts of our colleagues at Guy's and St Thomas' NHS Foundation Trust, throughout the pandemic. It has been our privilege to witness their unwavering commitment – from porters to clinicians to receptionists and nurses – and support their care and wellbeing in these demanding and unprecedented times.

Our ambition to drive more equitable health underpins everything we do, from our urban health programmes to our work as the charity for Guy's and St Thomas' NHS Foundation Trust and our approach to managing our endowment. During the last year, we have witnessed the devastating effects of the pandemic all over the world – patterns that track other health issues, from childhood obesity to the harmful effects of air pollution. The need for global action to tackle health inequalities has never been more evident.

The pandemic has accelerated important trends across our work, renewing our sense of commitment to our mission to invest in a healthier society. We have seen first-hand the impact of COVID-19 on people living in our boroughs and those working tirelessly across our partner hospitals and community sites. Health inequalities have widened in our local urban communities and across the world, leading, in particular, to a more urgent awareness of the link between race and health outcomes.

We worked to respond thoughtfully and swiftly to the impact of COVID-19 on the Trust's staff and patients, and on our local communities and partners. Working alongside the Trust, we targeted support where it was most needed – for example, funding staff wellbeing zones and supporting virtual visiting for patients unable to see their loved ones while in hospital.

"The pandemic has accelerated important trends across our work, renewing our sense of purpose and commitment. Health inequalities have widened in our local urban communities and across the world, leading, in particular, to a more urgent awareness of the link between race and health outcomes."

We also adapted our urban health programmes to respond to the immediate needs of people in Lambeth and Southwark, directing funds to help cope with extraordinary circumstances. This included delivering one million healthy breakfasts to children and families, trialling a scheme to protect people's health by shielding them from financial insecurity, and undertaking urgent work to increase access to trusted information about the COVID-19 vaccine.

As we delivered our COVID-19 response we also retained our focus on what we know we, and others, must do to tackle health inequalities. Last year we partnered with more than 200 organisations, from grassroots organisations to national government and some of the UK's biggest businesses, investing in fresh thinking and bold action.

For example, we backed a pilot project to support cleaner air around schools in Lambeth, secured landmark commitments from the UK's supermarkets to sell healthier and more affordable food, and worked to transform the way people and communities with most to gain from health research are engaged in it.

We also continued to grow as an organisation, expanding our team to increase our capabilities. An important aspect of this was continued work to embed Diversity, Equity and Inclusion across the Foundation and our practices.

This year, we set out to review how we present ourselves in the world, resulting in a new portfolio of brands to represent the breadth of our impact. We launched the first two of five distinct brands. The first of these was Impact on Urban Health, the brand representing our urban health work, dedicated to unlocking the potential of cities to be healthier. The second was Guy's & St Thomas' Foundation, our new name and corporate brand, representing our people, our investments and our heritage. In 2021/22, we plan to unveil three compelling new fundraising brands for Guy's and St Thomas' NHS Foundation Trust, the Evelina London Children's Hospital and Guy's Cancer.

I am especially proud of the way our team has adapted to working remotely, continuing to come at challenges from fresh angles, collaborate widely and deliver strong results in an especially demanding year. Building a healthier society is a collective endeavour. The dedication, drive and creativity of our team, our board and our partners give me confidence that better health for all is within our reach.

Finally, I would like to thank Wol Kolade for his contributions to the work of the Foundation over many years. Wol's vision, commitment and passion for addressing health inequalities has been inspirational. We all look forward to working with our new chair, Debu Purkayastha, in continuing this vital mission.

Kieron Boyle
Chief Executive

Trustees' report

Strategic report

Achievements and performance

Priorities we set for the year

Our core strategic goals for 2020/21 reflect our organisational priorities as an independent foundation backing people and ideas to drive more equitable health. During the last year, we continued to assess the ever-changing situation we faced, adapting some of the underlying objectives in response to the pandemic. As a result of work on our brand, in December 2020 we launched Impact on Urban Health to represent our urban health programmes and changed our name to Guy's & St Thomas' Foundation (formerly Guy's and St Thomas' Charity) in March 2021.

- **Make a step-change impact on complex health issues prevalent in urban and diverse areas**

Where we made the greatest progress

- Directed much-needed funding towards COVID-19 emergency responses across all programme areas, while diversifying our project portfolio around childhood obesity and growing our evidence-creating portfolio for multiple long-term conditions. For example, we:
 - Helped to address immediate community issues arising from the pandemic such as access to affordable healthy food. We delivered over one million healthy breakfasts to families experiencing food insecurity, established a community food store and ran a successful pilot to improve the healthiness of convenience store offerings. We supported neighbourhoods with wellbeing check-ins, facilitated specialist legal advice and IT loans, and trialled a scheme to protect people's health by shielding them from financial insecurity.
 - Brought in new projects to scale up our action around food environments related to nutrition, such as school catering, technology platforms and fast-food retailers; as well as evidence-creating projects to explore the impact of the gig economy, financial services, and private housing on health conditions in urban settings.

- Established co-funding partnerships with organisations to leverage investment and influence. For example, we:
 - Introduced innovative funding models, including £1.5 million invested in our partnership with the Wellcome Trust and matched by them, aimed at transforming how people and communities are engaged in health research.
- Strengthened the influence of Impact on Urban Health at a national level. For example, we:
 - Supported the youth-led Feed Britain Better campaign for a fairer food system and funded research that explored people's lived experience of food during the pandemic, with the findings widely covered in the media and incorporated into policy debates.
 - Gave evidence to a UK parliamentary inquiry on the health effects of air pollution, with our recommendations being endorsed for adoption by government.
- Strengthened our programme research and evaluation. For example, we:
 - Established impact and influencing goals for each of our three live programmes and began building an influencing strategy to inform concrete policy recommendations.
 - Grew our evaluation and data teams and launched a major report on how health is impacted by work, money and homes, based on 15 years of data from local GP records.

Where we made less progress

The impact of the pandemic meant we had to adjust timings for the publication of a major report on the health of cities globally. It also led us to scale back on lived experience research projects related to our new adolescent mental health programme.

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

Where we made the greatest progress

- Dedicated much needed funds and support for NHS staff and patients in response to COVID-19. For example, we funded:
 - A significantly scaled-up psychological and spiritual support package for staff, including dedicated wellbeing zones.
 - Provided simulation equipment to help hospital staff learn to deliver COVID-safe procedures.
 - A team that worked with volunteers to facilitate virtual visits to patients' bedsides through video calling.

- Implemented new projects to develop our brands and digital infrastructure and continued to support the Trust to build a culture of fundraising and fund-spending. For example, we:
 - Progressed the development of our new charity brands and with new digital ecosystem in development which will include new websites for each.
 - Increased capacity in the team dedicated to building staff engagement at the Trust.
- Worked collaboratively with the Trust to embed our new ways of working and to support the Trust as an 'anchor organisation' in Lambeth and Southwark. For example, we:
 - Adapted our project development and approval approach in light of COVID-19 to ensure a rapid, impactful response - this focused on practical support for Trust staff alongside significantly scaling up staff psychological and spiritual care.
 - Began to embed our diversity, equity and inclusion action plan both within our systems and by funding new projects.
 - Conducted a thorough review of our support for the performing arts and worked with our performing arts partners at the Trust to move the bulk of their staff and patient-focused programmes online to increase accessibility and maintain their impact on wellbeing.

Where we made less progress

Significant delays to a capital development project to expand Evelina London Children's Hospital meant we were unable to progress plans for a major fundraising appeal to support it.

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

Where we made the greatest progress

- Delivered a net return of 20.5%, outperforming the market benchmark of 16.2% return on our total portfolio.
- Developed our approach to responsible investing and to achieving health impact through the endowment. For example, we:
 - Committed an additional £7.5 million to our growing impact investment portfolio, backing new affordable housing and health technology impact funds.
 - Increased our engagement activities, including as part of a coalition with other investors to work with major UK food manufacturers and retailers to drive changes to food environments.
 - Continued to progress our environmental, social and governance (ESG) work across our financial assets towards best sector practice.

- Developed new objectives for our property portfolio and work looking at sustainability and climate change, community inclusivity and health and wellbeing.
- Worked with partners to progress our major real estate developments at Royal Street in London, in Cambridge and at Maple Cross in Herefordshire. For example, we:
 - Obtained planning permission to build 200 houses within our Cambridge development.
 - Continued to develop plans for our Royal Street site to host a significant med-tech hub alongside residential property and office space.

Where we made less progress

We worked throughout the year with our development partner, Stanhope, to progress the Royal Street development. Progress with statutory partners was delayed due to COVID-19 but plans to deliver a joint planning application are now moving forward.

• **Grow our impact, effectiveness, and reputation**

Where we made the greatest progress

- Implemented a new brand strategy, launching two out of five new brands to give distinction to the breadth of our work and increase engagement with key audiences. For example, we:
 - Launched two new brands and accompanying digital channels to reflect the work of our endowment and our work on urban health, embedding them with stakeholders and staff.
- Established our international profile as an independent foundation and built our reputation as a funder. For example, we:
 - Participated in leading webinars around ESG, sustainable investing and investor engagement, and secured editorial coverage in leading national newspapers.
- Increased the breadth of data partnerships, and depth of data analytics, to support our urban health work. For example, we:
 - Partnered with Social Progress Imperative, a US data and impact think tank, to create the Urban Health Index. This set of metrics, now public, layers data related to different social and environmental indicators to help us build a better picture of the circumstances of people living in urban communities. We will use this to inform and generate projects and ideas to drive better health.

Where we made less progress

Due to extended creative development, we adjusted timings on brand launch for the three hospital charities into this coming year.

- **Be a cutting-edge charity achieving ambitions beyond itself**

Where we have made the greatest progress

- Continued to embed our Diversity, Equity and Inclusion (DEI) commitment throughout the organisation. For example, we:
 - Committed dedicated resource to embed DEI into the organisation.
 - Set up internal structures to track our progress and created team-led action plans.
 - Developed objectives which link to the pillars of the Association of Charitable Foundations' Stronger Foundations.
 - Included DEI in our Business Plan, creating a key performance indicator as part of management reporting structures to the Executive Team and the board.
- Looked after our staff while rapidly shifting from an office environment to remote working due to the pandemic, ensuring support for the team's health and wellbeing. For example, we:
 - Fully embraced our flexible working policy and encouraged prioritisation of caring and family responsibilities, restructuring working hours and meeting schedules to ringfence time for breaks and focused work, and increasing information sharing in each area of the organisation.
 - Increased mental health support for staff. We ramped up communication and proactive support, introducing peer-led emails sharing practical mental health tips weekly, staff training and a free wellbeing app for all staff.
- Reviewed and adapted our approaches and policies in light of being a growing organisation. For example, we:
 - Further developed our position on climate change, by establishing a baseline for our carbon footprint and impact, with a view to initiating a sustainable transition strategy with meaningful carbon emissions targets.
 - Created and recruited for the role of Chief Operating Officer to drive improvements to our systems, data and working practices, and to lead our newly formed Operations directorate.

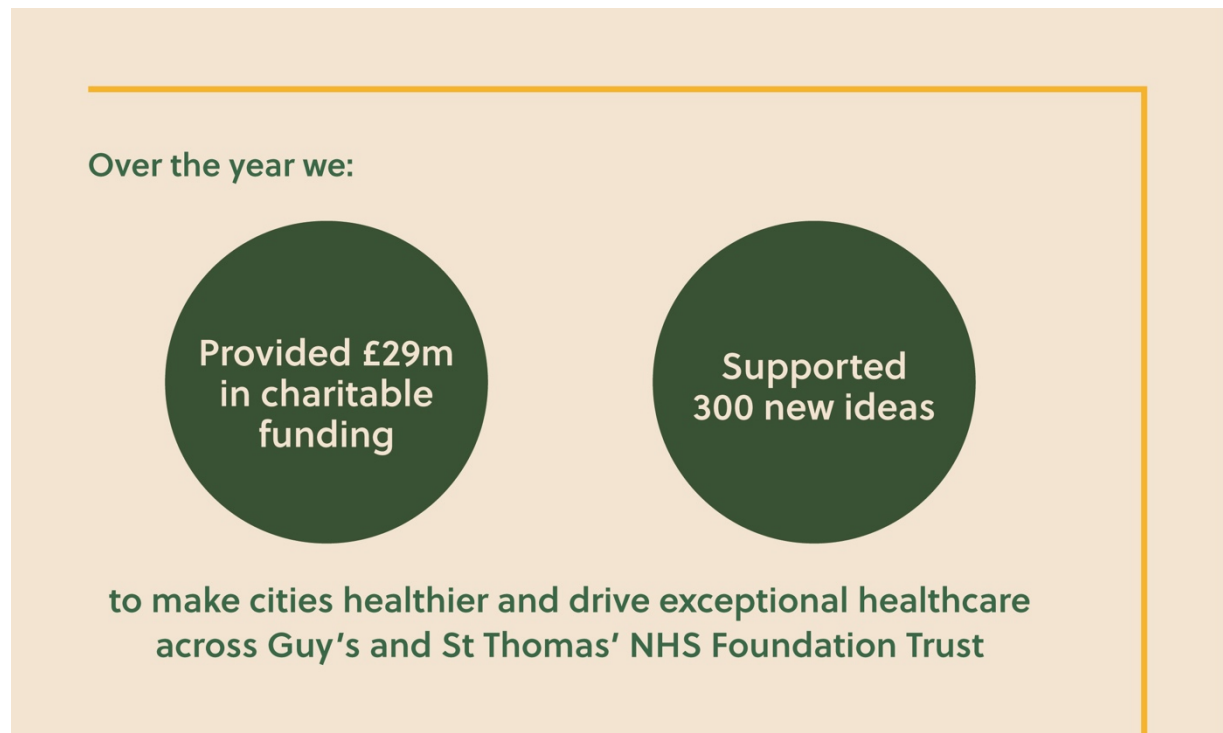
Where we have made less progress

We agreed to postpone the further development of our line management training offer and induction programmes until 2021/22 owing to virtual working.

Driving better health with funding

In 2020/21 we contributed £29 million towards building a healthier society. We supported over 300 ideas and projects; funding local charities and organisations to deliver much-needed support to our local communities, commissioning new research and supporting incredible staff across Guy's and St Thomas' NHS Foundation Trust and enhancing patient care.

This year our direct charitable expenditure reached a total of £29 million, an increase of £3.8 million from last year. This rise was due to delivering an emergency response to the COVID-19 pandemic, increasing our support for the Trust and scaling up our Impact on Urban Health programmes. We supported over 300 ideas to make cities healthier and to support exceptional healthcare across Guy's, St Thomas' and Evelina London hospitals and community services.



Making cities healthier places for everyone

Around £17.6 million of our charitable expenditure was dedicated through Impact on Urban Health to growing our urban health programme work – up from £14.3 million in 2019/20. We directed £4.9 million in funding to reduce childhood obesity, £5.8 million to address multiple long-term conditions and £2.3 million to tackle the health effects of air pollution. We also dedicated £1.4 million to scoping our upcoming programme on adolescent mental health, with an additional £3.2 million to support our research and development, evaluation and data projects.

We dedicated £6.4 million of our expenditure towards addressing the impact of COVID-19 locally. This included delivering support across all programme areas and through local community groups to respond to the effects of the pandemic in our place with our 'COVID-19 Emergency Response Fund.' Our response also enabled us to work with new partner organisations with deep roots in minoritised communities to better understand the conditions that build health inequalities. We also worked with the Trust to support dedicated health checks for Black men at community centres.

In every area of our work, we collaborate with those who share our commitment to building a healthier society. One of the ways we do this is by funding jointly with others wherever possible.

During the year, we secured commitments of £4.5 million through co-funding partnerships to help us address the health effect of air pollution, reduce health inequalities among Black communities and explore diverse and inclusive models of funding.

During the year, we also secured commitments of £4.5 million through co-funding partnerships. These were £2 million from the Clean Air Fund, to address the health effect of air pollution; with £1 million from South East London Integrated Care System to reduce health inequalities in the Black community; and a further £1.5 million from Wellcome Trust, to explore diverse and inclusive models of funding in our three-year partnership.

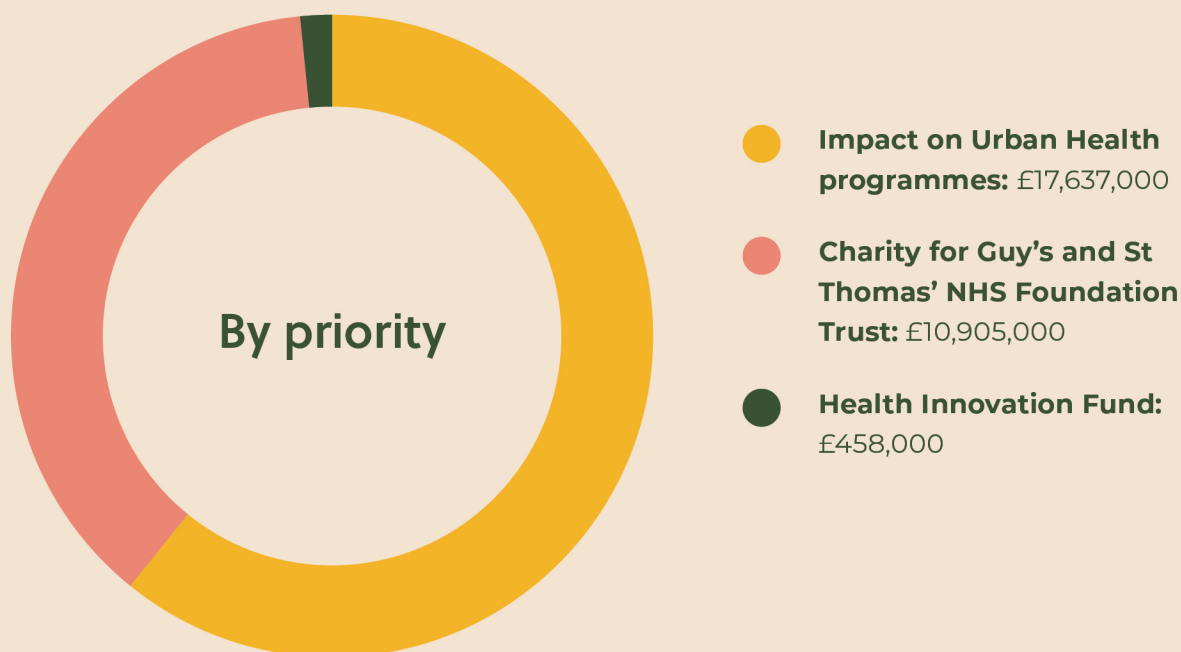
Supporting incredible NHS staff and exceptional healthcare

As the charity for Guy's and St Thomas' NHS Foundation Trust, we deployed £10.9 million in charitable funding (up from £9.9 million in 2019/20) to benefit patients and NHS staff. In this year of extraordinary need, our focus continued to be on looking after the NHS staff who take care of us, as well as on improving patient experience and enhancing the clinical environment.

The Trust itself received £10.4 million of the total, with the rest awarded to King's College London and other partners leading medical research and delivering services at the Trust. The Trust also received £105,000 from our work through Impact on Urban Health, making the total amount of charitable funding received by the Trust £10.5 million, an increase from £10.2 million in 2019/20.

Our charitable expenditure in 2020/21

Total: £29,000,000



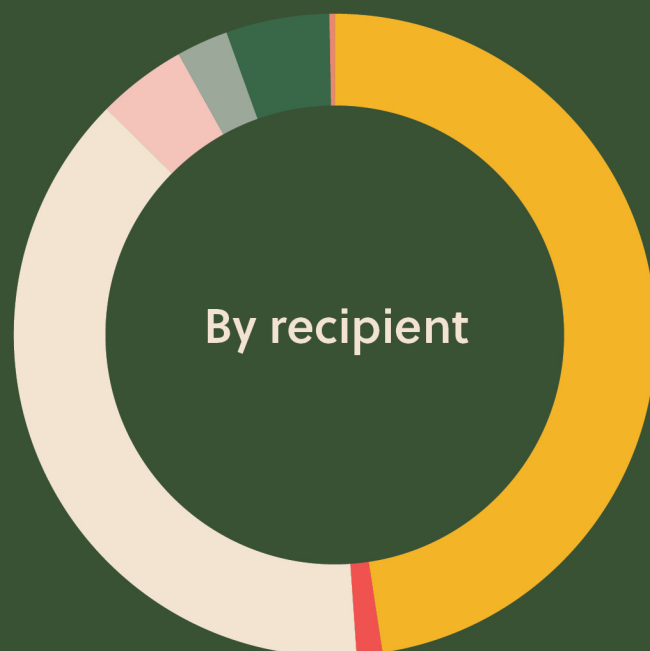
Four year view: 2017/18 – 2020/21

Total: £94,952,000



- **Impact on Urban Health programmes:** £45,260,000
- **Charity for Guy's and St Thomas' NHS Foundation Trust:** £43,355,000
- **Health Innovation Fund:** £6,337,000

- **Guy's and St Thomas' NHS Foundation Trust:** £45,234,000
- **Voluntary, community and social enterprises:** £36,586,000
- **Universities:** £4,899,000
- **Commercial*:** £4,224,000
- **Local Authorities and other service providers:** £2,511,000
- **Other NHS:** £1,240,000
- **Other:** £258,000



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

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

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

Unlocking the potential for cities to be healthier

This year, we dedicated £17.6 million to tackling issues of urban health, now delivered through Impact on Urban Health. We partnered with 212 organisations, strengthened our evidence base and stepped up our influencing work on big health issues in cities.

We delivered extraordinary support in an extraordinary year to help our communities weather the impact of the pandemic – from providing healthy food to families to shielding people from financial insecurity and working to create equitable access to vaccine information.

Our urban health programmes provide financial, strategic and practical support to organisations, groups and individuals committed to achieving health equity in inner-city areas. In our home in the London boroughs of Lambeth and Southwark, we invest, test and build our understanding of what it takes to address complex health issues and share our insight, evidence and practical learning to inform and influence others. Over the year we supported 129 new projects, with £17.6 million in funding, working in partnership with 212 organisations, groups and communities.

We focus on four major health issues that disproportionately affect people living in inner-city areas. We currently run programmes to reduce childhood obesity, slow down people's progression to multiple long-term conditions and find innovative solutions to the health effects of air pollution. This year we also laid the groundwork for a fourth programme that will focus on finding ways to support children and young people's mental health in urban areas.

Over the year we supported:

129

new projects

£17.6m

in charitable
funding

212

organisations
and groups

In December 2020, we launched a new brand for this work – Impact on Urban Health – so we can have more focused conversations and collaborate better with partners, locally and in cities across the world, who can help us to make cities healthier places for everyone.

Expenditure on our programmes increased to £17.6 million, from £14.3 million in the previous year. This included £6.4 million dedicated to our COVID-19 emergency response, as well as £10.6 million to further our childhood obesity and multiple long-term conditions programmes with £3.7 million in funding dedicated to our new air pollution and adolescent mental health programmes.

During 2020/21, we awarded funds to several new organisations with the ability to deliver large-scale projects. These included Biteback 2030, Centre for Responsible Credit, High Trees Community Development Trust, Liminal Space, London Borough of Southwark, Peckham Pantry, School Food Matters and The Social Innovation Partnership (TSIP), which received funding of over £500,000 each.

Impact on Urban Health and our COVID-19 response

COVID-19 has hit London and cities across the globe hard, with many urban areas becoming hotspots for the virus. The reasons for this are complex but evidence suggests factors such as population density, crowded living conditions and exposed occupations have contributed to the disproportionate impact of the pandemic on different sections of society, most notably women, Black and minoritised ethnic groups, and those living on a low income. These factors are drivers of the unequal effects of health problems, particularly in urban areas – from obesity to the harmful health effects of air pollution. Our ability to take a long-term view in our programme strategy stood us in good stead at the height of the pandemic because through Impact on Urban Health's well-established programmes, rooted in local communities, we were able to react quickly, by assessing and preparing each programme's response.

As soon as the pandemic began, we responded both through the lens and expertise of our programmes and by investing in the broader resilience of our local civic infrastructure. We rapidly adapted our approach to deploy £3.9 million in funding through our programmes to better understand and address the significant impact of the pandemic environments, like our schools, homes and streets. This included providing free meals for children and families, conducting research into the impact of COVID-19 on air pollution and trialling a scheme to protect people's health by shielding them from financial insecurity.

As soon as the pandemic began, we responded to COVID-19, both through the lens and expertise of our programmes and by investing in the broader resilience of our local civic infrastructure.

We supported Black and minority-led organisations in our place, distributing £2.5 million in funding to 36 local organisations in an eight-month period through our 'COVID Emergency Response Fund'. Healthy communities and individuals need resilient community organisations, so we moved quickly to provide an easy application process to access our grants and unrestricted funds. This also forms part of our work to tackle health inequalities in inner-city London, by adapting who we work with and importantly how we work. For example, we were able to cover staff and building costs with an £85,000 grant for Loughborough Community Centre at Max Roach, who support and enable local children, young people and residents living in need of community support.

Our programme highlights

Through our programmes, we seek to understand the deep causes of complex health issues and explore different ways of addressing them through combining the best sources of data, robust evidence, lived experience and practical interventions.

Reducing childhood obesity

We aim to reduce the childhood obesity inequality gap, working to change the environments in places where children and families spend their time, so that eating well is the easiest – not the hardest – thing to do. We do this by backing people and ideas driving positive change in our local communities. We are also building an evidence base to better understand the public perception of childhood obesity, its drivers and practical solutions, and bringing together partners to achieve tangible policy change at a national and local level.

For example:

- The Government's first **National Food Strategy, published in 2020, included our recommendations on children's food.** These recommendations reiterated our call to focus on childhood obesity as an issue of inequality and poor food environments.
- With our support, **evidence and data on food insecurity was used in the influential #EndChildFoodPoverty campaign launched by footballer Marcus Rashford** in September 2020. Findings were also shared widely with policy makers and the media and contributed to the Government's decision to establish a cross-ministerial taskforce responsible for food insecurity among vulnerable groups.
- Tesco agreed to increase the share of healthy products in their stores from 58% to 65% by 2025 in **a landmark health commitment from a leading UK food retailer** as direct result of the Healthy Markets investor engagement campaign led by ShareAction, which we funded and participate in.
- **2,000 Southwark households have used new community store Peckham Pantry to access more nutritious food.** We supported founders Pecan with a £595,000 grant to scale and sustain their social supermarket model which aims to create a solution to the community's long-term need for accessible and affordable healthy food.

The Government's first National Food Strategy included our recommendations on children's food, which are based on childhood obesity being an issue of inequality and poor food environments.

- We explored how supermarkets can shape our diets in *Can supermarkets help turn the tide on obesity?*, an evaluation report from one year of work under the Collaboration for Healthier Lives Coalition in the UK, part of the global network The Consumer Goods Forum. Starting with pilots across their shops in Lambeth and Southwark, top food retailers and manufacturers came together to improve the health of their consumers, and a total of **34 interventions were trialled over the course of a year resulting in healthier shopping baskets**, an increase in sales of fruits and vegetables and lower sales of canned goods, standard chips and packets of confectionery.

To combat the growing food insecurity brought about by the pandemic, we helped deliver one million healthy breakfasts across Lambeth and Southwark through our Breakfast Box scheme.

The pandemic led to an increase in food insecurity for many families in our boroughs, and we worked with our partners to rapidly respond. For example:

- **One million healthy breakfasts were delivered to children and families** across Lambeth and Southwark between April 2020 and March 2021, thanks to our Breakfast Box scheme, designed and delivered with School Food Matters. We supported this initiative with £1.3 million in funding.
- **3,750 healthy meals were served to families struggling due to the pandemic.** Through its brand Mama Leys, our partner Shift worked with local distributors and community groups to create and deliver a wide range of menus to local families.

Slowing progression to multiple long-term conditions

We are working to ensure longer, healthier lives for people living in urban areas with long-term conditions, through our ten-year programme which addresses social and economic determinants of health such as work, homes and financial health. We partner with employers, landlords, lenders, healthcare providers, community organisations and others, to identify promising ways to make the places we live, work, socialise and seek support more supportive of health.

In 2020/21, we focused on addressing social factors accelerated by the pandemic that affect people most at risk of developing multiple long-term conditions in our place. For example:

- We supported a **trial 'COVID financial shield' for up to 1,900 people with long-term conditions**, working with local landlords, creditors, GP surgeries and debt advisors to identify revenue-neutral ways to reduce debt and evictions and improve health. We did this through a £932,000 grant to the Centre for Responsible Credit and partners.
- **300 residents on three housing estates in Tulse Hill received remote advice, wellbeing check-ins and loans of IT equipment**, thanks to a project led by the High Trees Community Development Trust which we funded with a £35,000 grant. Each of the working-age adults were considered to be at risk of developing a long-term health condition and had received employment, education or housing assistance before the pandemic. We are partnering with High Trees to reach another 1,000 residents through community organisations and employment support services over the next three years.
- **Night shift workers and their employers were brought together to create healthier working experiences** through Night Club – an innovative pilot project to address the profound effect night shift work can have on people's mental and physical health, which can contribute to other multiple long-term conditions. We funded with £568,000 in 2020 in partnership with The Liminal Space, a creative consultancy and design studio.
- Together with Black Thrive Lambeth's Employment Project, we provided funding to help them set up a community led £300,000 grant fund, directed by their Employment Working Group. **The fund has now supported 12 organisations to pilot projects that consider the lived experience of Black people with long-term health conditions.** These projects seek to contribute to systemic change and improve outcomes for Black individuals. Our learnings from this collaboration will inform our future grant-giving projects and how we engage with lived experience.

Around 1,900 people with long-term conditions received support from our innovative 'COVID financial shield', where we worked with local landlords, creditors, GP surgeries and debt advisors to identify revenue-neutral ways to reduce debt and evictions, and improve health.

Health effects of air pollution

This programme is exploring ways to equitably reduce the harmful effects of air pollution. Poor air quality does not affect people equally and often interacts with other systemic causes of ill health. Our focus is on mitigating the disproportionate effects that air pollution has on the people who are most susceptible to it. We want to build evidence on what works and to share this information locally, nationally and internationally. This year, the pandemic presented an opportunity to re-evaluate the effects of air in urban settings. For example:

- We **engaged with community members on air pollution issues** through a residents' forum, a survey and a film based on local people's experiences, to better understand the views of people in Lambeth and Southwark most impacted by air pollution. The insight gathered through this project, supported with a grant to The Social Innovation Partnership (TSIP) of £72,000, led to the publication of the report *A breath of clean air*. We are now exploring opportunities for further community collaboration to raise awareness.
- We **worked actively to amplify the voices of those most impacted by air pollution through engaging with, and supporting, local grassroots organisations**. These included grants for parent-led campaigning group Mums for Lungs (£55,000), Wheels for Wellbeing (£82,000) who campaign for inclusive urban spaces for disabled people, and clean energy organisation Repowering London (£90,000).

- To reduce exposure to air pollution in schools, homes and neighbourhoods, we supported a **Clean Air pilot in Lambeth schools** with a £241,750 award to help reduce exposure in key environments for children and **worked with Team London Bridge to scale up the use of cargo bikes for businesses**, giving funding of £310,000.

This year we funded projects to reduce exposure to air pollution in schools, homes and neighbourhood, including a clean air pilot across Lambeth schools and an initiative to scale up the use of cargo bikes for businesses.

Adolescent mental health

Our fourth and newest programme will launch later in 2021. This year we commissioned a series of research projects, alongside our own desk research and expert interviews, to build our understanding of adolescent mental health and to inform our programme strategy. We are testing the hypothesis that behavioural disorders should be our priority, because of the significant and long-lasting impacts they have on children and young people's mental and physical health and on life chances, particularly for those from families on the lowest incomes. We are doing this by:

- Partnering with social enterprise Renaisi, giving £110,000 **to fund ethnographic research among families with children who have received or are seeking a diagnosis of a behavioural disorder**. Our goal is to understand the impact of behavioural disorders on children and families and their experiences of seeking and accessing support.
- Commissioning research agency The Behavioural Insights Team to **review the evidence base for existing interventions to support young people with mental health problems**, focusing on behavioural disorders and interventions that may be applicable and have most impact in Lambeth and Southwark.

- Working with Shift, **understanding the existing landscape of mental health support for children and young people in Lambeth and Southwark** by mapping current activities and stakeholders.

When the pandemic hit, we were in the very early stages of scoping this programme. Recognising the impact lockdown was having on young people's mental health, we directed £700,000 to the overall COVID-19 cross-programme response fund for organisations supporting children and young people, families and schools.

To help build our understanding of adolescent mental health, we funded ethnographic research among families with children who have received or are seeking a diagnosis of a behavioural disorder.

Research and development

This year we formalised a new strand of work to explore, with our partners, how community-centred research and funding models can help to address health inequity in our place and beyond. For example:

- To give power and a voice to those with most to gain from research into health inequity, **we launched a three-year combined £3 million partnership with the Wellcome Trust to co-fund projects which challenge existing practice and culture** and look to improve health outcomes by transforming the way people and communities are engaged in health research.
- Working with TSIP, we embedded a community research approach to understanding the health issues that most impact local communities. TSIP recruits and trains local people to carry out research, bringing invaluable neighbourhood knowledge and relationships to projects. For example, in partnership with TSIP, we funded community research into the impact of COVID-19 on the lives of those most likely to experience health inequalities in Lambeth and Southwark: Black people, people from other minoritised groups, single parents, and people in insecure

employment where vaccine hesitancy emerged as a major theme. In response, **we introduced a new portfolio of projects focused on creating equitable access to trusted information around vaccines**, working with our partners, TSIP, Clearview Research, Rooted by Design, Doing Social and Comuzi.

- Working with ClearView Research, a market research agency and a support partner for our programmes, we also made a social investment of £320,000 to **explore trends in digital use and behaviours and run the first Black survey panel in the UK**. We believe that supporting a more diverse research sector will help generate more culturally relevant insights and shape sustainable local health interventions.

Policy and influencing

Part of our work to unlock the potential for cities to be healthier is to position Impact on Urban Health as a leading voice on urban health. We believe this will help us influence health policy and practice to drive change in our place and other urban areas.

This year we grew our policy and influencing team and built our capability in shaping conversations on health inequalities at a local and a national level.

For **childhood obesity**, our long-term strategy is focusing on three priority areas: influencing business action, influencing school food markets and reframing public understanding of childhood obesity by contributing insights gathered through our programmatic work. We believe these actions, alongside work to change the wider conversation about childhood obesity in the UK, will influence equality of access to nutritious diets and successfully address the childhood obesity inequality gap. This year:

We funded and brought together other organisations who can help us to achieve tangible national policy change. These included our collaboration with the **Food Foundation to influence the 2020 Autumn Comprehensive Spending Review (CSR)** as well as our co-funding of the Feed Britain Better youth-led campaign, which put forward proposals for creating healthier food environments post-COVID-19.

For **our health effects of air pollution programme**, we aim to influence decisions taken at a national and local level to improve air quality, particularly for groups in society most susceptible to the harmful impacts of air pollution. This year:

We supported work from Global Action Plan which resulted in the publication of **a report in July 2020 called Build Back Cleaner Air: COVID-19 & Air Pollution**. The report made recommendations for government, local authorities and campaigners as we recover from the pandemic. Evidence from this report was submitted to a parliamentary inquiry and we were subsequently **invited to give oral evidence at the UK Parliament's Environment, Food and Rural Affairs (EFRA) Committee**, alongside preeminent health inequalities expert Professor Sir Michael Marmot, into the impact of COVID-19 on air pollution. The subsequent report from the Committee quoted our evidence and included all our report's recommendations.

Evaluation, impact and data analytics

Evidence plays a crucial role, helping us reach our impact goals by informing our programme strategies and individual projects. It also helps us to build a clear understanding and story of what impact we and our partners are having.

This year we grew our expertise and capability in this area and honed our approach to gathering evidence and insights, by commissioning new research, strengthening our evaluation at a programme level, and scaling up our analysis of healthcare data. For example:

We **commissioned research to analyse healthcare data** from interactions between GPs and patients in Lambeth in 2020, as part of a broader study examining 15 years of data working with King's College London. **Insights from this research were published in Impact on Urban Health's Easing pressures report** showing how factors such as where you live and work relate to your risk of developing multiple long-term conditions, helping to shape and inform our response to this major urban health challenge.

We partnered with the Social Progress Imperative (SPI), a global data driven think tank, **to create the Urban Health Index, the first neighbourhood level, health-focused Social Progress Index of its kind**. By layering data relating to different social and environmental indicators, we hope to build a better picture of the circumstances of people living in urban areas and how their environment impacts their health. The Index provides **recent data on 68 neighbourhoods in Lambeth and Southwark using 42 indicators** relating to basic human needs, foundations of wellbeing and opportunity, and present these as an interactive scorecard. After a year of collecting data and building the platform, the Index was launched in April 2021.

With our support, the University of Oxford evaluated the Consumer Goods Forum's Collaboration for Healthier Lives shopping trials, published in the *Can supermarkets help turn the tide on obesity?* report. While not all interventions were successful, the evaluation showed **it is possible to use in-store design to create healthier shopping baskets, without negatively impacting profits**. We looked at the behavioural science data which suggests that simple environmental cues, end of aisle promotions and special offers in store can positively influence our shopping choices. The insights are now being used to scale this work with more companies nationally, and to call for better industry regulation.

Supporting incredible NHS staff and exceptional healthcare

In an extraordinarily challenging year for the NHS, we stepped up our support as the charity for Guy's and St Thomas' NHS Foundation Trust, backing people, innovation and inspiration across Guy's, St Thomas' and Evelina London hospitals and community sites. Unprecedented support helped us raise over £9.8 million in public donations, with many giving in recognition of and gratitude for frontline staff. In our capacity as the charity for the Trust, we provided £10.9 million to enhance patient care and the wellbeing of staff, and helped to bring to life over 180 ideas.

During this difficult and demanding year for the NHS, we focused our efforts on supporting the physical, psychological and spiritual wellbeing of staff and enabling significant enhancements to patient care.

Throughout the pandemic the Trust has been at the very heart of the national effort, researching and developing diagnostics and treatments for COVID-19 and as a hub for the NHS vaccination programme. Making this vital contribution, while providing critical care to patients and looking after the wellbeing of staff, increased the Trust's need for funding. It has also heightened the Trust's public profile adding to an unprecedented, positive surge of support for NHS charities; the effect of which we saw in our fundraising during 2020/21.

We backed over 180 ideas to support NHS staff and patient wellbeing across Guy's, St Thomas' and Evelina London hospitals and community sites.

Thanks to the kindness and generosity of our donors, we were able to step up our efforts for the Trust's patients and the staff caring for them during the pandemic and will continue to support improvements into the future.

Fundraising

Public recognition of the sheer scale of the challenges faced by the NHS during the pandemic, and gratitude for the dedication of its staff, contributed to a remarkable year for fundraising.

We exceeded our fundraising target, raising over £9.8 million in donations and gifts in kind, up from £6.8 million in the previous year. In April 2020, we launched our COVID-19 appeal, raising over £1.1million and securing gifts in kind worth over £400,000.

We exceeded our fundraising target, raising over £9.8 million in donations and gifts in kind, up from £6.8 million in the previous year. In April 2020, we launched our COVID-19 appeal, raising over £1.1 million and securing gifts in kind worth over £400,000. This fundraising success was achieved in the context of considerable uncertainty and by focusing on digital channels to increase our reach, we engaged 1,633 new donors during 2020/21.

Our total fundraised income also includes generous gifts of:

- £1.5 million from the Tony Hudgell 10km walk for Evelina London.
- £1 million for Head and Neck Cancer donated by Wilson + Olegario Philanthropy and £749,000 from the COVID-19 Appeal launched by NHS Charities Together.
- Evelina London also received gifts and pledges from two generous individual donors totalling £510,000 to fund a new EOS spinal X-ray machine.
- A £355,000 legacy was left to the Lupus Trust Fund, one of our linked charities which supports lupus research at Guy's Hospital.

Thanks to our endowment, we can cover our fundraising costs, allowing us to allocate 100% of donated funds to benefit NHS patients and staff. This year we also progressed the development of our new charity brands to represent our support for Guy's, St Thomas' and Evelina London hospitals and community services and Guy's Cancer.

Thanks to our endowment, we can cover our fundraising costs, allowing us to allocate 100% of funds directly to benefit NHS patients and staff.

Funding

In 2020/21, we dedicated £10.9 million to improve patient experience and incredible care delivered by NHS staff, supporting 180 new ideas. The Trust received £10.4 million of that total in charitable funding, with the rest being awarded to partners delivering research and services across the Trust. This is slightly over the £10.2 million received in the previous year. The Trust also received an additional £105,000 from Impact on Urban Health to support dedicated health checks for Black men at community centres and after religious services.

Since the start of the pandemic, we have awarded 26 grants totalling £4.5 million ranging in size from £120 to £1.1 million. This includes a COVID-19 grants programme, which was quickly established to provide Trust-wide support in priority areas: patient engagement and experience, clinical improvement and staff psychological support and wellbeing.

When the pandemic took hold, we shifted our governance model to be more effective in supporting the Trust to respond to COVID-19's impact on staff and patients. This included a move to virtual decision-making and ways of working with the Trust Executive.

We supported over 14,500 virtual visits between patients and their loved ones at the height of pandemic restrictions, and ensured cancer patients could still receive vital pre-treatment checks by setting up mobile treatment centres.

Backing NHS people and ideas during the pandemic

COVID-19 has had a huge impact on the way NHS staff are able to care for patients, and for themselves. We directed efforts and resources to support frontline workers, improve patient experience and help minimise the impact of the pandemic on some of the most vulnerable people in our communities.

Supporting better patient experiences

- **Cancer patients with compromised immune systems were able to receive vital pre-treatment checks** during the pandemic thanks to mobile treatment centres set up with our help in Clapham, Elephant and Castle, and Beckenham.
- With our support, **over 14,500 virtual visits took place between patients and their loved ones** while hospitals were operating strict no-visitor policies to keep patients and staff safe during the pandemic. We funded a project team to embed the Trust's Life Lines project, which allowed patients to see and speak to their loved ones through the aTouchAway™ platform.
- To **help staff to learn to deliver procedures with patients in a COVID-safe way**, we funded a state of the art patient simulator and several airway manoeuvre training manikins.

Caring for our carers

- As numbers of COVID-19 hospitalisations rose rapidly, hospital staff struggled to find time to get basic necessities, so we provided access to **free essentials including groceries** through pop-up shops created with our partners, including disaster response organisation Team Rubicon UK.
- NHS **staff made over 6,000 visits to wellbeing zones** we funded at sites across the Trust – spaces where they could rest after a gruelling shift, access wellbeing advice and enjoy free refreshments.
- We supported a **peer-to-peer support system project focused on improving the mental health, wellbeing and resilience of staff**.
- We ensured accessible and culturally relevant approaches to care by funding an **Access Psychologist to support Trust staff from Black and other minoritised ethnic groups**.

This was a year of caring for our carers. We provided free groceries and other essentials, areas where frontline workers could recharge after gruelling shifts and additional psychological support.

Tackling health inequalities among minoritised patient groups

- We made a grant to support the Trust's partnership with the Southwark Law Centre to extend a project **providing legal advice and representation to the Trust's homeless patients**; a group that experience extreme health inequalities.
- We supported an Access Psychologist as part of our package of psychological support for Trust staff, **offering accessible and culturally relevant approaches to care alongside the core programme.**

Using our assets for health

Our endowment performed well this year, generating a net return of 20.5% and reaching almost £1 billion in gross assets. We strengthened our commitment to responsible investing and used the power of our investor networks to drive food industry action to tackle obesity. Through our growing impact investment portfolio, we backed bold ideas including funds dedicated to providing affordable housing to homeless people and vulnerable women. We also made good progress on embedding wellbeing into the heart of new property developments.

We see our endowment as one of our most powerful tools for change and set it dual objectives of achieving financial returns and health impact. We use our assets for health, transforming lives and demonstrating to others that investing in health is good business. One of the largest among UK foundations, it is made up of a diversified portfolio of financial market investments, land and other properties. It allows us to take a long-term view while addressing the real and urgent health issues of today.

Our endowment net value this year:

£143m

increase

£881m

current
net value

20.5%

net return

The start of our financial year in April 2020 coincided with a strong recovery in financial markets as investors anticipated that most of the potential negative impact of COVID-19 had already been impounded in asset prices. For example, global equity markets returned +38.9% in sterling terms during the period. With our processes proving resilient in the face of the disruption and volatility in financial markets last year, the portfolio was able to adjust and benefit from the recovery in asset prices. The net value of our endowment increased during the year by £143 million, to £881million. It generated a net return of 20.5%, outperforming the benchmark of 16.2%. Over five years the net value before transfers to charitable activities has increased by £416 million, generating a net return of 74.6%, outperforming the benchmark of 50.2%.

During 2020/21, we committed to moving further and faster on environmental, social and governance (ESG) investing and engagement in our main endowment. To inform our thinking on becoming a more responsible and engaged investor, we set up four strategic workstreams to look at opportunities across the endowment's activities: financial assets, engagement, impact investing and property.

Managing our financial assets for greater impact

Building a healthier society requires responsible business practices, so we set a path to a more comprehensive responsible investing approach to our financial assets. Since November 2020, we have been benchmarking our position on responsible investment compared to our peers, identifying areas for progression, and deepening our work with our investment consultants. We also began developing our organisational position on climate change across the whole endowment. For example, conducting an organisation-wide baseline carbon audit and progressing plans so that in 2021/22 we can commit to ambitious climate targets.

Engaging as an investor

In our role as an engaged investor, we share insights and connect with others to encourage investors and businesses to create the conditions that support more equitable health. Recognising the importance of this approach, we created a dedicated resource to grow our investor engagement activities this year. Beginning by benchmarking our position and policies on responsible investment, we also identified where we can do more, and defined the sectors and issues which give us strong opportunities for investor engagement, for example supermarkets and retailers.

This year we benchmarked our position and policies on responsible investment, and defined the sectors and issues which give us strong opportunities for investor engagement, like supermarkets and retailers.

This year we used the power of investor networks to drive action on obesity by:

- Funding and participating in ShareAction's Healthy Markets campaign, which brings together investors to shape healthier, more equitable food environments. Our role as an engaged investor within this wider coalition saw us influence food and drink companies to play their part in tackling obesity. With a dual approach in the campaign, as a funder and an investor, we engaged directly with leading UK food manufacturers and retailers, including Tesco who has agreed a landmark health commitment to increase the share of healthy products in their stores from 58% to 65% by 2025. We also targeted 25 manufacturers and retailers with specific recommendations on improving their performance on nutrition.
- Becoming an investor signatory to the Access to Nutrition Initiative (ATNI) - a coalition of more than 70 investors which draws on the power of the private sector to address global nutrition challenges. We are partnering with other investors to collaboratively engage with food and drink manufacturers to address gaps identified in ATNI's 2021 Global Index of performance on nutrition.

Growing our impact investing portfolio

Our impact investment strategy is driven by a commitment to make more of our capital work for our mission. In 2018, we committed to investing 5% of our endowment in funds that have a positive impact on health and deliver a financial return. Through our portfolio of impact investments, we are backing bold ideas to come at issues from different angles – whether pioneering medical technology or helping to address social determinants of health like housing.

In 2020/21, our commitments to impact investments reached £31 million. This includes £7.5 million across three new investments made this year in two priority sectors: life sciences and affordable housing.

We committed £5 million across two new property impact funds, tackling the lack of affordable housing highlighted during the pandemic. Together, these pioneering funds aim to make 700 safe and affordable homes available to 6,300 people over the next 10 years, as well as achieve a financial return. Run by social impact investment firm Resonance, both funds aim to provide stable housing, backed up by tailored support services, to improve the opportunities, health and wellbeing of vulnerable groups. The Women in Safe Homes Fund will house women who have experienced domestic abuse, have left the criminal justice system or have complex mental health needs. The Resonance Everyone In Fund will help to house rough sleepers, scaling up the specialist support needed to keep them safe and off the streets.

In 2020/21, our commitments to impact investments reached £31 million. This includes £7.5 million across three new investments made in the year in two priority sectors: life sciences and affordable housing.

We also backed health technology of the future by committing £2.5 million with Eka Ventures, a venture capital fund investing in consumer technology start-ups. Their investment thesis focuses on 'shared value', delivering social impact in parallel with financial returns, which is in line with our own impact investing approach to building a more inclusive, healthy and sustainable society in the UK.

We have also deepened our work with our investment partners, Partners Capital, increased our monitoring and engagement with existing impact funds and improved our reporting on the portfolio to encompass health impact, as well as financial performance.

A responsible property owner and partner

Across our property portfolio, we aim to be a responsible owner, investor, and partner in developments. We consider how our properties can contribute to the health of individuals, communities, and the environment.

Our property investments performed well this year, as the sectors we operate in were largely unaffected by the impact the pandemic had on the property market.

We made good progress in our agricultural portfolio, securing planning permission at our Cambridge site for the first phase of the development of 200 homes, 40% of which will be affordable housing. We are committed to selling this asset to a responsible developer in 2021/22, one that shares our vision to integrate sustainability, improved biodiversity and health and wellbeing across the whole development.

We continue to work with our development partner, Stanhope, on plans to deliver a leading life sciences hub, with a focus on MedTech, at our Royal Street site, located opposite St Thomas' Hospital. We intend to apply for planning permission during 2022.

Property also played a part in our collective response to COVID-19. We provided free parking to staff at Guy's and St Thomas' NHS Foundation Trust in our car parks, offered rent relief to small business tenants unable to trade during lockdown, and agreed packages with residential and agricultural tenants to help them manage rental payments during the pandemic. We have started to apply new objectives to our property work that uphold our commitments to sustainability and climate change, community inclusivity and health and wellbeing.

We have started to apply new objectives to our property work that uphold our commitments to sustainability and climate change, community inclusivity and health and wellbeing.

Working with a team from University College London, we helped develop a new framework and a free online training platform to support better health through property development. THRIVES (Towards Healthy uRbanism: InclusiVe Equitable Sustainable) supports urban design and planning to ensure positive health impact is integrated into new developments, and to address knowledge gaps, providing strategic direction for professionals in the built environment and public health sectors.

Arts and heritage collection

We own one of the largest collections of health-related arts and heritage in Europe, which we use to enhance healthcare settings.

Due to the pandemic, new additions were comparatively reduced to other years, however we were still able to bring in new artworks to the collection, including generous gifts of seven portraits from the Dental School and by purchasing three prints by London-based designer Yinka Ilori. On site COVID-19 guidelines at our hospital sites meant we were unable to curate the collections to the extent we would have normally. However, this year we started work on a new system to manage our collections which will help us to identify the relevant and interesting works for display and those in need of conservation

As part of this collection, we own two statues with links to the trade of enslaved people. You can read more about our position on these statues in the diversity, equity and inclusion section of this report.

Better health for all through diversity, equity and inclusion

We are working to embed diversity, equity and inclusion (DEI) into everything we do as a charitable foundation. In 2019, we set an agenda for our approach to DEI which underpins how we manage our assets, who we employ and partner with, and how we make decisions. As we grow as an organisation and face a very different economic, social and political environment, there is a greater importance and urgency in building the foundations of a healthier society and reducing inequalities.

We made our commitment to embedding DEI not only because it is the right thing to do, but because we believe it will enable us to be more effective in driving health equity. Better health for all is within our reach, but to achieve this, we need a range of cultures, backgrounds and experiences to inform our organisational culture and practice.

Removing barriers to equity, diversity and inclusion across our own organisation, and building a just legacy as a foundation is central to this aim. To do this, we support a diverse pipeline of talent, partners and suppliers, and use our influence as a foundation to encourage and enable others to do the same.

The events of 2020 significantly changed the environment around us, and our DEI work became more important as the pandemic and global protests against systemic racism gave prominence to the urgent need to address these issues and their impact on health. This year, we focused our DEI efforts on the immediate and practical action needed to support our communities through our programmes work and as the charity for Guy's and St Thomas' NHS Foundation Trust, mentioned earlier in this report. We prioritised equipping our staff with relevant DEI training and knowledge. In the context of global events, we accelerated our work around our heritage, which can be read about in more detail below.

Our Diversity, Equity and Inclusion Lead and our DEI Core Working Group have worked across the organisation and conducted a review of our strategic approach which has already led to positive, practical changes in the way we work.

Our strategic approach

We measure our progress towards achieving our diversity, equity and inclusion goals against the Association of Charitable Foundations' nine pillars of good practice, set out in the association's work under *Stronger Foundations*. In 2020, we developed three clear strategic objectives around what we as a Foundation wanted to achieve through our diversity, equity and inclusion work and linked these to the nine pillars.

They are:

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

To achieve these objectives, this year, we have:

- Implemented a training programme to support and empower all current staff to develop their knowledge on equity, inclusion and power.
- Developed and implemented action plans for our programmatic funding, Trust engagement and recruitment processes with further plans 2021/22 to be formed for our board of Trustees, communications and for our emerging people strategy.
- Continued our development of a shared understanding on diversity, equity and inclusion, on how this relates to our values, and on its importance in achieving our mission. Agreeing our organisational definition of diversity and inclusion in 2019/20 and in 2021/22, defining what 'equity' means to us.
- To ensure we make a contribution to our place, now and in the future, we have four workstreams around areas of work we can build on, one of which is to create a just legacy. For example, undertook research to better understand our heritage and how it impacts on the health inequalities we see today.

In addition, we are committed to being a fair and inclusive employer and transparent in our reporting. We are a Living Wage employer and support flexible working, parental leave, part-time roles and job shares. We report annually on gender and ethnicity pay gaps of our staff and leadership, which can be found further on in this report.

Exploring our heritage and its impact today

Like many organisations in Britain, slavery is part of our history, and we believe we have a duty to understand and address this history and its legacies.

Last year was unique in global efforts to call for greater equity, diversity and representation, including in the public realm. In line with our charitable objectives, we are learning from our heritage and its impact on health and healthcare today.

Part of this is responding to an important debate that surfaced in summer 2020 around public statues and what they represent. This extended to two statues in our collection depicting Sir Robert Clayton and Thomas Guy, on public display outside our partner hospitals. Both men contributed to our endowment, and helped develop St Thomas' and Guy's hospitals. Both had connections to the transatlantic trade of enslaved people.

Being a charitable foundation focused on improving health involves tackling the health inequalities we see every day affecting Black communities, and making sure the public realm surrounding hospitals is welcoming to everyone.

As part of an emerging programme to understand our heritage and the impact of the legacy of slavery on health and healthcare today, two exploratory pieces of work were commissioned. Firstly, historical research confirmed that each man had connections to the trade of enslaved people. Informed by this research, and in line with advice from Historic England, we commissioned an independent public consultation to explore views on the statues from a wide range of audiences.

We recognise that these can be polarising debates and are grateful for the wide range of views that shaped these works and the recommendations that followed.

We are committed to tackling the impact of racism on health inequalities and supporting greater diversity within our organisation and work. Part of this is building a better understanding of our heritage and the impact of that legacy on health and healthcare today. To support this, we are working to increase the diversity of voices celebrated in the public realm through our arts collection and commissions within healthcare settings, and to understand further any historical links of our endowment with discriminatory practices.

Our plans for 2021/22

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

- Establish Impact on Urban Health as a national influencer and international partner, positioning us as one of the leading voices on childhood obesity in inner cities to reduce the childhood inequality gap.
- Develop world-class expertise in designing programmes focused on urban health issues, building a balanced portfolio for multiple long-term health conditions, launch the adolescent mental health programme and build the health effects of air pollution portfolio and strategy.
- Establish an approach to continuous improvement making the best use of evidence from evaluation, data, community voices, and project insights to increase programme effectiveness.
- Create effective strategies and partnerships to influence change at a national and international level, that makes clear the link between health and housing, work and finances in cities.
- Establish portfolio and define approach to research and development, use data and analytical approaches to support our urban health work, develop and test an evaluation approach across each programme.
- Respond energetically to the COVID-19 environment, developing projects and portfolios that aid in the post-pandemic recovery.

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

- Increase fundraised income for Guy's and St Thomas' NHS Foundation Trust, establishing a new approach to marketing and communications, enhancing stewardship and donor journeys to reach more donors.
- Establish new approaches to supporting the Trust. Implement new governance structures to strengthen collaboration and inclusivity and to streamline decision-making.
- Articulate our unique offer as a charity, completing the development of three new brands and digital ecosystems for Guy's & St Thomas' Charity, Evelina London Children's Charity and Guy's Cancer Charity.
- Increase support for strategic projects designed to enhance environments at the Trust and strengthen its role as a local employer.

- Provide effective and targeted support to the Trust to enhance its continued response to the COVID-19 emergency.
- Develop a culture of philanthropy and enhance working relationships.
- Deliver a comprehensive response to the consultation on the future of the statues of Thomas Guy and Sir Robert Clayton.

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

- Produce above benchmark returns on our financial assets.
- Deliver a strategic review of the endowment across property, impact and responsible investing.
- Build the team capacity, recruit and onboard a new Chief Investment Officer, who will then oversee endowment performance.
- Deliver significant financial and health gains from property development.
- Maintain a rigorous and consistent approach to endowment management.
- Capitalise on the development opportunities in the portfolio, including progress on Royal Street development, our plans for the Cambridge site and planning for Maple Cross.
- Embed impact investing as part of the endowment and deepen our ESG best practice work.
- Integrate a progressive and robust approach to responsible investing, including to our climate commitments.

4. Grow our effectiveness

- Build and support an enterprising, collaborative, delivery-minded and diverse team, delivering our People Strategy.
- Develop high-quality business insight through Business Systems team growth, new management tools and lean, professional and agile services.
- Enhance the reputation and voice of the Foundation, embedding new structures of specialist communications and marketing functions.

- Develop a culture, workforce and ways of working that nurture our values, cultivate momentum and embed diversity, equity and inclusion.
- Provide our growing team with the support, skills and environment they need to succeed.
- Rework our processes and systems for effectiveness and engagement.
- Embed governance that effectively manages risk and maximises delivery.

5. Act on our wider commitments to become a more responsible Foundation

Diversity, Equity and Inclusion

- Increase diversity of our workforce, partners and suppliers and ensure process, practices and behaviours are equitable and inclusive.
- Embed equity and inclusive practices into our work, developing and progressing action plans across our programmes, governance, communications and recruitment.
- Begin to build an equitable legacy for the Foundation and influence others to do the same, coordinating with other foundations to share good practice, take action and influence change.
- Create dedicated external communications on our DEI commitments and our DEI journey, influencing and advocating for DEI through our networks and platforms.
- Remove barriers to equity, inclusion and diversity within and across business units.
- Support a diverse pipeline of talent, partners and suppliers into the Foundation and influence others to do the same.

Climate Impact

- Arrive at an evidence-based and achievable goal and timeline to achieving net zero in our endowment, with a clear roadmap.
- Reduce our negative climate impact and add positive climate impact through our financial investments.
- Develop a plan to integrate a climate lens into our Impact on Urban Health programmes and address climate in our property portfolio.
- Seek out opportunities to add climate change impact that are aligned with our organisational mission, for example by looking for climate co-benefits through our health programmes.

Financial review

In an extraordinary year, we delivered a robust and thoughtful COVID-19 response across the organisation to support local communities and our partner Guy's and St Thomas' NHS Foundation Trust. The endowment weathered market storms brought about by the pandemic and produced a positive 20.5% return over the year. Donations increased 43% from last year in response to the significant needs of the NHS across the same period.

Financial Key Performance Indicators

Measure	Key Performance	Key Indications
Charitable commitments for Impact on Urban Health programmes	£17.6 million against a forecast of £19.8 million	A successful fourth year of programmatic activity resulted in 89% of forecast commitments being achieved, with a total value 24% higher than the previous year.
Funds raised	£9.8 million against a forecast of £6.9 million	A very successful year of fundraising which saw voluntary income reach 142% of target, including £1.5 million in donations and gifts in kind from our COVID-19 appeal.
Funds deployed as the charity for Guy's and St Thomas' NHS Foundation Trust	£10.9 million against a forecast of £12.6 million	Although total spending was £0.7m higher than last year, due to COVID-19 there was less capacity to progress other planned spending commitments.
Return on the endowment compared to benchmark	20.5 % return on endowment for 2020/21 compared to benchmark return of 16.2%	Strong returns were generated as financial markets recovered from the COVID-19 induced sell-off at the end of last year (February and March 2020).

Overview

We remain in a strong financial position with endowment funds of £881 million and free reserves of £38.3 million. Over the last five years, from March 2016, the net value of the endowment has grown from £589 million to the current £881 million whilst also releasing a total of £125 million to support charitable expenditure over the same period.

We supported our staff throughout the year and continued to build our team to deliver an increased level of direct charitable activity in line with our long-term strategy, in particular scaling up our support of our Impact on Urban Health programmes and responding to the needs of the Trust. We also grew our evaluation and data analytics teams, and our business support functions. As a result, staff costs increased from £3.5 million to £5.1 million.

Over the last five years, the net value of the endowment has grown from £589 million to £881 million and released £125 million to support charitable activity.

Other support costs increased slightly to £2.4 million from £2.0 million because of the additional investment in systems and infrastructure required to support the Foundation's increased levels of activity. Fundraising costs remain steady at £4.1 million, reflecting the full cost of the services provided under our contractual arrangement with our fundraising partner, King's College London.

The endowment transferred £28.5 million (2019/20: £27.1 million) to charitable activities. Despite the effect of this transfer, net assets of the endowment increased by 17.0% to £881 million. The endowment comfortably outpaced inflation of 1.5% for the year and remains well ahead of inflation as measured over rolling 15-year periods.

Investments

This year we saw the endowment return 20.5%. This was ahead of the composite asset class benchmark (which reflects the performance of diverse asset types we hold in the portfolio) which returned 16.2% and well ahead of UK inflation of 1.5%. The make-up of our investment portfolio was similar to last year.

TABLE 1 - Guy's & St Thomas' Foundation Performance Summary: 1 April 2020 - 31 March 2021

Asset Class	Strategic Asset Allocation Band (%)	Strategic Asset Allocation (%)	Allocation as at 31 March 2021 (%)	1 April 2020 - 31 March 2021		Allocation as at 31 March 2020 (%)
				Asset Class Performance (LC)	Benchmark Performance (LC)	
CASH	0-10	1	1.7	-	0.1%	1.5
GOLD	0-5	-	0	-1.4%	2.3%	-
LIQUID CREDIT & PRIVATE DEBT	0-12	5	3.8	10.2%	7.0%	7.3
ABSOLUTE RETURN	0-12	6	8	14.2%	22.1%	2.7
HEDGED EQUITIES	0-14	10	13.6	19.4%	32.2%	10.2
GLOBAL EQUITIES	17-35	23	19.4	66.7%	51.1%	25.4
PRIVATE EQUITY	5-17	12	13.4	31.9%	25.6%	10.7
COMPOSITE FINANCIAL ASSET CLASS PERFORMANCE (local currency)				36.0%	33.8%	
PROPERTY	30-50	40	39.4	4.6%	2.8%	42.3
COMPOSITE ASSET CLASS PERFORMANCE (local currency)				22.1%	20.5%	
CURRENCY GAIN OR LOSS				-4.1%	-4.3%	
COMPOSITE ASSET CLASS PERFORMANCE (GBP)				17.9%	16.2%	
PARTNERS CAPITAL FEES				0.0%	--	
RETURN ON GROSS INVESTMENT ASSETS (GDP)				18.0%	16.2%	
IMPACT OF LEVERAGE				2.6%		
RETURN ON ENDOWMENT EQUITY (GBP)				20.5%		

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

Global equity markets experienced significant disruptions at the end of our prior financial year due to worries over the economic effects of COVID-19. Despite the uncertainty coming into this financial year, equity and other financial markets recovered strongly helping drive our financial asset portfolio up by 36%, ahead of the 33.8% performance of our composite benchmark.

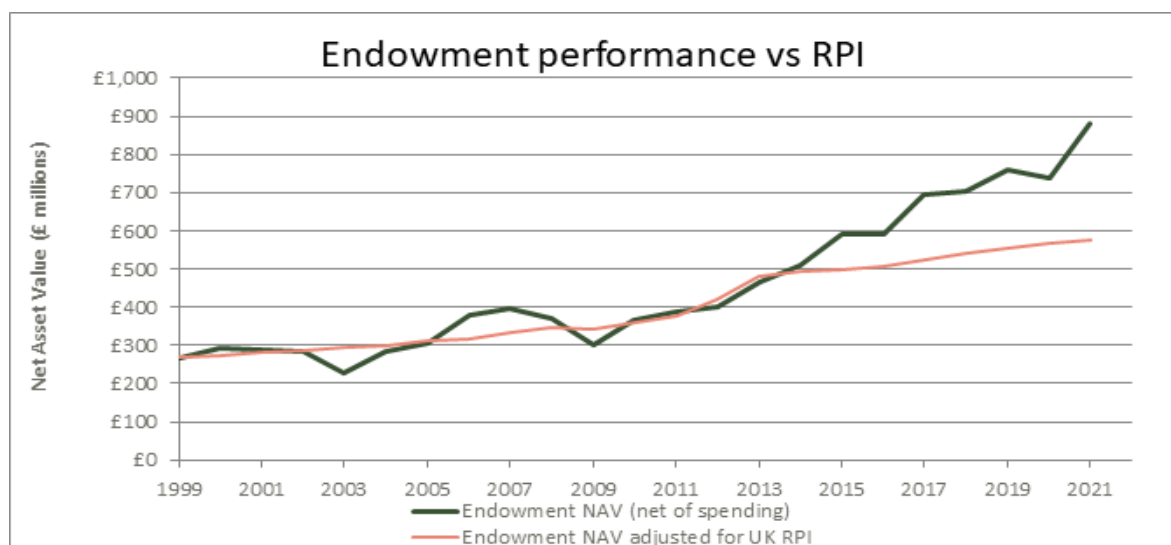
Our property portfolio returned 4.6% in the year compared to the benchmark of 2.8%. The portfolio has minimal exposure to the sectors hardest hit by COVID-19.

The costs of managing our investments in the endowment lowered by £2.7 million at £4.4 million for the year. This reflects mainly year-on-year fluctuations in financial investment advisory costs arising from a charging structure that is based on outperformance compared to a benchmark, rather than the more traditional fixed percentage of assets coupled with a share of the overall market performance.

Longer-term performance

Our Distribution Rule and Investment Policy sets out our approach to maintaining the value of the endowment over the long term in support of our charitable spending. This is measured against the UK's Retail Prices Index (RPI), measured over rolling 15-year periods. As shown in Chart 1 the value of the endowment has grown ahead of RPI in recent years.

CHART 1 - Guy's & St Thomas' Foundation Endowment vs. RPI



We also measure our endowment returns against a composite asset class benchmark and against global equity markets, as shown in Table 2 below.

TABLE 2 - Guy's & St Thomas' Foundation Endowment Returns

	Annualised returns over:		
	1 yr.	3 yrs.	5 yrs.
ENDOWMENT RETURN*	20.50%	11.10%	11.80%
UK RPI	0.90%	2.10%	2.70%
BENCHMARK **	16.20%	7.00%	8.50%

* Return on gross investment assets (GBP)

** Composite Asset Class benchmark (GBP)

Impact investing

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

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

We committed £7.5 million to three funds this year: Eka Ventures, which invests in consumer technology start-ups in the UK, focusing on companies working to contribute to an inclusive, healthy and sustainable society; and two new affordable housing impact property funds, both with Resonance - Resonance Everyone In and Women in Safe Homes.

Responsible approach to investing

Last financial year, we added an objective to our overall goals for the endowment to reflect our commitment to become a more responsible investor.

We believe that building a healthier society requires responsible business practices. We aim for all our investments to meet recognised ethical, environmental and governance standards and to be consistent with our values and our need to generate financial returns. We are working with our investment advisers to implement these principles within our financial assets and properties.

Increasingly, we consider the impact of our activity and investments on issues like climate change. In the year, we conducted a carbon footprint exercise encompassing all the Foundation's activities in order to inform the future development of a climate change strategy. We also choose not to invest directly in tobacco-related shares, bonds or property, and monitor carefully to keep any indirect investments in tobacco down to below 0.25% of our endowment. Our indirect tobacco exposure is 0.02% (2019/20: 0.08%) of the endowment. You can read more about our progress towards becoming a more responsible investor earlier in the report.

Reserves policy

Over the course of the year our total Unrestricted Funds remained unchanged at £68.8 million. As at 31 March 2021, £30.5 million of these funds were designated in the form of properties and other assets that are used in the provision of our charitable activities. This leaves the Foundation with free reserves of £38.3 million (2020: £39.8 million), which are managed through a Distribution Account.

The Foundation plans the distribution of its Unrestricted Funds through a five-year budget. Performance against the budget is reviewed annually. The budget is based on the distribution of all available resources projected to arise in the five-year period covered by the budget. In the five-year period commencing 1 April 2017, we plan to spend the projected available unrestricted resources of £121 million.

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

Principal risks and their management

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

- A long-term strategic plan, a five-year budget for charitable support and an annual budget for all income and expenditure – all of which are approved by the Trustees.
- Regular consideration by the executive team and Trustees of financial results and performance indicators.
- Periodic review of systems and controls by the Finance and Audit Committee supported by internal audit reports.
- Identification, management and ongoing review of risks. We are willing to take risks to be able to test and fund different projects. We have strengthened our systems for identifying and monitoring risks, as we know we need to take risks to achieve our charitable and other goals and will in 2021-22 review key external risks.

Funding

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

- **Programme strategies fail to deliver expected impact on health issues.** Mitigation actions include defining programme impact goals, theories of change and outcome forecasts to track progress. We embed evaluation and learning processes into programme and project design and review programme insight and learning to inform investment decision-making on a quarterly basis.
- **Insufficient scale and diversity of project pipeline to deliver planned activity on health issues.** To mitigate, programme strategies deliberately seek to maximise diversity of approaches and routes to impact on the health issue. We are optimising funding processes to attract a diverse range of delivery partners and undertake a monthly review of project pipeline plans at Business Unit Meetings and quarterly review of project pipeline plans at Programme Committees.
- **Failure to select effective delivery partners.** We are strengthening internal due diligence process and capability, and embedding programme and project learning into the decision-making process of our Executive Investment Committee (EIC), as well as using internal peer review of projects and collating and sharing insights in a knowledge management database.

- **Failure of delivery partners to achieve planned outcomes.** Mitigation includes defining clear project activity and outcome plans, building trusted relationships with delivery partners and active and regular monitoring of project activity and outcomes by programme managers.
- **Failure to effectively monitor and manage impact.** We partner with leading evaluation experts to design and implement programme evaluation strategies. In addition, we are developing an impact platform for management of impact at a programme and project level and have an evaluation advisory group to oversee design of programme evaluation strategies.
- **We are not able to produce and use the learning we need to improve our programme performance and influence others.** We mitigate this by working to ensure proper integration of learning, data and evaluation into programme strategy and implementation.

Fundraising and donated funds deployment

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

- **Actions relating to fundraising conflict with the Foundation's policies create bad publicity or contravene legislation.** We have embedded new fundraising structures with increased monitoring and transparency on working practices. We also maintain lines of communication and oversight between the Foundation and King's College London, including holding regular meetings, as well as undertaking regular reviews on key areas of best practice compliance, including GDPR, wealth screening, gift acceptance and insurance.
- **Outsourced fundraising arrangement (partnerships with King's College London and King's Health Partners), meaning that the Foundation does not have direct control over fundraising performance.** We have regular review points to monitor performance, including scheduled reporting, involvement in recruitment and monitoring staff morale. We also maintain lines of communication and oversight between the Foundation and King's, including regular meetings, reviews and reporting, as well as monitoring and responding to changes in regulations and other initiatives. We have also strengthened our review cycles and decision-making.
- **Partnership working, with a complex tri-partite relationship between the Foundation, Trust and King's hampers the ability of the Foundation to meet its fundraising targets.** Mitigation includes building engagement between leadership from the Foundation, King's and the Trust to achieve alignment and to maximise benefits. We have recruited senior fundraising leaders, as well as established clear processes for coordinating fundraising decision-making

across partners. In addition, we have implemented new management reporting based on key performance indicators and activity pipelines to enable timely understanding of whether goals are likely to be met. Furthermore, we review our fundraising strategy every four years to test this partnership working model.

- The Foundation fails to engage and support Trust staff in building a culture of fundraising and fund spending.** We have developed a funding strategy and are finding ways to demonstrate how we are having impact together, as well as initiating a senior cultural buy-in project. In addition, our Fundraising Committees and Leadership Team are providing integrated forums to bring together the Trust, the fundraising team and the Foundation, as well as other key stakeholders, to enable better transparency and partnership working.
- A significant percentage of income within the current fundraising strategy is for capital projects that require regulatory approval and the Trust to commit large-scale funding to proceed.** We mitigate this through reviewing our fundraising strategy to ensure capital priorities are balanced with non-capital pipeline and opportunities to offset risk and ensuring accurate reporting and risk mitigation through fundraising leadership. We have developed an understanding of key project timings for major capital projects and regulatory approval processes and maintain the ability to align fundraising investment to confidence levels.
- Brand strategy fails to engage with target audiences.** We have taken an audience led approach to brand development, testing at multiple stages with external audiences. We have also increased our understanding of our audiences to ensure we are able to effectively engage with them. We have developed implementation plans for each area, taking a phased approach to launch, providing opportunities to test and scale activity that will build the profile of the new brands with target audiences. We have held staff teach-ins to ensure the strategy and the role of staff in its implementation are well understood and have tested the new brands with our target audiences. We are establishing key performance indicators to demonstrate engagement.
- We fail to deliver our fundraising strategy.** Progress against the current fundraising strategy is progressing well, with outstanding performance in the year under review. We are now at the mid-way point of the strategy and are undertaking a strategic review to identify any adjustments within plan and to inform the development of the next strategy.

Investment

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

- Poor advice/management of portfolio by investment advisors resulting in a failure to manage for good returns and monitor outcomes.** The Chief Investment Officer plays an active role in the monitoring and reviewing of asset performance, allocation and manager selection. We review relationships with advisors on an annual basis, together with in-depth reviews every three to five years. In addition, we ensure appropriate composition and effectiveness of the Investment Committee.
- Failure to maintain investment risk levels in a severe market downturn by selling risk assets.** We ensure the investment strategy and distribution rule are fully understood by the Investment Committee including stress tests and scenario modelling for adverse markets, and make sure portfolio reporting includes longer term (15-year period) as well as quarterly information. Role-play of behaviour of Committee, advisers and staff in event of market dislocation is carried out every 36 months.
- Property development opportunities/transactions are delayed or do not deliver expected benefits.** Regular reporting to and oversight by the Property Committee is carried out, as well as ensuring the Property team is resourced to allow sufficient time to focus on key transactions. In addition, the Property team works to develop transaction processes and relationships to deliver good outcomes for the Foundation, our partners and our local communities across a range of criteria including quality, finance, risk, community benefit, sustainability, health and wellbeing.
- The health impact part of our impact and financial returns mandate is not adequately resourced and/or does not have appropriate systems to provide a platform for success.** We are developing a theory of change for the portfolio, a framework to analyse sectors of interest and rationale and a portfolio monitoring dashboard.
- Sensitive sectors and opportunities for engagement with them through the endowment may conflict with our mission and/or programmatic activities and approaches.** We assess the potential for the endowment to support or conflict with all four programmes or wider Foundation activities, as well as assess wider environmental, social and governance (ESG), climate change and diversity issues for potential to have positive impact through the endowment or reputational risk. Also, we monitor our investment managers for ESG engagement.

- **Societal expectations of how endowed charities invest their funds and increased attention given to ESG could differ from the Foundation's approach to responsible investing.** We monitor our investment managers for ESG engagement and consider the climate agenda in relation to our endowment.

Governance and operations

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

- **Failure to ensure staff culture across the brands and business units is aligned to, and drives, our values of enterprising, collaborative and delivery minded behaviours.** Mitigations include integrating our new brands and staff culture, professional support on our people strategy and office move, embedding our values into our performance process, developing a people strategy and maintaining a culture of feedback across the organisation.
- **Failure of Foundation's staff to engage with Trustees and committees to allow Trustees to provide effective oversight.** We carry out regular internal audits to highlight areas of weakness, as well as ensure effective and efficient flow of information from staff to Trustees and committees through board and committee meetings (use of board portal and 360° dashboards).
- **Fail to recruit and manage succession for a sufficiently diverse and talented board and staff team.** We are working to improve the diverse pool of candidates in recruitment activities and reduce any bias that inhibits diverse recruitment. We are working to three strategic objectives to help us to embed DEI across the organisation, led by a full-time member of staff dedicated to DEI work. We provide full visibility and monitoring of DEI activity within the business plan, which allows us to see if the structures that have been agreed are effective. We maintain competitive pay and benefits, which are reviewed annually and carry out gender and ethnicity pay benchmarking, as well as taking a professional approach to performance management, resource planning, recruitment and retention.
- **Failure to properly manage succession planning at senior levels, to grow and strengthen the depth of the senior team below executive team level and to ensure appropriate delegation of oversight.** We are working to create and maintain effective succession planning and staff learning and development plans. We are finalising our people strategy. We have successfully recruited an Executive Director of Operations and Executive Director of Programmes.

- **Rapid growth leads to operational strain on the Foundation, which in turn impacts the effectiveness of the Foundation in achieving its strategic goals and the wellbeing of its staff, in particular given the pace of change, both in growth of numbers and activities, during the COVID-19 pandemic.** To mitigate this, we closely monitor and recognise the impact of COVID-19 on staff wellbeing, through pulse surveys, capacity audits, leadership and staff discussions, mental health awareness emails and other means. We hold corporate half-terms to provide a break from corporate meetings and are working on ensuring we have sufficient resource within our Operations Directorate to support our activities.
- **Our focus as an organisation is not sufficiently tight - strategically, financially and/or operationally.** We mitigate this through our annual planning cycle and business plan monitoring and are adding additional consideration of priority into our planning processes.
- **Misallocation of resources relative to impact.** This is controlled through our annual planning process and budget monitoring.
- **Actions (including inaction) relating to historic sources of the Endowment have a negative impact on the Foundation's reputation, invite regulatory scrutiny and/or lead to damage to valuable artefacts.** We mitigate this by taking a robust, collaborative and transparent approach; consulting with experts to build a better understanding of our heritage and the impact of that legacy on health and healthcare today; understanding any further historical links of the endowment with discriminatory practices and helping to widen the public's understanding of the impact of difficult parts of its past on health inequalities today. We are also exploring ways in which we can increase the diversity of voices celebrated in the public realm through our arts collection and commissions within healthcare settings.

Engagement

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

- **Inability to effectively tell the story of our impact (project or organisation-wide) to influence key decision-makers as strongly as our theory of change requires.** We maintain a proactive approach to identifying insights within and outside of programmes (internal system). We also have in place a communications plan, identifying opportunities for targeted dissemination of insights (external sharing), as well as an active portfolio of committed amplification partners (local, national and international). In addition, we maintain strong working relationships between Communications and Funding to ensure we are representing thoughts, insights and impact appropriately.

- **Failure of major grant, other charitable or property project.** Mitigation includes ensuring both internal and external stakeholders understand that ambitious projects may, by their very nature, not always succeed. We also encourage an open culture at the Foundation, including the handling of any complaints, to help avoid the concealment of problems until it is too late to take corrective action. In addition, we clearly communicate the risks of particular projects to all project participants and, where appropriate, the wider public. We are also prepared to make full disclosure of and publicly discuss any failures.
- **Failure to effectively apply and review the Foundation's principles for indirect impact used for consideration of influencing opportunities.** We promote these principles across the Foundation to embed them in all teams, as well as reviewing them on an annual basis to ensure they still meet the needs of the Foundation. In addition, we are developing communications and influencing plans for each programme to ensure targeted activity.

Structure, governance and management

Foundation's object

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

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

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

Funding policy

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

Appointment of Trustees

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

Trustee changes

Duncan Selbie stepped down in August 2020. Dr Dhananjayan Sriskandarajah joined the board in April 2020 and Dr Nikita Kanani joined the board in February 2021.

Powers of investment

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

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

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

Fundraising

The Foundation's fundraising activities have been undertaken by King's College London (King's) since 2012. We have a contract with King's to cover these activities. King's reports regularly to the Foundation on fundraising activities, income, other key performance indicators and any issues arising, including complaints. These reports are discussed with King's and at the Foundation's Trust Engagement Committee whose composition includes a number of Foundation Trustees and senior executives from Guy's and St Thomas' NHS Foundation Trust.

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

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

The Foundation received 7 complaints during the year. The Foundation and King's take all such complaints seriously and respond appropriately to issues raised.

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

Public benefit

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

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

Everyone in our team plays an important role in helping to build the foundations of a healthier society. We are a Living Wage employer and support flexible working, parental leave, part-time roles and job shares.

Diversity, equity and inclusion within our team

To succeed as a Foundation, we need to draw on the broadest possible range of perspectives, expertise and talents. There is immense power in diversity, so we recruit and nurture talent who think and act differently. We also gather insight from our teams, by introducing questions around diversity and inclusion in our regular staff surveys, in order to understand how we are doing as an organisation. More information on how we are working to embed DEI across our organisation can be found earlier in this report.

Of the 80 people in the Foundation at 31 March 2021, 69% were female (68% in 2019/20) and 29% male (24% in 2019/20) and 2% preferred not to say. These numbers are similar to the previous year, reflecting the proportionate growth we experienced within our teams. Our Executive team is 33% female and 67% male.

As at 31 March 2021, half of our Trustees were female and 40% came from Black and other minoritised ethnic groups.

In 2020/21 roughly a quarter (26%) of employees¹ were Black or from other minoritised ethnic groups. As at 31 March 2021, 50% of our Trustees were female and 40% came from Black or other minoritised ethnic groups.

In 2020, we began to introduce questions on diversity and inclusion in our regular staff surveys. In February 2021, 87% of staff felt that their manager demonstrates a strong commitment to the Foundation's ambitions on diversity and inclusion. Our survey results help inform our strategy and provide insights into how we can better promote diversity and inclusion in our workforce.

Reporting on our pay gap

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

As at 31 March 2021, our median gender pay gap was 0%, the same as in the previous year.

	Male		Female		Gap	Gap
	Number	Percent	Number	Percent	Mean	Median
Upper quartile	8	10%	11	14%	21%	37%
Upper middle quartile	6	8%	18	23%	4%	4%
Lower middle quartile	3	4%	12	15%	2%	0%
Lower quartile	6	8%	14	18%	13%	18%
All staff	23	29%	55	69%	25%	0%

¹ Based on data from our in-house analysis on diversity and inclusion at the Foundation as at March 2021.

Our ethnicity pay gap shows no significant structural gap, with a median gap of -1% and a mean gap of -2%.

	<i>White</i>		<i>Black and other minoritised ethnic groups</i>		<i>Gap</i>	<i>Gap</i>
	Number	Percent	Number	Percent	Mean	Median
Upper quartile	14	18%	5	6%	-5%	22%
Upper middle quartile	16	20%	8	10%	-1%	1%
Lower middle quartile	14	18%	2	3%	5%	6%
Lower quartile	14	18%	6	8%	-1%	0%
All staff	58	73%	21	26%	-2%	-1%

We use this data as our team grows to try and address bias in pay by equalising pay across like-for-like roles at all levels. In our recruitment process, we continue to use name and gender-blind applications, ensure our job adverts are checked for gender bias and actively advertise positions to reach diverse audiences.

Our median gender pay gap remains at 0.0%, while our median ethnicity pay gap stands at -1%.

Remuneration

The governing principles of the Foundation's remuneration policy are to set pay levels that:

- Help us to attract and retain a motivated workforce with the skills and expertise necessary for organisational effectiveness.
- Are equitable, understandable and coherent across the Foundation.
- Are appropriate in the context of the wider Foundation sector and the interests of the organisations we partner with and the people and communities we support.

These principles apply to all staff, including senior executives. Below we include information on staff compensation by salary band. This covers staff who were on payroll at 31 March 2021 and shows the full-time equivalent pay to help compare rates of pay better. An alternative, more detailed breakdown of the remuneration of senior employees based on actual payments made is available in section 8 of the Notes to the Financial Statements below.

TABLE 3 - Salary Band for staff as at 31 March 2021

Salary band	Number of staff
£20,000 - £60,000	51
£60,000 - £100,000	20
£100,000 - £150,000	8
Over £150,000	1
	80

All staff employed before 1 Jan 2020 were awarded a pay increase of 2.5% on 1 April 2020. Over the course of 2020/21, pay rises of greater than 10% were made to three members of the Executive Committee, in two cases reflecting an increase in management responsibilities and in one case reflecting market benchmarking.

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

Trustees' responsibilities

Responsibilities of the board

The Trustees (who are also directors of Guy's and St Thomas' Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations. Company law requires the board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the board are required to:

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

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

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

A Trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

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

- The charitable company's reputation for high standards of business conduct.
- Need to act fairly between members of the charitable company.

Statement of disclosure to the auditor

So far as the board of Trustees are aware:

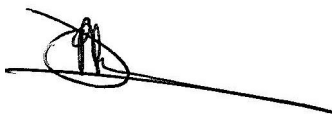
- There is no relevant audit information of which the charity's auditors are unaware.
- They have taken all steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

Auditors

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

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

By order of the board:



Paul Brown

23 September 2021

Organisation

Our staff

Our Executive Team is made up of:

Kieron Boyle, Chief Executive

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

Moray McConnachie, Executive Director of Operations

Andy Ratcliffe, Executive Director of Programmes

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

David Renton, Executive Director of Finance, left the Foundation in March 2021. Moray McConnachie and Andrew Ratcliffe joined in January 2021 and September 2020 respectively. Details of our Executive Team and a full list of our staff members are available on our website.

Trustee board



Wol Kolade CBE is the Managing Partner of private equity investor Livingbridge. Wol holds a number of non-executive positions. He is currently on the board of Somerset House, NHS Improvement and is a former Chair of the British Private Equity and Venture Capital Association. Since 2017, he has been an Emeritus Governor of LSE. He became Chair of the Foundation in October 2015 and stepped down in August 2021.



Sally Tennant OBE brings many years' experience in the banking and investment sectors. She is founder of Acorn Capital Advisers, an independent wealth adviser, after serving as Chief Executive of Kleintworth Benson from 2011 to March 2014. Sally was previously Chief Executive of Lombard Odier (UK) Ltd, after four years as Chief Executive of Schroders Private Banking. Sally is the vice- chair and also chairs our Childhood Obesity Programme Committee.



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



Helen Bailey is an experienced public sector leader. She has most recently worked in an advisory capacity with iMPower and as Chief Executive of the London Borough of Sutton, a senior treasury official and the Chief Officer of the Mayor's Office for Policing and Crime. She was a member of the board of Clarion Housing Group. Helen is the Chair of our Trust Engagement Committee.



Tom Joy is the Director of Investments at Church Commissioners for England. He began his career as a graduate trainee at Royal Sun Alliance Investment Management. He then joined Schroders and held a variety of different roles culminating in becoming Head of Investment - Multi-Manager. He then joined RMB Asset Management as Chief Investment Officer. Tom chairs our Investment Committee.



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



Paul Brown is General Manager, Europe for HTC, a virtual reality and smartphone technology company. He is an experienced media and technology executive having previously held leadership positions at The Walt Disney Company, EMEA as Senior Vice President of its Interactive and Direct to Consumer division and prior to that in the digital music and media space with Spotify, Pandora and Sony Music. Paul chairs our Finance and Audit Committee.



Katherine Ward is Chief Commercial Officer and MD, UK and Europe for Healthy.io a digital healthcare startup. She has worked in healthcare for 26 years: 15 years in the UK NHS in both provider and payer roles and 11 years with UnitedHealth Group where she was the Chief Executive of UnitedHealth UK and latterly the Chief Growth Officer for Optum International. Katherine chairs our Adolescent Mental Health Programme Committee.



Dr Danny Sriskandarajah joined Oxfam GB as Chief Executive in January 2019. Prior to this he held leadership roles at CIVICUS, the global civil society alliance, the Royal Commonwealth Society, the Commonwealth Foundation and the Institute for Public Policy Research. He is a Trustee of the Disasters Emergency Committee. Danny holds a Masters and Doctorate from Oxford University, and an undergraduate degree from the University of Sydney. Danny chairs our Multiple Long-Term Conditions Programme Committee.



Dr Nikki Kanani, a respected leader in health, joined us in February 2021 as a new Trustee to our board. Nikki is a practising GP, based close to the heart of our location in South East London. Since 2018, Nikki has been the Medical Director for Primary Care for NHS England and NHS Improvement; the first woman to be appointed to this post. Prior to joining NHS England as Deputy Medical Director of Primary Care, she was Chief Clinical Officer of NHS Bexley Clinical Commissioning Group (CCG) and she currently sits on The King's Fund General Advisory Group.

Company Secretary



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

Committees

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

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

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

Board Committees

Investment Committee

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

The Investment Committee has two sub-committees:

Impact Investment Committee

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

Property Committee

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

Finance and Audit Committee

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

Nomination and Remuneration Committee

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

Trust Engagement Committee

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

Strategy Advisory Group

The group is made up of multi-disciplinary, national experts who help us to focus on impact, to derive insight and lessons from our work and to effectively influence others to act. It reports to the board of Trustees. This committee did not meet during this financial year.

Programme Committees

Programme Committee - Childhood obesity

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

Programme Committee - Multiple long-term conditions

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

Programme Committee - Health effects of air pollution

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

Programme Committee - Adolescent mental health

We are exploring different approaches to developing the adolescent mental health programme committee by hosting informal roundtables and themed strategy challenge sessions ahead of forming our committee later this year. We began by inviting 18 experts from the NHS, local government, mental health research, schools and communities in Lambeth and Southwark to a first informal roundtable in March 2021 to help us to refine and shape our emerging programme strategy.

Trust Committees

Evelina Children's Fund Committee

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

Cancer Funds Committee

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

The Charitable Fund Committee

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

The Samaritan Fund Committee

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

Advisors and relationships with external charities

Newcomen Collett Foundation

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

Auditors (Statutory)

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

Auditors (Internal)

KPMG LLP, 15 Canada Square, Canary Wharf, London E14 5GL

Bankers

NatWest, 91 Westminster Bridge Road, London SE1 7HT

Insurance brokers

Brunel Insurance Brokers, 40 Lime Street, London EC3M 7AW

Investment advisors

Partners Capital LLP, 5 Young Street, London W8 5E

Property advisers

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

Property managers

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

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

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

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

Lawyers (charity and general legal support)

Withers, 20 Old Bailey, London EC4M 7AN

Lawyers (property)

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

Burgess Salmon, One Glass Wharf, Bristol, BS2 0ZX

Auditor's Report and Financial Statements

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

Opinion

We have audited the financial statements of Guy's and St Thomas' Foundation for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 68 of this report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

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

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

Our approach was as follows:

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

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

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

A handwritten signature in black ink that reads "Moore Kingston Smith LLP". The signature is written in a cursive, flowing style.

Luke Holt (Senior Statutory Auditor)

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 7 October 2021

Consolidated Statement of Financial Activities

(incorporating an Income and Expenditure Account)

For the year ended 31 March 2021

	Notes	2021				2020			
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Income from:									
Investments	2	1,796	16	15,693	17,505	2,216	141	17,405	19,762
Release from endowment funds	3	28,353	187	(28,540)	-	26,873	218	(27,091)	-
Grant income	4	1,150	-	-	1,150	-	-	-	-
Donations, legacies and other	5	1,464	8,368	-	9,832	487	6,385	-	6,872
Total income		32,763	8,571	(12,847)	28,487	29,576	6,744	(9,686)	26,634
Expenditure on:									
Raising funds									
Investment costs	6	270	-	6,687	6,957	480	-	9,357	9,837
Fundraising cost	6	536	3,561	-	4,097	281	3,854	-	4,135
		806	3,561	6,687	11,054	761	3,854	9,357	13,972
Charitable activities									
Grants	6	23,769	3,205	-	26,974	18,552	2,171	-	20,723
Other charitable activities	6	5,320	2,399	-	7,719	3,815	4,745	-	8,560
		29,089	5,604	-	34,693	22,367	6,916	-	29,283
Total expenditure	8	29,895	9,165	6,687	45,747	23,128	10,770	9,357	43,255
Net income/(expenditure) before gains and losses on investments		2,868	(594)	(19,534)	(17,260)	6,448	(4,026)	(19,043)	(16,621)
Net gains/(losses) on revaluation and disposal of investments	10	89	-	162,694	162,783	841	-	(3,015)	(2,174)
Net income/(expenditure)		2,957	(594)	143,160	145,523	7,289	(4,026)	(22,058)	(18,795)
Transfers between funds	20	(2,899)	2,899	-	-	(4,040)	4,040	-	-
Other recognised losses									
Loss on revaluation of tangible fixed assets	9	(24)	-	-	(24)	(12)	-	-	(12)
Net movement in funds		34	2,305	143,160	145,499	3,237	14	(22,058)	(18,807)
Reconciliation of funds									
Total funds brought forward		68,812	8,786	737,349	814,947	65,575	8,772	759,407	833,754
Total funds carried forward		68,846	11,091	880,509	960,446	68,812	8,786	737,349	814,947

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

An analysis of the movements in funds is shown in notes 16 to 18.

The notes on pages 91 to 114 form part of these financial statements

Consolidated Balance Sheet

As at 31 March 2021

	Notes	2021				2020			
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000
Fixed assets									
Tangible assets	9	3,837	-	-	3,837	3,799	-	-	3,799
Investments	10	26,802	-	985,155	1,011,957	25,330	-	848,477	873,807
		<u>30,639</u>	<u>-</u>	<u>985,155</u>	<u>1,015,794</u>	<u>29,129</u>	<u>-</u>	<u>848,477</u>	<u>877,606</u>
Current assets									
Investments	10	-	-	16,154	16,154	-	-	-	-
Debtors	11	846	655	6,095	7,596	653	313	15,017	15,983
Inter-fund loan	12	65,000	-	(65,000)	-	65,000	-	(65,000)	-
Cash and short term deposits	13	10,402	21,950	15,353	47,705	9,906	19,557	4,886	34,349
		<u>76,248</u>	<u>22,605</u>	<u>(27,398)</u>	<u>71,455</u>	<u>75,559</u>	<u>19,870</u>	<u>(45,097)</u>	<u>50,332</u>
Creditors: Amounts falling due within one year									
Grant creditors	7	24,393	6,320	-	30,713	21,565	6,181	-	27,746
Other creditors	14	2,899	2,890	4,806	10,595	5,434	3,262	6,031	14,727
		<u>27,292</u>	<u>9,210</u>	<u>4,806</u>	<u>41,308</u>	<u>26,999</u>	<u>9,443</u>	<u>6,031</u>	<u>42,473</u>
Net current assets/(liabilities)		<u>48,956</u>	<u>13,395</u>	<u>(32,204)</u>	<u>30,147</u>	<u>48,560</u>	<u>10,427</u>	<u>(51,128)</u>	<u>7,859</u>
Total assets less current liabilities		<u>79,595</u>	<u>13,395</u>	<u>952,951</u>	<u>1,045,941</u>	<u>77,689</u>	<u>10,427</u>	<u>797,349</u>	<u>885,465</u>
Creditors: Amounts falling due after one year									
Grant creditors	7	10,749	2,181	-	12,930	8,877	1,402	-	10,279
Other creditors		-	123	12,442	12,565	-	239	-	239
Private placement loan	15	-	-	60,000	60,000	-	-	60,000	60,000
		<u>10,749</u>	<u>2,304</u>	<u>72,442</u>	<u>85,495</u>	<u>8,877</u>	<u>1,641</u>	<u>60,000</u>	<u>70,518</u>
Total net assets		<u>68,846</u>	<u>11,091</u>	<u>880,509</u>	<u>960,446</u>	<u>68,812</u>	<u>8,786</u>	<u>737,349</u>	<u>814,947</u>
Funds of the charity									
Income funds									
Unrestricted		50,577	-	-	50,577	50,589	-	-	50,589
Unrestricted - revaluation reserve	19	18,269	-	-	18,269	18,223	-	-	18,223
	16	68,846	-	-	68,846	68,812	-	-	68,812
Restricted	17	-	11,091	-	11,091	-	8,786	-	8,786
		<u>68,846</u>	<u>11,091</u>	<u>-</u>	<u>79,937</u>	<u>68,812</u>	<u>8,786</u>	<u>-</u>	<u>77,598</u>
Capital funds									
Endowment funds		-	-	385,324	385,324	-	-	406,395	406,395
Endowment funds - revaluation reserve	19	-	-	495,185	495,185	-	-	330,954	330,954
	18	-	-	880,509	880,509	-	-	737,349	737,349
Total funds		<u>68,846</u>	<u>11,091</u>	<u>880,509</u>	<u>960,446</u>	<u>68,812</u>	<u>8,786</u>	<u>737,349</u>	<u>814,947</u>

Approved by the Trustees and signed on their behalf:



Paul Brown

23 September 2021

The notes on pages 91 to 114 form part of these financial statements

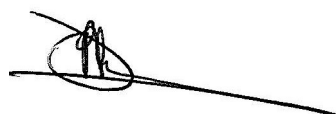
Balance Sheet

As at 31 March 2021

	Notes	2021				2020			
		Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total at 31 March £000
Fixed assets									
Tangible assets	9	3,837	-	-	3,837	3,799	-	-	3,799
Investments	10	24,758	-	986,075	1,010,833	23,298	-	847,240	870,538
		<u>28,595</u>	<u>-</u>	<u>986,075</u>	<u>1,014,670</u>	<u>27,097</u>	<u>-</u>	<u>847,240</u>	<u>874,337</u>
Current assets									
Debtors	11	903	655	8,936	10,494	680	313	16,289	17,282
Inter-fund loan	12	65,000	-	(65,000)	-	65,000	-	(65,000)	-
Cash and short term deposits	13	10,378	21,950	15,229	47,557	9,892	19,557	4,833	34,282
		<u>76,281</u>	<u>22,605</u>	<u>(40,835)</u>	<u>58,051</u>	<u>75,572</u>	<u>19,870</u>	<u>(43,878)</u>	<u>51,564</u>
Creditors: Amounts falling due within one year									
Grant creditors	7	24,393	6,320	-	30,713	21,565	6,181	-	27,746
Other creditors	14	2,901	2,888	4,697	10,486	5,434	3,262	6,010	14,706
		<u>27,294</u>	<u>9,208</u>	<u>4,697</u>	<u>41,199</u>	<u>26,999</u>	<u>9,443</u>	<u>6,010</u>	<u>42,452</u>
Net current assets/(liabilities)		<u>48,987</u>	<u>13,397</u>	<u>(45,532)</u>	<u>16,852</u>	<u>48,573</u>	<u>10,427</u>	<u>(49,888)</u>	<u>9,112</u>
Total assets less current liabilities		<u>77,582</u>	<u>13,397</u>	<u>940,543</u>	<u>1,031,522</u>	<u>75,670</u>	<u>10,427</u>	<u>797,352</u>	<u>883,449</u>
Creditors: Amounts falling due after one year									
Grant creditors	7	10,749	2,181	-	12,930	8,877	1,402	-	10,279
Other creditors		-	123	-	123	-	239	-	239
Private placement loan	15	-	-	60,000	60,000	-	-	60,000	60,000
		<u>10,749</u>	<u>2,304</u>	<u>60,000</u>	<u>73,053</u>	<u>8,877</u>	<u>1,641</u>	<u>60,000</u>	<u>70,518</u>
Total net assets		<u>66,833</u>	<u>11,093</u>	<u>880,543</u>	<u>958,469</u>	<u>66,793</u>	<u>8,786</u>	<u>737,352</u>	<u>812,931</u>
Funds of the charity									
Income funds									
Unrestricted		53,354	-	-	53,354	53,360	-	-	53,360
Unrestricted - revaluation reserve	19	13,479	-	-	13,479	13,433	-	-	13,433
	16	66,833	-	-	66,833	66,793	-	-	66,793
Restricted	17	-	11,093	-	11,093	-	8,786	-	8,786
		<u>66,833</u>	<u>11,093</u>	<u>-</u>	<u>77,926</u>	<u>66,793</u>	<u>8,786</u>	<u>-</u>	<u>75,579</u>
Capital funds									
Endowment funds		-	-	386,268	386,268	-	-	407,308	407,308
Endowment funds - revaluation reserve	19	-	-	494,275	494,275	-	-	330,044	330,044
	18	-	-	880,543	880,543	-	-	737,352	737,352
Total funds		<u>66,833</u>	<u>11,093</u>	<u>880,543</u>	<u>958,469</u>	<u>66,793</u>	<u>8,786</u>	<u>737,352</u>	<u>812,931</u>

A separate Statement of Financial Activities and Income and Expenditure Account are not presented for the Foundation itself as the Foundation has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The net income of the Foundation only for the year ended 31 March 2021 was £145,537,000 (2020: net expenditure of £18,543,000).

Approved by the Trustees and signed on their behalf:



Paul Brown
23 September 2021
The notes on pages 91 to 114 form part of these financial statements

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	31 March 2021 £000	31 March 2020 £000
Notes		
Cash flows from operating activities:		
Net cash used in operating activities	(12,533)	(30,741)
Cash flows from investing activities:		
Rents, dividends and interest from investments	17,505	19,762
Proceeds from sale of investments	192,995	143,342
Purchase of investments	(183,001)	(131,315)
Purchase of tangible fixed assets	(92)	(29)
Net cash provided by investing activities	27,407	31,760
Change in cash and cash equivalents in the reporting period	14,874	1,019
Cash and cash equivalents at the beginning of the reporting period	13 34,349	33,282
Change in cash and cash equivalents due to exchange rate movements	(1,518)	48
Cash and cash equivalents at the end of the reporting period	13 47,705	34,349
Reconciliation of net income to net cash flow from operating activities		
	31 March 2021 £000	31 March 2020 £000
Net (expenditure)/income for the reporting period	145,523	(18,795)
Adjustments for:		
Depreciation charges	29	29
(Gains)/loss on investments	(162,783)	2,174
Programme related investments written off	5	39
Rents, dividends and interest from investments	(17,505)	(19,762)
Donated fixed assets	(1)	(7)
Decrease in debtors	8,387	2,627
Increase in grants payable	5,618	2,624
Increase in other creditors	8,194	330
Net cash used in operating activities	(12,533)	(30,741)
Increase in grants payable comprises:		
Grants awarded	23,410	17,742
Grants paid out	(17,749)	(15,068)
Change in fair value	(43)	(50)
	5,618	2,624

The notes on pages 91 to 114 form part of these financial statements

Notes to the Financial Statements

1. Accounting Policies

1.1 General

The financial statements have been prepared under the historical cost convention, with the exception of: investments and works of art which are included at market value; and grant creditors payable after more than one year which are included at their present value. The financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102"), the Statement of Recommended Practice for Accounting and Reporting by Charities issued in January 2015 ("Charity SORP") as amended by Update Bulletin 2 issued in October 2018, and applicable United Kingdom law and accounting standards. The Foundation's a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered (i) possible events or conditions that might cast significant doubt on the ability of the Foundation to continue as a going concern, including the impact of the ongoing COVID-19 situation, (ii) the Foundation's forecasts and projections, and (iii) potential pressures on income. This assessment has been made for a period of at least one year from the date of approval of the financial statements. After making enquiries, the trustees have concluded that there is a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. The Foundation therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Fund accounting

The Foundation maintains various types of funds and descriptions of these funds are provided in notes 15 to 17. Income and expenditure on these funds is shown separately within the Statement of Financial Activities and analysed into their main components also in notes 16 to 18.

There are three main types of funds as follows:

- Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Foundation.
- Restricted funds represent funds where the grants and donations are requested by the donor to be spent on a specific purpose.
- Endowment funds are funds which are held as the long term capital of the Foundation to provide an on-going income to expend in furtherance of the Foundation's objects. The Foundation has two types of endowment funds; those expendable at the Trustees' discretion (expendable endowment funds) and those which must be permanently held as capital (permanent endowment funds). A total return approach to investment has been adopted for both types of endowment fund under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Foundation has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term (see note 3).

1.4 Critical accounting estimates and judgements

The Foundation's management is required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, as well as assessments regarding the impact of the ongoing COVID-19 situation including inherent uncertainties of the evolving post-COVID environment. The results of the estimates and assumptions form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The judgements which have the most significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

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

1.5 Income

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

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

1.6 Expenditure

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

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

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

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

Notes to the Financial Statements

1. Accounting Policies (continued)

1.7 Pension contributions and employee benefits

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

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

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

1.8 Allocation and apportionment of costs

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

1.9 Tangible fixed assets

Capitalisation:

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

Valuation:

- Leasehold improvements and fixtures, fittings and equipment are included at cost less depreciation where applicable.
- Works of art which are included in the Foundation's art collection are included at open market value where such a market exists for a particular asset. Assets for which there is no ready open market and for which the original cost is not available are included at a nominal value. The entire collection was professionally valued as at 31 March 2021.

Depreciation:

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

Impairment:

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

1.10 Fixed asset investments

- Property assets are included at market valuation. Investment properties are valued annually by professional valuers and the last full valuation was as at 31 December 2020. Subsequent to the year end, the Foundation has obtained assurance from its valuers that these valuations have not been materially changed, including as a result of the ongoing COVID-19 situation.
- Listed investments are included in the Balance Sheet at market value as at 31 March 2021. There has not been any material reduction in market valuations subsequent to the balance sheet date, included as a result of the ongoing COVID-19 situation.
- Unlisted Investments are valued with reference to the most recent valuations provided by the fund managers, all of which were as at 31 March 2021. The Foundation does not believe that there is any evidence of any material reduction in these valuations subsequent to the balance sheet date, including as a result of the ongoing COVID-19 situation..

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

1.11 Financial instruments

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

Basic financial instruments are recognised in the accounts as follows:

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

Other financial instruments are used as part of the Foundation's portfolio management and risk management strategy. The Foundation's use of other financial instruments during the year ended 31 March 2021 comprised forward dated contracts for the purchase and sale of foreign currencies ("forward FX contracts") which are both initially recognised and subsequently measured at their fair value in the balance sheet with gains and losses recognised in the statement of financial activities.

1.12 Grant creditors

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

1.13 Consolidation

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

Notes to the Financial Statements (continued)

2. Income from investments

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Financial investments								
Financial investments								
Dividends, distributions and interest								
Global equity	-	-	975	975	-	-	2,021	2,021
Private equity	-	-	4	4	-	-	9	9
Programme related financial investments								
Royalties and interest	7	-	-	7	-	-	-	-
	7	-	979	986	-	-	2,030	2,030
Property investments								
Property investments								
Rents	-	-	15,769	15,769	-	-	16,482	16,482
Other income	-	-	5	5	-	-	22	22
Programme related property investments								
Rents	716	-	-	716	949	-	-	949
	716	-	15,774	16,490	949	-	16,504	17,453
Interest								
Cash and short term deposits	9	16	4	29	66	141	72	279
Inter-fund loan (see note 11)	1,064	-	(1,064)	-	1,201	-	(1,201)	-
	1,073	16	(1,060)	29	1,267	141	(1,129)	279
	1,796	16	15,693	17,505	2,216	141	17,405	19,762

3. Release from endowment funds

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
For disbursement under the Foundation's distribution rule	28,353	-	(28,353)	-	26,873	-	(26,873)	-
Permanent endowments total return allocated to income	-	187	(187)	-	-	218	(218)	-
	28,353	187	(28,540)	-	26,873	218	(27,091)	-

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

4. Grant income

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Grant income								
South East London CCG	1,000	-	-	1,000	-	-	-	-
Clean Air Fund	150	-	-	150	-	-	-	-
	1,150	-	-	1,150	-	-	-	-

The grant from South East London CCG is an unconditional award of £1,000,000. The grant from Clean Air Fund is a conditional award with a total value of £2,000,000 over a four year term from 1 January 2021 to 31 December 2023, of which the conditions relating to £150,000 had been met prior to 31 March 2021. The Foundation has also been awarded a grant with a total value of £1,499,800 from Wellcome Trust prior to 31 March 2021, none of the conditions for which have yet been met.

5. Income from donations, legacies and other

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Donations and legacies								
Donations	1,210	7,460	-	8,670	413	5,911	-	6,324
Legacies	252	905	-	1,157	69	448	-	517
	1,462	8,365	-	9,827	482	6,359	-	6,841
Charitable activities	-	-	-	-	-	23	-	23
Other	2	3	-	5	5	3	-	8
	1,464	8,368	-	9,832	487	6,385	-	6,872

Notes to the Financial Statements (continued)

6. Total expenditure

	2021					
	Grants	Art	Other	Total	Investments	Fundraising
	£000	£000	charitable	charitable	£000	£000
			activities	activities		
			£000	£000		
Unrestricted funds						
Direct expenditure						
Property investments	-	-	-	-	170	-
Grants awarded	20,552	-	-	20,552	-	-
Other direct	-	129	3,389	3,518	-	531
	20,552	129	3,389	24,070	170	531
Support costs						
Salary and other payroll	2,229	123	1,109	3,461	68	5
Other support	1,022	50	508	1,580	32	-
Depreciation	10	7	5	22	-	-
	3,261	180	1,622	5,063	100	5
Change in fair value						
Grants creditors	(44)	-	-	(44)	-	-
Total unrestricted funds	23,769	309	5,011	29,089	270	536
Restricted funds						
Direct expenditure						
Grants awarded	2,859	-	-	2,859	-	-
Other direct	-	-	2,071	2,071	-	3,560
	2,859	-	2,071	4,930	-	3,560
Support costs						
Salary and other payroll	236	-	224	460	-	1
Other support	109	-	103	212	-	-
Depreciation	1	-	1	2	-	-
	346	-	328	674	-	1
Total restricted funds	3,205	-	2,399	5,604	-	3,561
Endowment funds						
Direct expenditure						
Financial investments	-	-	-	-	249	-
Property investments	-	-	-	-	2,608	-
	-	-	-	-	2,857	-
Support costs						
Salary and other payroll	-	-	-	-	1,079	-
Other support	-	-	-	-	514	-
Depreciation	-	-	-	-	5	-
	-	-	-	-	1,598	-
Interest costs						
Private placement loan	-	-	-	-	2,206	-
Other interest	-	-	-	-	26	-
	-	-	-	-	2,232	-
Total endowment funds	-	-	-	-	6,687	-
	26,974	309	7,410	34,693	6,957	4,097
Of which:						
Total direct expenditure	23,411	129	5,460	29,000	3,027	4,091

Notes to the Financial Statements (continued)

6. Total expenditure (continued)

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

Notes to the Financial Statements (continued)

6. Total expenditure (continued)

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

Total expenditure includes auditor's remuneration of £38,154 (2020: £30,633) in respect of the external audit of the statutory accounts.

Direct charitable expenditure

	Total 2017 £000	Total 2018 £000	Total 2019 £000	Total 2020 £000	Total 2021 £000	Total 2017-2021 £000
By activity - five year profile						
Grants						
Unrestricted	11,402	7,982	12,685	15,866	20,551	68,486
Restricted	<u>2,449</u>	<u>10,419</u>	<u>2,874</u>	<u>1,876</u>	2,859	<u>20,477</u>
	<u>13,851</u>	<u>18,401</u>	<u>15,559</u>	<u>17,742</u>	23,410	<u>88,963</u>
Art	<u>187</u>	<u>87</u>	<u>97</u>	<u>107</u>	129	<u>607</u>
Other charitable activities						
Special purpose funds	1,844	2,531	2,035	4,452	2,071	12,933
Charity commissioned research/convening	224	639	775	2,846	5,054	9,538
Donations and other charitable support	436	-	-	-	-	436
Programme related investment write down	-	4,209	-	-	-	4,209
Other	<u>168</u>	<u>153</u>	<u>439</u>	<u>89</u>	(1,664)	<u>(815)</u>
	<u>2,672</u>	<u>7,532</u>	<u>3,249</u>	<u>7,387</u>	5,461	<u>26,301</u>
	<u>16,710</u>	<u>26,020</u>	<u>18,905</u>	<u>25,236</u>	29,000	<u>115,871</u>
By recipient - five year profile						
Guy's and St Thomas' NHS Foundation Trust	<u>9,711</u>	<u>15,919</u>	<u>8,584</u>	<u>10,243</u>	10,489	<u>54,946</u>
Other King's Health Partners:						
King's College London	1,422	(173)	2,364	850	756	5,219
South London and Maudsley NHS Foundation Trust	560	40	(12)	(4)	-	584
King's College Hospital NHS Foundation Trust	<u>(28)</u>	<u>-</u>	<u>-</u>	<u>-</u>	-	<u>(28)</u>
	<u>1,954</u>	<u>(133)</u>	<u>2,352</u>	<u>846</u>	756	<u>5,775</u>
Other organisations	<u>5,045</u>	<u>10,234</u>	<u>7,969</u>	<u>14,147</u>	17,755	<u>55,150</u>
	<u>5,045</u>	<u>10,234</u>	<u>7,969</u>	<u>14,147</u>	17,755	<u>55,150</u>
	<u>16,710</u>	<u>26,020</u>	<u>18,905</u>	<u>25,236</u>	29,000	<u>115,871</u>

Notes to the Financial Statements (continued)

7. Grants awarded by recipient

	Awarded Total 2021 Number	Awarded Unrestricted 2021 £000	Awarded Restricted 2021 £000	Awarded Total 2021 £000	Unrestricted Creditors 31 March 2020 £000	Restricted Creditors 31 March 2020 £000	Unrestricted Payments Made 2021 £000	Restricted Payments Made 2021 £000	Unrestricted Creditors 31 March 2021 £000	Restricted Creditors 31 March 2021 £000
Guy's and St Thomas' NHS Foundation Trust	87	5,697	2,721	8,418	9,214	7,109	(3,875)	(1,726)	11,036	8,104
Other King's Health Partners:										
King's College London	4	618	138	756	6,319	283	(1,988)	(47)	4,949	374
South London and Maudsley NHS Foundation Trust	-	-	-	-	305	-	(212)	-	93	-
	4	618	138	756	6,624	283	(2,200)	(47)	5,042	374
Others:										
School Food Matters	2	1,311	-	1,311	1,127	-	(1,762)	-	676	-
Pecan	1	595	-	595	-	-	-	-	595	-
The Liminal Space	1	569	-	569	-	-	-	-	569	-
London Borough of Southwark	1	550	-	550	-	-	-	-	550	-
BiteBack 2030 Ltd	1	520	-	520	-	-	-	-	520	-
High Trees Community Development Trust	1	506	-	506	-	-	-	-	506	-
The Social Innovation Partnership Ltd	1	500	-	500	-	-	(227)	-	273	-
Global Black Thrive CIC	2	493	-	493	699	-	-	-	1,192	-
Centre for Responsible Credit	1	472	-	472	-	-	(223)	-	249	-
Imperial College London	1	330	-	330	-	-	-	-	330	-
Other	90	8,399	-	8,399	13,016	191	(7,440)	(168)	13,975	23
	102	14,245	-	14,245	14,842	191	(9,652)	(168)	19,435	23
Individuals	-	(9)	-	(9)	90	-	(81)	-	-	-
	193	20,551	2,859	23,410	30,770	7,583	(15,808)	(1,941)	35,513	8,501
Fair value adjustments					(328)	-			(371)	-
					30,442	7,583			35,142	8,501

Notes to the Financial Statements (continued)

7. Grants awarded by recipient (continued)

Five year profile

	Awarded Total 2017 £000	Awarded Total 2018 £000	Awarded Total 2019 £000	Awarded Total 2020 £000	Awarded Total 2021 £000	Awarded Total 2021 £000
Guy's and St Thomas' NHS Foundation Trust	7,388	12,385	5,853	5,347	8,418	39,391
Other King's Health Partners:						
King's College London	1,422	774	3,310	1,235	756	7,497
South London and Maudsley NHS Foundation Trust	560	40	(12)	(4)	-	584
King's College Hospital NHS Foundation Trust	(28)	-	-	-	-	(28)
	1,954	814	3,298	1,231	756	47,444
Other organisations:						
Thames Reach	1,957	2,042	(219)	-	(133)	3,647
School Food Matters	-	-	-	1,127	1,311	2,438
Clean Air Fund	-	-	-	2,000	-	2,000
The Social Innovation Partnership Ltd	-	-	-	1,000	500	1,500
Pembroke House	-	481	449	484	-	1,414
Alexandra Rose Charity	-	237	1,049	93	-	1,379
Healthwatch Lambeth	-	498	-	739	-	1,237
ShareAction	-	-	1,100	110	-	1,210
NHS Southwark CCG	20	-	367	528	67	982
Oasis Hub Waterloo	-	-	-	894	-	894
Breathe Arts Health Research	165	201	234	265	-	865
Evolve A Social Impact Company	-	-	210	644	-	854
Design Council	-	-	-	765	-	765
London South Bank University	675	-	-	-	-	675
Pecan	-	-	-	-	595	595
Liminal Space	-	-	-	-	569	569
London Borough of Southwark	-	-	-	-	550	550
Grantham Practice	-	345	196	-	-	541
BiteBack 2030 Ltd	-	-	-	-	520	520
NHS Lambeth CCG	-	60	455	-	-	515
High Trees Community Development Trust	-	-	-	-	506	506
Global Black Thrive CIC	-	-	-	-	493	493
Centre for Responsible Credit	-	-	-	-	472	472
Shift Design	-	-	403	-	50	453
Imperial College London	-	-	-	-	330	330
Other	1,652	1,281	2,100	2,455	8,415	15,903
	4,469	5,145	6,344	11,104	14,245	41,307
Individuals	40	57	63	60	(9)	211
	13,851	18,401	15,558	17,742	23,410	88,962
	Number	Number	Number	Number	Number	Number
Guy's and St Thomas' NHS Foundation Trust	66	68	106	85	87	412
Other King's Health Partners:						
King's College London	20	10	16	6	4	56
South London and Maudsley NHS Foundation Trust	2	-	-	-	-	2
King's College Hospital NHS Foundation Trust	-	-	-	-	-	-
	22	10	16	6	4	58
Other organisations	39	35	39	39	102	254
Individuals	39	34	53	46	-	172
	166	147	214	176	193	896

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

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

Notes to the Financial Statements (continued)

8. Staff costs

Analysis of total staff costs

	2021 £000	2020 £000
Salaries and wages	4,115	2,785
Social security costs	470	317
Other pension costs	489	330
	5,074	3,432

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

Number of employees

	2021 Number	2020 Number
Average monthly number of employees in the year	69	48

Pension creditor

	2021 £000	2020 £000
Pension contributions due but not yet paid	16	15

Key management personnel

The total employment costs of key management personnel, who are the six members of the Foundation's Executive Team, during the year were £785,000 (2020: £664,000), of which £637,000 (2020: £525,000) was salaries, £76,000 (2020: £70,000) employer's National Insurance contributions and £72,000 (2020: £69,000) pension contributions.

Remuneration of senior employees

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

	2021 Number	2020 Number
£60,001 to £70,000	5	6
£70,001 to £80,000	8	2
£80,001 to £90,000	1	1
£90,001 to £100,000	2	1
£110,001 to £120,000	-	1
£120,001 to £130,000	1	2
£140,001 to £150,000	1	1
£160,001 to £170,000	1	-

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

Pension contributions for senior employees

The following pension contributions were made for senior employees:

	Total value of contributions £000	Number of staff
Defined benefit schemes	53	4
Defined contribution schemes	144	14
Personal pension allowance	17	1

9. Tangible fixed assets

	Art Collection £000	Leasehold Improve- ments £000	Fixtures, Fittings and Equipment £000	Total £000
Group and Company				
Cost or valuation				
Balance at 31 March 2020	3,719	192	197	4,108
Acquisitions	3	74	15	92
Revaluation	(24)	-	-	(24)
Balance at 31 March 2021	3,698	266	212	4,176
Depreciation				
Balance at 31 March 2020	-	122	187	309
Charge for the year	-	22	8	30
Balance at 31 March 2021	-	144	195	339
Net book value at 31 March 2021	3,698	122	17	3,837
Net book value at 31 March 2020	3,719	70	10	3,799
Original cost at 31 March 2021	4,769	266	212	5,247
Original cost at 31 March 2020	4,786	192	197	5,175

The Foundation's accounting policy is to capitalise only those assets with a cost of £5,000 or above. As the majority of IT and other office equipment items purchased have a cost of less than this threshold, they are charged in full to the SoFA in the year of acquisition. During the year, the total cost of IT and other office equipment purchased was £15,000 (2020: £54,000).

Notes to the Financial Statements (continued)

10. Fixed and current asset investments

	2021			2020		
	Investments	Programme Related Investments	Total	Investments	Programme Related Investments	Total
Group	£000	£000	£000	£000	£000	£000
Fixed assets						
Unrestricted funds						
Financial investments	10	6,718	6,728	8	5,314	5,322
Property investments	-	20,074	20,074	-	20,008	20,008
	10	26,792	26,802	8	25,322	25,330
Endowment funds						
Financial investments	608,644	-	608,644	467,136	-	467,136
Property investments	376,511	-	376,511	381,341	-	381,341
	985,155	-	985,155	848,477	-	848,477
Current assets						
Endowment funds						
Property investments	16,154	-	16,154	-	-	-
Total investments						
Financial investments	608,654	6,718	615,372	467,144	5,314	472,458
Property investments	392,665	20,074	412,739	381,341	20,008	401,349
	1,001,319	26,792	1,028,111	848,485	25,322	873,807

Land owned by a subsidiary company with a market value (after deduction of promotor's commission) of £16,154,000 at 31 March 2021 received planning permission for development during the year and the group expects to complete a sale of this land before 31 March 2022. Accordingly, the net market value of this land was transferred from fixed assets to current assets as at 31 March 2021.

Company						
Unrestricted funds						
Financial investments	10	4,674	4,684	8	3,282	3,290
Property investments	-	20,074	20,074	-	20,008	20,008
	10	24,748	24,758	8	23,290	23,298
Endowment funds						
Financial investments	608,644	-	608,644	467,136	-	467,136
Property investments	377,431	-	377,431	380,104	-	380,104
	986,075	-	986,075	847,240	-	847,240
Total funds						
Financial investments	608,654	4,674	613,328	467,144	3,282	470,426
Property investments	377,431	20,074	397,505	380,104	20,008	400,112
	986,085	24,748	1,010,833	847,248	23,290	870,538

Notes to the Financial Statements (continued)

10.1 Investments

Group	Market	Disposals	Acquisitions	Net Gains	Market
	Value	at Carrying	at cost	on	Value
	31 March 2020 £000	Value £000	£000	Revaluation £000	31 March 2021 £000
Unrestricted funds					
Financial investments					
Global equity	8	-	-	2	10
Endowment funds					
Financial investments					
Global equity	200,911	(97,276)	25,206	63,251	192,092
Hedged equity	87,418	-	40,257	6,310	133,985
Private equity	98,175	(12,488)	21,834	45,298	152,819
Absolute return	22,008	(4,663)	59,568	2,378	79,291
Credit	50,121	(27,240)	11,618	3,858	38,357
Property funds	4,465	(85)	-	431	4,811
Multi-asset class	4,617	(154)	-	1,454	5,917
Forward FX contracts	(579)	-	-	1,657	1,078
Other	-	(8,703)	8,812	185	294
	467,136	(150,609)	167,295	124,822	608,644
Property investments	381,341	(90)	14,241	(2,827)	392,665
	848,477	(150,699)	181,536	121,995	1,001,309
	848,485	(150,699)	181,536	121,997	1,001,319
Company					
Unrestricted funds					
Financial investments					
Global equity	8	-	-	2	10
Endowment funds					
Financial investments					
Global equity	200,911	(97,276)	25,206	63,251	192,092
Hedged equity	87,418	-	40,257	6,310	133,985
Private equity	98,175	(12,488)	21,834	45,298	152,819
Absolute return	22,008	(4,663)	59,568	2,378	79,291
Credit	50,121	(27,240)	11,618	3,858	38,357
Property funds	4,465	(85)	-	431	4,811
Multi-asset class	4,617	(154)	-	1,454	5,917
Forward FX contracts	(579)	-	-	1,657	1,078
Other	-	(8,703)	8,812	185	294
	467,136	(150,609)	167,295	124,822	608,644
Property investments	380,104	(90)	635	(3,218)	377,431
	847,240	(150,699)	167,930	121,604	986,075
	847,248	(150,699)	167,930	121,606	986,085

Notes to the Financial Statements (continued)

10.1 Investments (continued)

Analysis of market value and historic cost

Group	Listed UK	Listed Overseas	Listed UK	Unlisted Overseas	2021 Total	2020 Total
	£000	£000	£000	£000	£000	£000
Global equity	10	188,717	-	3,375	192,102	200,919
Hedged equity	-	46,563	-	87,422	133,985	87,418
Private equity	-	-	4,739	148,080	152,819	98,175
Absolute return	-	-	-	79,291	79,291	22,008
Credit	-	829	18,922	18,606	38,357	50,121
Property funds	-	-	4,811	-	4,811	4,465
Multi-asset class	-	-	-	5,917	5,917	4,617
Forward FX contracts	-	-	-	1,078	1,078	(579)
Property	-	-	392,665	-	392,665	381,341
Other	-	-	294	-	294	-
Market value at 31 March 2021	10	236,109	421,431	343,769	1,001,319	
<i>Market value at 31 March 2020</i>	<i>8</i>	<i>254,474</i>	<i>404,452</i>	<i>189,551</i>		<i>848,485</i>
Historic cost at 31 March 2021	-	133,787	193,790	247,533	575,110	
<i>Historic cost at 31 March 2020</i>	<i>-</i>	<i>194,225</i>	<i>213,803</i>	<i>146,611</i>		<i>554,639</i>
Company						
Global equity	10	188,717	-	3,375	192,102	200,919
Hedged equity	-	46,563	-	87,422	133,985	87,418
Private equity	-	-	4,739	148,080	152,819	98,175
Absolute return	-	-	-	79,291	79,291	22,008
Credit	-	829	18,922	18,606	38,357	50,121
Property funds	-	-	4,811	-	4,811	4,465
Multi-asset class	-	-	-	5,917	5,917	4,617
Forward FX contracts	-	-	-	1,078	1,078	(579)
Property	-	-	377,431	-	377,431	380,104
Other	-	-	294	-	294	-
Market value at 31 March 2021	10	236,109	406,197	343,769	983,085	
<i>Market value at 31 March 2020</i>	<i>10</i>	<i>292,609</i>	<i>396,453</i>	<i>173,231</i>		<i>847,248</i>
Historic cost at 31 March 2021	-	133,787	180,184	247,533	561,504	
<i>Historic cost at 31 March 2020</i>	<i>-</i>	<i>206,329</i>	<i>204,456</i>	<i>213,459</i>		<i>554,635</i>

Notes to the Financial Statements (continued)

10.2. Programme related investments

	Market Value 31 March 2020 £000	Disposals at Carrying Value £000	Acquisitions at cost £000	Net Gains on Revaluation £000	Market Value 31 March 2021 £000
Group					
Unrestricted funds					
Property	20,008	-	-	66	20,074
Other	5,314	(63)	1,465	2	6,718
	<u>25,322</u>	<u>(63)</u>	<u>1,465</u>	<u>68</u>	<u>26,792</u>
Historic cost at 31 March 2021					6,902
<i>Historic cost at 31 March 2020</i>					6,103
Company					
Unrestricted funds					
Property	20,008	-	-	66	20,074
Other	3,282	(57)	1,449	-	4,674
	<u>23,290</u>	<u>(57)</u>	<u>1,449</u>	<u>66</u>	<u>24,748</u>
Historic cost at 31 March 2021					5,750
<i>Historic cost at 31 March 2020</i>					6,463

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

Notes to the Financial Statements (continued)

10.3 Net gains on revaluation and disposal of investments

Group	2021			2020		
	Investment £000	Programme Related Investments £000	Total £000	Investment £000	Programme Related Investments £000	Total £000
Unrestricted funds						
Unrealised gains/(losses)						
Financial investments	2	2	4	(2)	222	220
Property investments	-	66	66	-	598	598
	2	68	70	(2)	820	818
Realised gains						
Property investments	-	-	-	-	(49)	(49)
	-	-	-	-	(49)	(49)
Other gains/(losses)	19	-	19	72	-	72
Total gains/(losses)						
Financial investments	2	2	4	(2)	222	220
Property investments	-	66	66	-	549	549
Other	19	-	19	72	-	72
	21	68	89	70	771	841
Endowment funds						
Unrealised gains/(losses)						
Financial investments	124,819	-	124,819	(1,496)	-	(1,496)
Property investments	(2,827)	-	(2,827)	914	-	914
	121,992	-	121,992	(582)	-	(582)
Realised gains/(losses)						
Financial investments	42,239	-	42,239	(2,679)	-	(2,679)
Property investments	-	-	-	270	-	270
	42,239	-	42,239	(2,409)	-	(2,409)
Other gains/(losses)	(1,537)	-	(1,537)	(24)	-	(24)
Total gains/(losses)						
Financial investments	167,058	-	167,058	(4,175)	-	(4,175)
Property investments	(2,827)	-	(2,827)	1,184	-	1,184
Other	(1,537)	-	(1,537)	(24)	-	(24)
	162,694	-	162,694	(3,015)	-	(3,015)
Total funds						
Total gains/(losses)						
Financial investments	167,060	2	167,062	(4,177)	222	(3,955)
Property investments	(2,827)	66	(2,761)	1,184	549	1,733
Other	(1,518)	-	(1,518)	48	-	48
	162,715	68	162,783	(2,945)	771	(2,174)

Notes to the Financial Statements (continued)

10.4. Subsidiary undertakings

The Foundation owns 100% of the following subsidiary undertakings.

- GSTC Property Investments Limited (registered in England and Wales number 7369879). The principal activity of this company is investment in land and buildings with long-term development potential. The company made a profit of £2,699,047 for the year ended 31 March 2021 and its net assets at that date amounted to £20,794,911. Its accounts have been consolidated into the Group accounts. The Foundation's investment in this subsidiary undertaking has been valued at the net asset value and is included in direct property investments in the Foundation's accounts.
- GSTC Health Innovations Limited (registered in England and Wales number 6852696). The principal activities of this company are investment in healthcare technology innovations arising out of King's Health Partners (and the wider entrepreneurial community in Lambeth and Southwark) and commercialisation of these innovations. The company made a loss of £7,625 for the year ended 31 March 2021 and its net assets at that date amounted to £3,506,865. Its accounts have been consolidated into the Group accounts. The Foundation's investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased of £1,497,434.
- GSTC Property Developments Ltd (registered in England and Wales number 6861110, previously named GSTC Health Investments Limited). The principal activity of the company is to undertake commercial and trading activities for the benefit of Guy's and St Thomas' Foundation or any linked charity of which the Foundation is trustee. The company made a loss of £48,424 for the year ended 31 March 2021. Its net liabilities at that date were £48,423. The Foundation's investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased of £1.

GSTC Property Investments Ltd

Summary Income and Expenditure account
for the year ended 31 March 2021

	£
Gross income	21,825
Expenditure	(410,482)
Net expenditure	(388,657)
Investment gains	3,087,704
Net profit	2,699,047

Summary Balance Sheet
as at 31 March 2021

	£
Tangible fixed assets	19,875,001
Net current assets	16,133,894
Total assets less net current liabilities	36,008,895
Creditors due after one year	(15,213,984)
Net assets and shareholder's funds	20,794,911

GSTC Health Innovations Ltd

Summary Income and Expenditure account
for the year ended 31 March 2021

	£
Gross income	6,801
Expenditure	(16,012)
Net expenditure	(9,211)
Net investment gains	1,586
Net loss	(7,625)

Summary Balance Sheet
as at 31 March 2021

	£
Tangible fixed assets	3,541,071
Net current liabilities	(34,206)
Total assets less net current liabilities	3,506,865
Net assets and shareholder's funds	3,506,865

GSTC Property Developments Ltd

Summary Income and Expenditure account
for the year ended 31 March 2021

	£
Gross income	-
Expenditure	(48,424)
Net expenditure	(48,424)
Net loss	(48,424)

Summary Balance Sheet
as at 31 March 2021

	£
Tangible fixed assets	-
Net current assets	61,577
Total assets less net current liabilities	61,577
Creditors due after one year	(110,000)
Net liabilities and shareholder's funds	(48,423)

Notes to the Financial Statements (continued)

11. Debtors

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Debtors falling due within one year	496	655	6,095	7,246	503	313	15,017	15,833
Debtors falling due after one year	350	-	-	350	150	-	-	150
	846	655	6,095	7,596	653	313	15,017	15,983
Company								
Debtors falling due within one year	553	655	6,052	7,260	530	313	15,010	15,853
Debtors falling due after one year	350	-	2,884	3,234	150	-	1,279	1,429
	903	655	8,936	10,494	680	313	16,289	17,282

11.1. Debtors falling due within one year

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Prepayments	237	-	53	290	276	-	-	276
Accrued income	2	203	12	217	9	169	611	789
Due from sale of investments	-	-	567	567	-	-	11,516	11,516
Other debtors	257	452	5,463	6,172	218	144	2,890	3,252
	496	655	6,095	7,246	503	313	15,017	15,833
Company								
Prepayments	237	-	53	290	276	-	263	539
Accrued income	-	203	34	237	7	169	360	536
Amount due from subsidiary undertakings	59	-	-	59	30	-	-	30
Due from sale of investments	-	-	567	567	-	-	11,516	11,516
Other debtors	257	452	5,398	6,107	217	144	2,871	3,232
	553	655	6,052	7,260	530	313	15,010	15,853

11.2. Debtors falling due after one year

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Charitable loans	350	-	-	350	150	-	-	150
	350	-	-	350	150	-	-	150
Company								
Loans to subsidiary undertakings	-	-	2,884	2,884	-	-	1,279	1,279
Charitable loans	350	-	-	350	150	-	-	150
	350	-	2,884	3,234	150	-	1,279	1,429

The loans to subsidiary undertakings comprise the following:

- A loan of £1,267,000 to GSTC Property Investments Ltd drawn down under a facility of £9,000,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 4.5% per annum, and repayable no later than 9 December 2034 or earlier at the option of that company.
- A loan of £1,507,000 to GSTC Property Investments Ltd drawn down under a facility £30,000,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 2.75% per annum, and repayable no later than 31 December 2024 or earlier at the option of that company.
- A loan of £110,000 to GSTC Property Developments Ltd drawn down under a facility of £1,750,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 2% per annum, and repayable no later than 29 November 2023 or earlier at the option of that company.

Notes to the Financial Statements (continued)

12. Inter-fund loan

Within the unrestricted fund, the Foundation's policy is to closely match the total of grant liabilities and the balance on the distribution account with cash or cash equivalents. In order to enable the unrestricted fund to obtain a better return on this cash than would be available in the money market without incurring additional market risk, on 9 April 2013 the unrestricted fund lent £50,000,000 to the endowment fund for an initial term of 5 years, and with effect from 9 April 2018 the facility was renewed for a further 5 years with an upper loan limit of £65,000,000. Repayments of any amount can be requested by the unrestricted fund or the endowment fund at any time. The unrestricted fund receives interest on this loan at a rate of 12 month sterling LIBOR + 0.8% fixed annually on the anniversary of the commencement of the loan which is paid by transfers from the endowment fund to the unrestricted fund. At 31 March 2020 the balance outstanding was £65,000,000 and during the year the balance fluctuated between this amount and the balance outstanding at 31 March 2021 of £65,000,000, in accordance with the cash requirements of the unrestricted fund.

13. Cash and short term deposits

	2021				2020			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Group								
Short term deposits								
within one month	5,613	21,949	-	27,562	3,014	14,500	502	18,016
between one month and three months	-	-	-	-	-	2,500	-	2,500
	5,613	21,949	-	27,562	3,014	17,000	502	20,516
Cash at bank and in hand	4,789	1	15,353	20,143	6,891	2,557	4,384	13,833
	10,402	21,950	15,353	47,705	9,906	19,557	4,886	34,349
Company								
Short term deposits								
within one month	5,613	21,949	-	27,562	3,014	14,500	502	18,016
between one month and three months	-	-	-	-	-	2,500	-	2,500
	5,613	21,949	-	27,562	3,014	17,000	502	20,516
Cash at bank and in hand	4,765	1	15,229	19,995	6,877	2,557	4,331	13,766
	10,378	21,950	15,229	47,557	9,892	19,557	4,833	34,282

14. Other creditors falling due within one year

	2021				2020			
	Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	Funds	Funds	Funds	Funds	Funds
	£000	£000	£000	£000	£000	£000	£000	£000
Group								
Purchase creditors	1,621	-	89	1,710	4,308	-	-	4,308
Accruals	67	-	2,871	2,938	168	-	3,810	3,978
Deferred investment property income	152	-	1,846	1,998	152	-	2,221	2,373
Tax and social security	273	-	-	273	44	-	-	44
Pension creditors	68	-	-	68	15	-	-	15
Other creditors	718	2,890	-	3,608	747	3,262	-	4,009
	2,899	2,890	4,806	10,595	5,434	3,262	6,031	14,727
Company								
Purchase creditors	1,622	-	-	1,622	4,308	-	-	4,308
Accruals	67	-	2,861	2,928	168	-	3,796	3,964
Deferred investment property income	152	-	1,836	1,988	152	-	2,214	2,366
Tax and social security	275	-	-	275	44	-	-	44
Pension creditors	68	-	-	68	15	-	-	15
Other creditors	717	2,888	-	3,605	747	3,262	-	4,009
	2,901	2,888	4,697	10,486	5,434	3,262	6,010	14,706

Deferred investment property income represents rent received in advance of the period to which it relates and generally arises where, under the terms of a property lease, rent is due to be paid in advance at the commencement of a quarterly or half-yearly rental period. For the years ended 31 March 2020 and 2021, no income was deferred for more than six months and all amounts included in deferred income at the end of each year were released to the statement of financial activities during the subsequent year.

Notes to the Financial Statements (continued)

15. Private placement loan

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

16. Unrestricted funds

Group	Balance					Balance
	1 April					31 March
	2020	Income	Expenditure	Transfers	Gains and Losses	2021
	£000	£000	£000	£000	£000	£000
Programme-related investment funds						
Charitable property fund	20,008	-	-	-	66	20,074
Health innovations investments fund	5,322	-	-	(9)	1,405	6,718
	25,330	-	-	(9)	1,471	26,792
Art collection fund	3,719	-	-	3	(24)	3,698
Distribution account	39,763	32,763	(29,895)	(2,893)	(1,382)	38,356
	68,812	32,763	(29,895)	(2,899)	65	68,846
Company						
Programme-related investment funds						
Charitable property fund	20,008	-	-	-	66	20,074
Health innovations investments fund	3,067	-	-	1,525	82	4,674
	25,330	-	-	1,525	148	24,748
Art collection fund	3,719	-	-	3	(24)	3,698
Distribution account	39,999	32,766	(29,891)	(4,427)	(60)	38,387
	69,048	32,766	(29,891)	(2,899)	64	66,833
	Balance					Balance
	1 April					31 March
	2019	Income	Expenditure	Transfers	Gains and Losses	2020
	£000	£000	£000	£000	£000	£000
Group						
Programme-related investment funds						
Charitable property fund	20,035	-	-	-	(27)	20,008
Health innovations investments fund	5,138	-	-	-	184	5,322
	25,173	-	-	-	157	25,330
Art collection fund	3,699	-	-	32	(12)	3,719
Distribution account	36,703	29,576	(23,128)	(4,072)	683	39,763
	65,575	29,576	(23,128)	(4,040)	828	68,812
Company						
Programme-related investment funds						
Charitable property fund	20,035	-	-	-	(27)	20,008
Health innovations investments fund	3,093	-	-	(108)	82	3,067
	23,128	-	-	(108)	55	23,075
Art collection fund	3,699	-	-	32	(12)	3,719
Distribution account	36,468	29,766	(23,038)	(3,964)	766	39,999
	63,295	29,766	(23,038)	(4,040)	809	66,793

The distribution account represents the free reserves of the Foundation.

Notes to the Financial Statements (continued)

17. Restricted funds

Group and Company	Balance 1 April 2020	Income	Expenditure	Transfers	Balance 31 March 2021
	£000	£000	£000	£000	£000
Evelina Children's Hospital funds					
The Evelina Children's Hospital Appeal	1,092	2,946	(1,744)	(249)	2,045
Other Evelina funds	1,172	354	(360)	-	1,166
	2,264	3,300	(2,104)	(249)	3,211
Guy's Hospital Cancer funds					
Integrated Cancer Centre Fund	541	1,887	(598)	-	1,830
Other cancer funds	1,475	471	(504)	-	1,442
	2,016	2,358	(1,102)	-	3,272
Other Restricted funds					
St Thomas' Lupus Trust Fund	794	399	(78)	-	1,115
LFRUPA	331	92	1	-	424
Next Generation Nightingale Fund	286	-	(21)	-	265
Academic Cardiology Fund	212	-	-	-	212
Hunt Legacy for Dialysis Machines	-	200	-	-	200
Department of Nuclear Medicine Fund	195	18	(23)	-	190
Directorate of Infectious Disease	104	50	-	-	154
St John's Hospital	259	101	(240)	-	120
Samaritan Fund	278	113	(289)	-	102
Guy's Hospital Nurses League	124	54	(89)	-	89
Other funds	1,923	1,886	(1,001)	(1,071)	1,737
	4,506	2,913	(1,740)	(1,071)	4,608
Unapportioned costs	-	-	(4,219)	4,219	-
	8,786	8,571	(9,165)	2,899	11,091
Group and Company	Balance 1 April 2019	Income	Expenditure	Transfers	Balance 31 March 2020
	£000	£000	£000	£000	£000
Evelina Children's Hospital funds					
The Evelina Children's Hospital Appeal	566	1,661	(1,135)	-	1,092
Other Evelina funds	1,610	2,049	(2,455)	(32)	1,172
	2,176	3,710	(3,590)	(32)	2,264
Guy's Hospital Cancer funds					
Integrated Cancer Centre Fund	326	393	(178)	-	541
Other cancer funds	1,712	863	(1,100)	-	1,475
	2,038	1,256	(1,278)	-	2,016
Other Restricted funds					
St Thomas' Lupus Trust Fund	189	800	(195)	-	794
LFRUPA	298	78	(45)	-	331
Next Generation Nightingale Fund	312	-	(26)	-	286
Masterstroke - Polycythaemia	304	90	(108)	-	286
Samaritan Fund	286	138	(146)	-	278
St John's Hospital	160	150	(51)	-	259
Academic Cardiology Fund	216	-	(4)	-	212
Department of Nuclear Medicine Fund	176	20	(1)	-	195
Guy's Hospital Nurses League	172	-	(48)	-	124
Wegener's Trust Fund	141	30	(48)	-	123
Critical Care Fund	128	62	(44)	(25)	121
Jeannie Long Trust	117	1	-	-	118
Directorate of Infectious Disease	148	51	(95)	-	104
Other funds	1,911	358	(785)	(209)	1,275
	4,558	1,778	(1,596)	(234)	4,506
Unapportioned costs	-	-	(4,306)	4,306	-
	8,772	6,744	(10,770)	4,040	8,786

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

Notes to the Financial Statements (continued)

17. Restricted Funds (continued)

Details of material funds at 31 March 2021:

Name of fund	Description of the nature and purpose of each fund
The Evelina Children's Hospital Appeal	For the benefit of the health and well being of children and families accessing children's services at the Guy's and St Thomas' NHS Foundation Trust.
Integrated Cancer Centre Fund	To support the new Integrated cancer centre.
St Thomas' Lupus Trust Fund	To support lupus research and patient care.
LFRUPA	To benefit the Lane-Fox Respiratory Unit.
Next Generation Nightingale Fund	To support the Next Generation Nightingale Project.
Academic Cardiology Fund	To support education and research related to cardiology.
Hunt Legacy for Dialysis Machines	To contribute to the cost of providing a kidney dialysis machine for Guy's Hospital
Department of Nuclear Medicine Fund	To support research and departmental activities of the Department of Nuclear Medicine.
Directorate of Infectious Disease	To benefit the Directorate of Infection.
St John's Hospital	To benefit the St. John's Institute of Dermatology.
Samaritan Fund	To benefit patients in need of financial and other assistance.
Guy's Hospital Nurses League	Training and relief of nurses, midwives or nursing assistants or former nurses.

Notes to the Financial Statements (continued)

18. Endowment funds

Group	Balance 1 April 2020 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2021 £000
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,441	(58)	(1)	-	459	1,841
The Leak Trust	1,125	(45)	-	-	358	1,438
The Guy's and St Thomas' Patients Amenities Fund	1,044	(42)	-	-	333	1,335
S J Lam Legacy Fund	665	(16)	-	-	211	860
Dr Reginald Curle Trust	401	(26)	-	-	129	504
	4,676	(187)	(1)	-	1,490	5,978
Expendable endowment						
General fund	732,673	(12,660)	(6,686)	-	161,204	874,531
	737,349	(12,847)	(6,687)	-	162,694	880,509
Company						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,441	(58)	(1)	-	459	1,841
The Leak Trust	1,125	(45)	-	-	358	1,438
The Guy's and St Thomas' Patients Amenities Fund	1,044	(42)	-	-	333	1,335
S J Lam Legacy Fund	665	(16)	-	-	211	860
Dr Reginald Curle Trust	401	(26)	-	-	129	504
	4,676	(187)	(1)	-	1,490	5,978
Expendable endowment						
General fund	732,676	(12,539)	(6,388)	-	160,816	874,565
	737,352	(12,726)	(6,389)	-	162,306	880,543
Group	Balance 1 April 2019 £000	Income £000	Expenditure £000	Transfers £000	Gains and Losses £000	Balance 31 March 2020 £000
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,592	(65)	(6)	-	(80)	1,441
The Leak Trust	1,241	(50)	(4)	-	(62)	1,125
The Guy's and St Thomas' Patients Amenities Fund	1,153	(47)	(4)	-	(58)	1,044
S J Lam Legacy Fund	723	(33)	(2)	-	(23)	665
Dr Reginald Curle Trust	463	(23)	(3)	-	(36)	401
	5,172	(218)	(19)	-	(259)	4,676
Expendable endowment						
General fund	754,235	(9,468)	(9,338)	-	(2,756)	732,673
	759,407	(9,686)	(9,357)	-	(3,015)	737,349
Company						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,592	(65)	(6)	-	(80)	1,441
The Leak Trust	1,241	(50)	(4)	-	(62)	1,125
The Guy's and St Thomas' Patients Amenities Fund	1,153	(47)	(4)	-	(58)	1,044
S J Lam Legacy Fund	723	(33)	(2)	-	(23)	665
Dr Reginald Curle Trust	463	(23)	(3)	-	(36)	401
	5,172	(218)	(19)	-	(259)	4,676
Expendable endowment						
General fund	754,235	(9,218)	(9,308)	-	(3,033)	732,676
	759,407	(9,436)	(9,327)	-	(3,292)	737,352

Notes to the Financial Statements (continued)

18. Endowment funds (continued)

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

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

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

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

Permanent endowments - statement of total return

Group and Company	Trust for investment £000	Unapplied total return £000	Total endowments £000
At 1 April 2020			
Gift components of the permanent endowments	2,329	-	2,329
Unapplied total return	-	2,347	2,347
	<u>2,329</u>	<u>2,347</u>	<u>4,676</u>
Movements during the period			
Investment return			
Realised and unrealised losses	-	1,490	1,490
	-	1,490	1,490
Allocated to income during the period	-	(188)	(188)
Net movements during the period	-	1,302	1,302
	<u>-</u>	<u>1,302</u>	<u>1,302</u>
At 31 March 2021			
Gift components of the permanent endowments	2,329	-	2,329
Unapplied total return	-	3,649	3,649
	<u>-</u>	<u>3,649</u>	<u>3,649</u>
Balance at 31 March 2021	2,329	3,649	5,978

Details of funds at 31 March 2021:

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

Notes to the Financial Statements (continued)

19. Revaluation reserves

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group								
Balance at 31 March 2020								
Financial investments	2,558	-	106,162	108,720	6,485	-	48,901	55,386
Property investments	16,746	-	224,792	241,538	16,773	-	227,449	244,222
Art collection	(1,081)	-	-	(1,081)	(1,069)	-	-	(1,069)
	18,223	-	330,954	349,177	22,189	-	276,350	298,539
Revaluation gain/(loss) for the year								
Financial investments (see note 10)	4	-	124,819	124,823	220	-	(1,496)	(1,276)
Property investments (see note 10)	66	-	(2,827)	(2,761)	598	-	914	1,512
Art collection (see note 9)	(24)	-	-	(24)	(12)	-	-	(12)
	46	-	121,992	122,038	806	-	(582)	224
Disposals during the year								
Financial investments	-	-	42,239	42,239	(4,147)	-	58,757	54,610
Property investments	-	-	-	-	(625)	-	(3,571)	(4,196)
	-	-	42,239	42,239	(4,772)	-	55,186	50,414
Balance at 31 March 2021								
Financial investments	2,562	-	273,220	275,782	2,558	-	106,162	108,720
Property investments	16,812	-	221,965	238,777	16,746	-	224,792	241,538
Art collection	(1,105)	-	-	(1,105)	(1,081)	-	-	(1,081)
	18,269	-	495,185	513,454	18,223	-	330,954	349,177
Company								
Balance at 31 March 2020								
Financial investments	(2,231)	-	106,163	103,932	1,696	-	48,902	50,598
Property investments	16,745	-	223,881	240,626	16,772	-	226,538	243,310
Art collection	(1,081)	-	-	(1,081)	(1,069)	-	-	(1,069)
	13,433	-	330,044	343,477	17,399	-	275,440	292,839
Revaluation gain/(loss) for the year								
Financial investments (see note 10)	4	-	124,819	124,823	220	-	(1,496)	(1,276)
Property investments (see note 10)	66	-	(2,827)	(2,761)	598	-	914	1,512
Art collection (see note 9)	(24)	-	-	(24)	(12)	-	-	(12)
	46	-	121,992	122,038	806	-	(582)	224
Disposals during the year								
Financial investments	-	-	42,239	42,239	(4,147)	-	58,757	54,610
Property investments	-	-	-	-	(625)	-	(3,571)	(4,196)
	-	-	42,239	42,239	(4,772)	-	55,186	50,414
Balance at 31 March 2021								
Financial investments	(2,227)	-	273,221	270,994	(2,231)	-	106,163	103,932
Property investments	16,811	-	221,054	237,865	16,745	-	223,881	240,626
Art collection	(1,105)	-	-	(1,105)	(1,081)	-	-	(1,081)
	13,479	-	494,275	507,754	13,433	-	330,044	343,477

20. Gross transfers between funds

	2021				2020			
	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000
Group and Company								
Restricted funds net support costs	(4,219)	4,219	-	-	(4,306)	4,306	-	-
Other transfers	1,320	(1,320)	-	-	266	(266)	-	-
	(2,899)	2,899	-	-	(4,040)	4,040	-	-

The transfer from unrestricted to restricted funds of £4,219,000 (2020: £4,306,000) represents the balance of the support costs incurred by the Foundation in administering the restricted funds after taking account of the interest income earned on restricted fund cash balances.

Other transfers from restricted to unrestricted funds of £1,320,000 (2020: £266,000) represent the transfer of restricted donations for which no appropriate special purpose fund currently exists to support unrestricted grants which have objects that are aligned to the original restriction.

Notes to the Financial Statements (continued)

21. Trustee and connected person transactions

Trustee expenses reimbursed

	2021	2020
	£	£
Travel and subsistence	-	2,064
	2021	2020
	Number	Number
Number of Trustees receiving reimbursement	0	2

Trustees' indemnity insurance

	2021	2020
	£000	£000
Trustees' and officers' liability	24	24

Trustees' remuneration

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

Transactions with trustees or connected persons

During the year ended 31 March 2021 none of the Trustees, key members of the Foundation's management or parties related to them has undertaken any material transactions with Guy's and St Thomas' Foundation.

Number of trustees

	2021	2020
	Number	Number
Total number of Trustees	10	10

21.1. Other related parties

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

GSTC Property Investments Ltd

The Foundation was owed £2,774,000 at 31 March 2021 (2020: £1,279,000), repayable as detailed in note 10.2.

The Foundation earned interest of £66,000 for the year end 31 March 2021 (2020: £46,000).

The Foundation received £nil donation during the year ended 31 March 2021 (2020: £216,000).

GSTC Health Innovations Ltd

The Foundation was owed £59,000 at 31 March 2021 (2020: £30,000), repayable on demand.

The Foundation received £nil donation during the year ended 31 March 2021 (2020: £194,000).

GSTC Property Developments Ltd

The Foundation was owed £110,000 at 31 March 2021 (2020: £nil), repayable as detailed in note 10.2.

The Foundation earned interest of £75 for the year end 31 March 2021 (2020: £nil).

The Foundation received £nil donation during the year ended 31 March 2021 (2020: £nil).

22. Commitments

There was no capital expenditure contracted or provided for at 31 March 2021 (2020: £nil).

However, on 18 June 2021 the Foundation entered into a contract for the internal fit out of office space under which it committed to capital expenditure of £1,129,000 (excluding VAT).

The Group had no commitments for future lease payments at 31 March 2021 (2020: £nil).

However, on 17 June 2021 the Foundation entered into lease agreements for the rental of office space with minimum terms of ten years and a rent commencement date of 13 months after the date of the agreement. The Foundation's total commitment for rental payments over the minimum terms of these leases is £7,470,000(excluding VAT).

22. Contingent liabilities

The Foundation recovers part of the VAT incurred on investment advisory costs in accordance with its longstanding interpretation of applicable VAT legislation. A recent court decision involving an unrelated third party has created some uncertainty regarding this interpretation. Although the Foundation remains confident that the court's decision does not apply to the Foundation's circumstances, it is possible although not probable that a further determination may result in the Foundation being required to repay any VAT recovered on this basis over the preceding four years. As at 31 March 2021 the total amount of VAT that would be repayable was

23. Company limited by guarantee

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

Guy's & St Thomas' Foundation

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

gsttfoundation.org

@GSTTFoundation

Registered Charity No. 1160316. Company limited by guarantee registered in England and Wales No. 9341980.

Our family of brands includes **Impact on Urban Health**.

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

Investing in a healthier society