



Investing in a healthier society

Guy's &
St Thomas'
Foundation

Annual report and accounts
2022/23

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

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

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

Across the breadth of our work, we collaborate with our communities, partners and hospitals, and use our assets to transform lives. We invest, engage, partner and influence, to tackle big health challenges from all angles. This year we continued to focus on some of the pressing health issues brought into sharp focus by the global pandemic. We continued to expand our reach and ambition to support communities in Lambeth and Southwark and to achieve our mission.

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

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Message from our Chair

A healthier future for all

Guy's and St Thomas' Foundation has been building the foundations of a healthier society in Lambeth, Southwark and beyond for more than 500 years. It has been an honour to act as a custodian and champion of the Foundation, first as a Trustee and now as its Chair.



Message from our Chair

Over the last year we have achieved so much in the face of real challenges to our nation's health. The aftershocks of the pandemic continue to be sharply felt across the NHS, and in people's homes and neighbourhoods. The cost-of-living crisis is placing more pressure on families, particularly if they are already living on low incomes. As a result, the health problems already prevalent in our communities are becoming more and more acute.

This year we have continued to support the incredible staff and patients across Guy's and St Thomas' NHS Foundation Trust. We worked alongside communities in Lambeth and Southwark to find solutions to today's most pressing health problems. We also used our assets to invest in a society that will help everyone stay healthier for longer. All this has been achieved thanks to the energy and talent of our people and partners.

Our direct charitable expenditure reached £40.8m in 2022/23, an increase of £3.2m compared to the previous year. This enabled our NHS charities to support patient care and staff wellbeing across the Trust's hospitals and community sites. We were also able to tackle critical health challenges in our cities through our Impact on Urban Health programmes.

I am particularly proud of work this year to realise our vision of a world-leading life sciences hub in South Central London. Our flagship property developments at Royal Street and Snowsfields, and the Foundation's leading role in the SC1 partnership, aim to transform healthcare, to speed up innovation, and to make a healthier future a reality for everyone.

Our people are our most valuable asset, they make the Foundation what it is. Therefore, finding the right person to be our interim CEO, one of my first tasks as Chair, was essential. It has been a pleasure to welcome Laurie Lee to this role. Laurie has 25 years' experience in reducing health and social inequalities in the UK and globally. He also understands the challenges facing Lambeth and Southwark having lived in the area for more than 20 years.

I would like to take this opportunity to thank Kieron Boyle for his tireless dedication, ambition and drive during his seven years as CEO. His legacy includes a much larger footprint for the Foundation, far deeper reach into our local communities and a substantially amplified opinion-forming voice, both locally and nationally.

Message from our Chair

I also want to acknowledge the immense contribution made by my predecessors, Debu Purkayastha and Wol Kolade, and to thank the extraordinary Foundation team, my fellow Trustees, our partners and our donors, each of whom make our work possible.

Looking forward, our aim is to scale our impact through collaboration with public and private bodies dedicated to building the foundations of a healthier society. I believe we have the right people, strategy, insights and values in place to make substantial progress towards this goal in the years ahead.



Susanne Given
Chair

Message from our Chief Executive

Focusing on our mission and impact



Message from our Chief Executive

At a time when our nation's health faces such significant and complex challenges, our mission to build the foundations of a healthier society has never been more important.

The real-life consequences of these challenges to our health are seen every day across the work of Guy's and St Thomas' Foundation. They are visible in the striking health inequality found in communities across Lambeth and Southwark and in the growing demands placed on the brilliant NHS Trust that we support.

Yet, when I joined the Foundation in May 2023, it was immediately clear how much progress we are making in achieving our mission across all areas of work. During 2022/23, the Foundation accomplished an enormous amount through our role as an active and responsible investor of our £1bn endowment, and through our NHS charities and Impact on Urban Health. In total, this year we committed £46.0m (equating to £40.8m expenditure for the year) to the work of Guy's & St Thomas' Charity, Evelina London Children's Charity, Guy's Cancer Charity and Impact on Urban Health.

We awarded charitable grants totalling £33.0m, together with a further £13.0m of contract and other commitments. This enabled us to support initiatives and projects that drive better health for all and to address the real and urgent health issues of today. Through our NHS charities, and thanks to our donors, we supported better patient care and staff wellbeing across the Trust. We backed talented people and bold ideas and leveraged global corporations to support us to live healthier lives, from the food we eat to the air we breathe.

We continued to deploy all our assets for health. We reached key milestones in our property developments at Royal Street in London and in Cambridge. We also allocated a further £20m towards our £100m impact investment goal.

Our practical, real-world work in Lambeth, Southwark and beyond gives us unique insight into what works. This year, we continued to apply what we have learnt across our programmes, initiatives and partnerships. We have used this knowledge to influence and to drive change at a much wider level in the health and global investor systems that impact all our lives. For example, we helped to launch a new global investor network prioritising health, and the Mayor of London cited our research when announcing the one-year roll-out of free school meals for all primary school aged children in London.

Message from our Chief Executive

In the years ahead, a core focus for the Foundation will be investing in our people. Over the next 10 years, we will use all the tools we have to help our people succeed. We can contribute to creating hundreds of the leaders needed to build a healthier society from within the Foundation and wider society.

At the heart of this will be a shared commitment to our mission, our values and to embedding principles of Diversity, Equity and Inclusion (DEI) more deeply across all our work. We will prioritise investing in our culture, refining how we work together, developing our team and focusing on mission impact.

At this point I want to acknowledge that this annual report covers the final year of Kieron Boyle's leadership of the Foundation. I am very proud to celebrate these achievements, but both credit and thanks must go to the leaders and team in place last year. Throughout his seven transformative years as CEO, Kieron led the Foundation to the position it holds today. It is an organisation well placed to meet the health challenges ahead and to seize opportunities to create a healthier society for us all.

I look forward to working alongside the amazing team at the Foundation, and with our valued partners. Together we will work to reduce health inequalities in Lambeth and Southwark. We will share and connect with others working on better health globally, and support the Trust's incredible staff and patients.



Laurie Lee

Interim Chief Executive Officer

Trustees' report

A healthier future **for all**

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.



Strategic report

Community is at the heart of what we do

Achievements and performance

Summary of achievements

- **Our direct charitable expenditure was £40.8m: £3.2m higher than 2021/22. This includes:**
 - £24.2m of expenditure through Impact on Urban Health – the brand for our programmatic work tackling urban health issues.
 - £16.2m in charitable support for NHS staff and healthcare through our three charities which support the work of Guy's, St Thomas' and Evelina London Children's hospitals and community services. This year we also secured total pledged income of £9.3m through fundraising.
- We used our £401.8m property portfolio to deliver positive health outcomes, as well as financial returns. We do this by providing healthier spaces and creating hubs for health innovation. We reached major planning milestones for our Royal Street development and sold our site in Cambridge. We also contracted with Oxford Properties and the Reef Group to form the Snowfields Quarter Partnership to deliver our development plans in London Bridge.
- As a founding partner of SC1, along with King's Health Partners and Lambeth and Southwark Councils, we are making progress towards our ambition to create a world-leading life science district in South Central London.
- We continued to influence change through our impact investment strategy. Last year we made a commitment to invest 10% of the value of our £1bn endowment (£100m) by 2026. This was the largest impact investment allocation made by a UK charitable endowment at the time. During 2022/23 we committed £20m towards this target allocation.
- We have shared what we are learning as an asset owner to create change and influence. This included helping to establish Long-term Investors in People's Health (LIPH), a global alliance of investors that are committed to prioritising health and manage assets worth \$6 trillion (USD). LIPH aims to engage with companies and policymakers on health and provides investors with the data to understand their health impact.

Last year we made a commitment to invest 10% of the value of our £1bn endowment (£100m) by 2026 towards our impact investment portfolio



Achievements and performance

- We explored new ways of partnering with policy and campaigning organisations that champion the big health issues we work on. For example, our work with school food commissioners and providers has demonstrated the significant health, social and financial benefits of free school meals. When the Mayor of London announced a one-year roll-out of free school meals to all primary school aged children in London in January 2023, he cited our economic analysis.
- We continued to embed Diversity, Equity and Inclusion (DEI) across everything that we do. We also deepened our commitment to being an inclusive and actively anti-racist organisation. This year we grew our DEI team, further developed new employee networks and published our anti-racism statement. We began work to review, update and implement our DEI strategy, introduced new People policies and launched inclusivity as an organisational value. Alongside this work, we are creating an organisation-wide DEI learning programme for all colleagues.
- We have invested further in the people, systems and processes needed to achieve our mission, increasing our workforce by more than 50%. This included creating and appointing to two new strategic executive positions, Executive Director of Charities and Chief People Officer, and appointing a new Chief Investment Officer.

When the Mayor of London announced a one-year roll-out of free school meals to all primary school aged children in London in January 2023, he cited our economic analysis

£24.2m

Allocated through Impact on Urban Health

£16.2m

In charitable support through our three NHS charities

Our future plans — striving for positive change



Our future plans

In 2017, Guy's and St Thomas' Foundation set out a new strategy. This long-term roadmap is broken down into five-year blocks, each with their own strategic focus to move us closer to achieving our mission.

The first five years (2017- 2022) focused on testing how best to have impact. We did this by building new methods, capabilities and partnerships. The Foundation emerged from this period with renewed purpose and ambition. Our work is now more data-informed and human-centred, responding with agility to the needs of our community in Lambeth and Southwark. We are prepared to meet the challenges ahead with tenacity, focus, open mindedness and a long-term vision.

This report outlines the progress we have made in 2022/23, the first year of our second five-year strategy. Our 2022-27 strategy is all about reach. During this time our goal is to leverage insights from our practical, real-world work to influence change at scale. Everything we do to achieve this is underpinned by the following four corporate objectives:

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

By 2027, we aim to have built the platforms needed to achieve this impact at scale. We want to become more influential and to leverage wider resources in support of our mission. Therefore, our current strategy gives greater attention to our internal operations, focusing on how we maintain agility, invest in our people as an asset for our long-term mission, and embed DEI principles more deeply across our work.

We believe that over the next 20 years, our work can help to reduce health inequalities on a national scale. This is an ambitious goal that few organisations have achieved. However, our mission drives us forward and we believe, with the right people, partnerships, insights and values in place, we can build the foundations of a society that helps everyone to stay healthier for longer.

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

Our routes to impact

We take a portfolio approach to achieving impact



Our routes to impact

Impact on Urban Health

In Lambeth and Southwark, our home boroughs, there are stark inequalities in health outcomes. The places that we grow up, live and work impact how healthy we are, and more extreme health outcomes are found in urban areas of the UK. London, like other cities, is home to the best and worst health – often side by side. Through Impact on Urban Health, this year we continued our work to make urban areas healthier places for everyone to live. We committed £29.4m of funding (equating to £24.2m of expenditure during the year) across 111 different partnerships and projects.

Over the last year, the ongoing impact of the pandemic, the rising cost of living and the energy crisis have affected people's health. It is those at the sharp end of the health inequalities gap – people living on a low income and those from minoritised communities – that are disproportionately affected. Amid these crises we have continued to invest in our long-term programmatic approach, focusing on the big challenges to health equity in urban areas.

We work with cross-sector partners to identify practical, scalable solutions to the issues we work on. For example, our work with school food commissioners and providers has demonstrated the significant health, social and financial benefits of free school meals. In summer 2022, to support policymakers in discussions on expanding eligibility for free school meals, we commissioned PwC to conduct economic analysis of the cost and benefits of expansion. We then worked with partners across the school food sector to share the findings. In January 2023, the Mayor of London announced a one-year roll-out of free school meals to all primary school aged children in London, citing our economic analysis in his statement.

The places that we grow up, live and work impact how healthy we are

£29.4m

Committed through Impact on Urban Health across 111 different partnerships and projects



Our routes to impact

Our Impact on Urban Health strategy

This year, we have also further adapted and refined our strategy to respond to the world we work in.

We have done this in four ways:

- **Maximising our resources** so our work adds up to more than the sum of its parts.
- **Improving our processes** to enable us, and our partners, to make more equitable progress towards our goals.
- **Developing an internal structure** that enables, empowers and motivates our staff to achieve our mission.
- **Interrogating and addressing** how systems of power show up in our work. For example, asking how we can make sure our internal processes do not reinforce the beliefs, practices and cultural norms that negatively impact people's health and that we challenge in our work.



This year, we have also further adapted and refined our strategy to respond to the world we work in

Enabling us and our partners to make more equitable progress towards our goals



Our routes to impact

Health effects of air pollution programme

Our health effects of air pollution programme finds equitable solutions to poor air quality in cities. This year we continued to work with businesses, communities, campaigners, local authorities and the government to reduce the harmful effects of air pollution on those who are most susceptible.

In total, we invested £3.9m in the programme during 2022/23. Highlights of this work include:

- Publishing our research on how to reduce air pollution from construction sites. The work received national media coverage, followed by an invitation to contribute to the Chief Medical Officer of the UK's annual report.
- Co-funding the Healthy Air Coalition (HAC), which brings together organisations and experts to advocate for clean air. Since we began supporting the HAC, the coalition has received coverage across national media calling for the government to be held to account on its clean air commitments.
- Supporting the Clean Cities Campaign's call for cleaner air during London's local elections. The campaign secured commitments for over 30,000 new bike hangars across the city, making it easier for people in London to choose cleaner, safer and cheaper options for travel.
- Supporting the Live and Breathe campaign, which brings together young people, artists and cultural organisations to provide a platform to demand clean air. Our community workshops have helped people to understand how air pollution affects our health and its disproportionate effect on people of colour.
- Working with Team London Bridge and MP Smarter Travel to encourage businesses in The Low Line area of London to switch from traditional freight methods to cargo bikes. 150 businesses have switched to cargo bikes to date, helping to reduce air pollution in the city.

£3.9m

Invested in our health effects of air pollution programme during 2022/23



Our routes to impact

Children's mental health programme

All children should have the chance to feel happy and hopeful, no matter where they grow up. Our children's mental health programme is learning from the experiences and expertise of those most impacted by poverty, racism and other forms of oppression. We work alongside them, and with trusted community-led partners, to understand how we can reduce the inequalities that cause so much distress and trauma for children and families. Our aim is to ensure every child has access to the things they need to thrive.

In total, the programme spent **£4.3m** this year. Highlights include:

- Developing our 'supporting families' portfolio to improve access to safe, trusted and compassionate support for children and families across Lambeth and Southwark. As part of this work, we are learning how to raise the profile of expert community leaders, so they are part of policy and decision-making processes.
- Building our partnership with The Motherhood Group, a Black community-led support network for Black mothers, children and families. This year they held the first Black Maternal Health Conference which explored the role of systemic racism in Black families' experiences of healthcare and received UK-wide media coverage.
- Partnering with Loughborough Community Centre at Max Roach in Brixton. This year they were part of the Breadline campaign that shone a light on how many children are currently trapped in poverty and unable to access the things they need to be healthy and happy.
- Strengthening our partnership with Oval Learning Cluster, who connect schools, funders and local community organisations across Lambeth to support children and families most impacted by increasing inequalities. In 2022/23, this included a project to introduce creative therapies to primary schools.
- Partnering with the Old Kent Road Family Zone, kickstarted by Surrey Square Primary School. Their Saturday marketplace has quickly turned into a buzzing community space for local families, who value the opportunity to connect, participate in sports and social activities, enjoy a hot meal and access affordable essentials, like fresh vegetables and pre-loved clothes.

£4.3m

*Total spent on our children's
mental health programme*



Our routes to impact

Multiple long-term conditions programme

Our multiple long-term conditions programme aims to address poor health by improving people's homes, work and finances. Each of these are the building blocks of a healthy life. The programme focuses on people on low incomes from minoritised communities who are at risk of living with more than one health condition.

In total, we supported communities and projects with £5.5m. Our 2022/23 highlights include:

- We are working with London Community Land Trust (CLT) in Lambeth and Southwark to support two communities to create permanently and genuinely affordable homes in the neighbourhoods where they have their roots. Other boroughs are now looking at how they can replicate this project.
- We support The Liminal Space on their Night Club project which brings together sleep researchers, night shift workers and employers to create a healthier working experience. In early 2023, The Liminal Space were invited to give evidence on how shift work affects health, drawing on insights from the project, to Parliament's Business, Energy and Industrial Strategy Committee.
- We launched our partnership with ethical fintech (financial technology) platform Elifinty, alongside specialist debt charity Rooted Finance, to help people on low incomes to get tailored, compassionate debt advice. Our partnership aims to transform debt advice and resolution by offering simple and inclusive ways to access support.

£5.5m

Total spent on our multiple long-term conditions programme



Our routes to impact

Children's health and food programme

Our children's health and food programme aims to break the link between low income and poor nutrition. We do this by coordinating efforts from organisations and individuals to improve access to healthier, affordable food for families living on low incomes. By testing what works in the places where children and young people spend their time in Lambeth and Southwark, we hope to influence others to take up successful approaches in other urban areas.

In total, the programme spent £6.9m this year. Highlights from 2022/23 include:

- Changing the name of our programme using research we commissioned from FrameWorks UK, which gives six recommendations on how to talk about children's health and food. Our reframing work recognises that how we talk about children's health and food matters. It aims to tell a new story, shifting the public narrative from individual choices to wider societal factors. This year, Public Health Scotland launched *'Health first: communicating about health and obesity in Scotland'* as a direct result of our research and using our toolkit.
- The Mayor of London's announcement of £130m of funding for a one-year roll-out of universal free school meals in the city's primary schools from September 2023. The Mayor referenced our PwC economic analysis at the launch. We are also leading a London-wide extension of the Greater London Authority's core evaluation to include a focus on children's health, informed by our work on Southwark Council's School Food Transformation programme.
- Seeing our Southwark-based Good Food Wholesale and Retail pilot with Rice Marketing replicated in four other London boroughs (Lambeth, Greenwich, Kensington & Chelsea and Barking & Dagenham). The project was set up to improve access to healthier food options by increasing the range of healthier products sold in the borough's local convenience stores. Rice Marketing are also working with Oxfordshire County Council and exploring projects in Birmingham and Southampton.
- Launching the next phase of the Good Food Programme with partner Mission Ventures. Our successful pilot supported 10 healthier challenger brands to market over two years. It proved it is possible to develop and market healthier products that are affordable to families living on lower incomes. Insights from the pilot will also be used to encourage greater collaboration with the food industry and policymakers.

£6.9m

Total spent on our children's health and food programme



Our routes to impact

Research and development

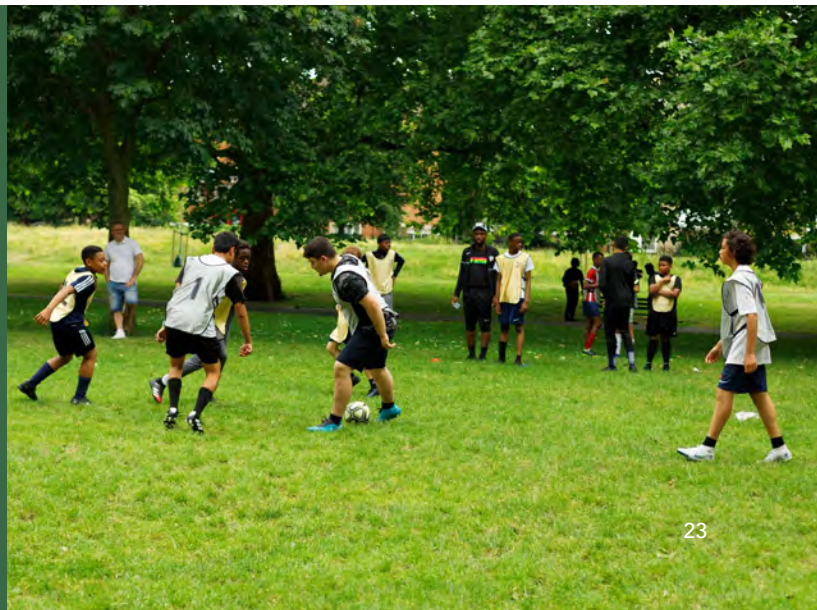
Our research and development team drives innovation by creating the best environment for our programmes to thrive. The team fosters strong partnerships with organisations working in our boroughs and thinks about future changes that could impact people's health in Lambeth and Southwark.

In total, we supported communities and projects with £8.9m. Highlights include:

- Establishing a three-year partnership with Centric Lab to support and fund the Urban Health Council - an independent research, collaboration and advocacy platform – to develop its work in three key areas: research, partnerships and creating content.
- Working with Hello Brave to develop the Black Design Guild, a new way to train and nurture Black designers and researchers. This investment will make our projects more impactful by ensuring the people who shape our strategies, funding decisions and partnerships are representative of the places we work in and meet the needs of communities most likely to experience health inequalities.
- Supporting a programme to engage people from Black and other minoritised communities in health service improvements in South East London. In the first phase of this work, we partnered with Rooted by Design and BUD Leaders. We brought people from communities in South East London and healthcare commissioners together to test ideas to improve the experience and outcomes of maternity services.

£8.9m

Total spent on our research and development programme



Our three charities

Collectively making **change**

£16.2m

in charitable support given this year

£9.3m

pledged through fundraising



*Through our three charities
we support the work of
Guy's and St Thomas'
NHS Foundation Trust*

Our three charities

Guy's & St Thomas' Charity

During 2022/23, we funded projects with a value of £16.2m. Guy's & St Thomas Charity is the main vehicle through which we support the incredible NHS staff and exceptional healthcare provided by Guy's and St Thomas' NHS Foundation Trust.

2022/23 highlights include:

- Continuing our investment in staff wellbeing and psychological and spiritual care with an additional £1.3m of funding. This year, two rest and recharge spaces for staff, funded by the Charity, officially opened on Guy's and St Thomas' sites. There were over 7,000 individual visits to these areas between November 2022 and January 2023 alone.
- Inviting staff to submit their innovative solutions to the ongoing challenges arising from the pandemic. Funding was agreed for 11 projects, including an initiative to mentor community dentists to help reduce waiting times for specialist dental hospital care.
- Funding the Trust's Centre for Innovation, Transformation and Improvement (CITI) to support faster, fairer healthcare. CITI looked at ways to manage the risk to those waiting for outpatient care because of growing backlogs caused by the pandemic. Working with the Diabetes team, CITI created clinical rules which identified patients with worsening disease. As a result, appointments for 120 high risk patients were fast tracked.

**Guy's &
St Thomas'
Charity**

7,000+

Number of individual visits to rest and recharge spaces funded by the Charity between November 2022 and January 2023

£1.3m

Of additional investment in staff wellbeing and psychological and spiritual care



Our three charities

Guy's Cancer Charity

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

During 2022/23, Guy's Cancer Charity funded a range of projects to improve cancer patients' experience and outcomes at the Trust. 2022/23 highlights include:

- Research exploring the connection between lung cancer in never-smokers and air pollution, with a focus on South East London.
- Support for the Cancer Hair Care service.
- Developing a podcast for those undergoing surgery as part of their cancer treatment.
- Providing more tailored support and information for gay men diagnosed with prostate cancer.

We also continued our support of the Head and Neck Cancer Centre through a programme of grants to enhance treatment and improve the lives of those with a diagnosis. The establishment of this centre was made possible thanks to Wilson + Olegario Philanthropy and is supported by many other donors.

**Guy's Cancer
Charity**

£2.2m

*Of charitable expenditure for
Guy's Cancer Charity in 2022/23*

***During 2022/23, Guy's Cancer
Charity funded a range of
projects to improve cancer
patients' experience and
outcomes at the Trust***



Our three charities

Evelina London Children's Charity

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

During 2022/23, we funded a wide range of projects to support Evelina London patients, families and staff. 2022/23 highlights include:

- Funding new equipment that uses lower gas pressures during abdominal surgery, so that operations are quicker, recovery time shorter, and children can go home sooner.
- Providing enhancements to staff and patient spaces, including LED light panels in rooms with no outside light, and toys to distract children during procedures. This includes an interactive display that can be projected onto a wall or ceiling by children using controls, movement and even gaze.
- Supporting the Evelina VIPs (Very Important Penguins, referring to the hospital's urology and kidney department, Penguin Ward) to attend the annual British Transplant Games. The Games give children with kidney transplants the chance to get active and take part in a wide range of sports events. This experience also gives them, their parents and siblings a vital opportunity to meet and share experiences with other transplant families.



£0.6m

Of charitable expenditure to fund projects for Evelina London Children's charity in 2022/23

During 2022/23, we supported a wide range of projects to support Evelina patients, families and staff



Our endowment

Our endowment is one of our most powerful tools, operating under a dual mandate of achieving financial returns and health impact.



Our endowment

Impact investing

Impact investment is a key pillar of the Foundation's strategy to invest in a healthier society. Impact investment offers the potential for greater impact than through grant-making alone, by leveraging scale and different capital sources.

Since 2018, we have dedicated a portion of our assets to generating positive health impact alongside a financial return, which is then used to fund the Foundation's work. We have committed £20m towards our impact investment allocation during 2022/23. This has funded various businesses and enterprises focused on health impact, including two funds aiming to address health inequalities through greater access to medical products and services - the Women's and Children's Health Technology Fund and AXA IM Global Health Fund.

At the same time, we are exploring how we can deploy more 'catalytic capital' – investment capital that is allocated to higher risk, pioneering investment strategies, emerging managers and first-time funds, to generate positive impact - to back bold ideas that help tackle health inequalities, particularly those experienced by the most marginalised communities.

Impact investment offers the potential for greater impact than through grant-making alone, by leveraging scale and different capital sources

£20m

Committed to our impact investment allocation during 2022/23

£100m

Our impact investment allocation target by 2026

Our endowment

Engagement

Using our shareholdings in companies and our influence with fund managers in our main endowment, we share insights and connect with others to encourage investors and businesses to create the conditions that support more equitable health.

Collaborative engagement

For example, through collaborative engagement networks like Healthy Markets and the Access to Nutrition Initiative, we have influenced Tesco, Sainsbury's, Danone, Unilever and Nestle to disclose the healthiness of their product sales. Some of these companies have also set targets to increase such sales.

Net zero

We have also mapped the alignment of our public equity portfolio to net zero and are engaging with our fund managers to ensure they are on a net zero pathway.

Launch of Long-term Investors in People's Health

We helped to launch Long-term Investors in People's Health (LIPH), a global alliance of investors committed to prioritising health that manage assets worth \$6 trillion (USD). LIPH will engage with companies and policymakers on health and provide investors with the data to understand their health impact.



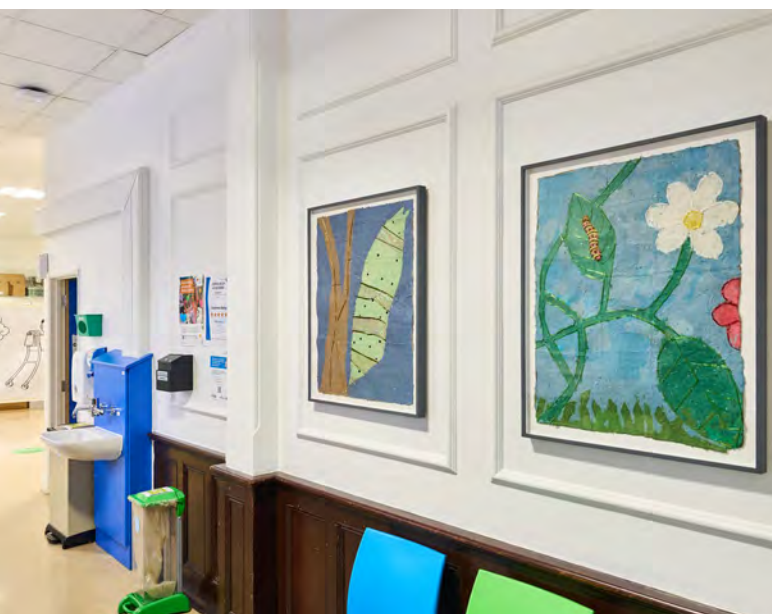
Our impact

Arts and heritage collection

We are custodians of one of the largest collections of health-related arts and heritage in Europe, made up of around 4,500 works dating from the 1500s. We manage our collection to improve health today, using it to enhance healthcare settings, and to grow and preserve it for generations to come.

This year we have:

- Installed art in several wards in the hospital including over 70 works displayed in the new Young Adult and Teenage Care units at Guy's Hospital. We have also exhibited 30 photographs of community members and places from the 1990s by Brixton based photographer Julia Martin.
- Received planning permission for the interpretation and conservation of the statues of Thomas Guy and Sir Robert Clayton. The quality of our work was acknowledged by Historic England. During 2022/23, we also invested in research and engagement to develop the interpretation of the statues.
- Welcomed our first Culture& trainee, supporting an initiative to increase diversity in the arts and heritage workforce.
- Preserved our collection through conservation work and collaboration with museum standard specialists in art handling, storage and framing.



Our property developments

A responsible property owner and partner



Our property developments

As a responsible owner, investor and partner in property developments, we use our property assets to achieve the greatest possible impact on health. As at 5 April 2023, our property portfolio was valued at £401.8m.

During 2022/23, we continued to work on four major new property developments located in the London boroughs of Lambeth and Southwark, at Maple Cross in Hertfordshire and in Cambridge. Each of these long-term projects will embed wellbeing into the heart of the developments.

SC1

This year we continued work on SC1, a world-leading life sciences innovation district in South Central London. The project aims to transform healthcare, speed up innovation and tackle big problems to create a healthier future for all. SC1 brings together seven committed partners (The Foundation, Guy's and St Thomas' NHS Foundation Trust, King's College London, King's College Hospital NHS Foundation Trust, South London and Maudsley NHS Foundation Trust, and the London Boroughs of Lambeth and Southwark). The Foundation's developments at Royal Street and Snowsfields will support SC1's ambitious plans to create significant new spaces for health and life sciences.

Royal Street

Working in partnership with developer Stanhope, we are redeveloping a site at Royal Street in Waterloo. The site will promote health and wellbeing and benefit the local community. Lambeth Council granted consent to the planning application in December 2022. Given the strategic importance of the scheme, the application was subsequently referred to the Greater London Authority (GLA) and received approval in July 2023. Following this positive result, Lambeth Council has referred the application to the Secretary of State to request confirmation they can determine the application.

Plans for Royal Street include the building of 133 residential units, of which 50% will be affordable housing and prioritised for NHS workers. In addition it will create around 1,200,000 sq/ft of workspace, 45,000 sq/ft of space for community, retail and leisure use and 145,822 sq/ft of residential accommodation. The development will provide new public spaces and investment into Archbishop's Park and improve connectivity between Lower Marsh, Waterloo station and the hospital. The redevelopment will also create up to 6,200 employment opportunities in Lambeth.

Snowsfields Quarter

In March 2023, we created the Snowsfields Quarter Partnership to progress a planning application for a life sciences hub at the Snowsfield Quarter, near Guy's Hospital in London Bridge. The partnership includes the Foundation, Oxford Properties and the Reef Group. Pre-planning application meetings with Southwark Council are underway. We are also consulting with political and community stakeholders (residents, SC1, young people, students, patients, local employees and local influence groups) about the project. We aim to submit a planning application in spring 2024.

Cambridge

In May 2023, we exchanged and completed with CALA homes on a 17-acre site in Cambridge owned by the Foundation. The site has planning consent for 200 residential homes, 40% of which will be affordable housing. Homes will be designed and delivered by CALA with a Home Quality Mark level 4 accreditation. This will ensure they are low cost to run with positive impacts on health, wellbeing and the environment.



Our endowment

Our endowment is one of our most powerful tools to drive our mission and create positive change.

We set our endowment dual objectives — achieving financial returns and health impact — and use our assets to transform lives and demonstrate that investing in health is good business. This strategy allows us to take a long-term view while addressing the real and urgent health issues of today.

Our endowment generated a net return on portfolio of 2.5% and continued to exceed £1bn in gross assets. Over the past three and five years, average annual returns have exceeded the Foundation's benchmark.

2.5%

net return on portfolio

£1bn+

of assets



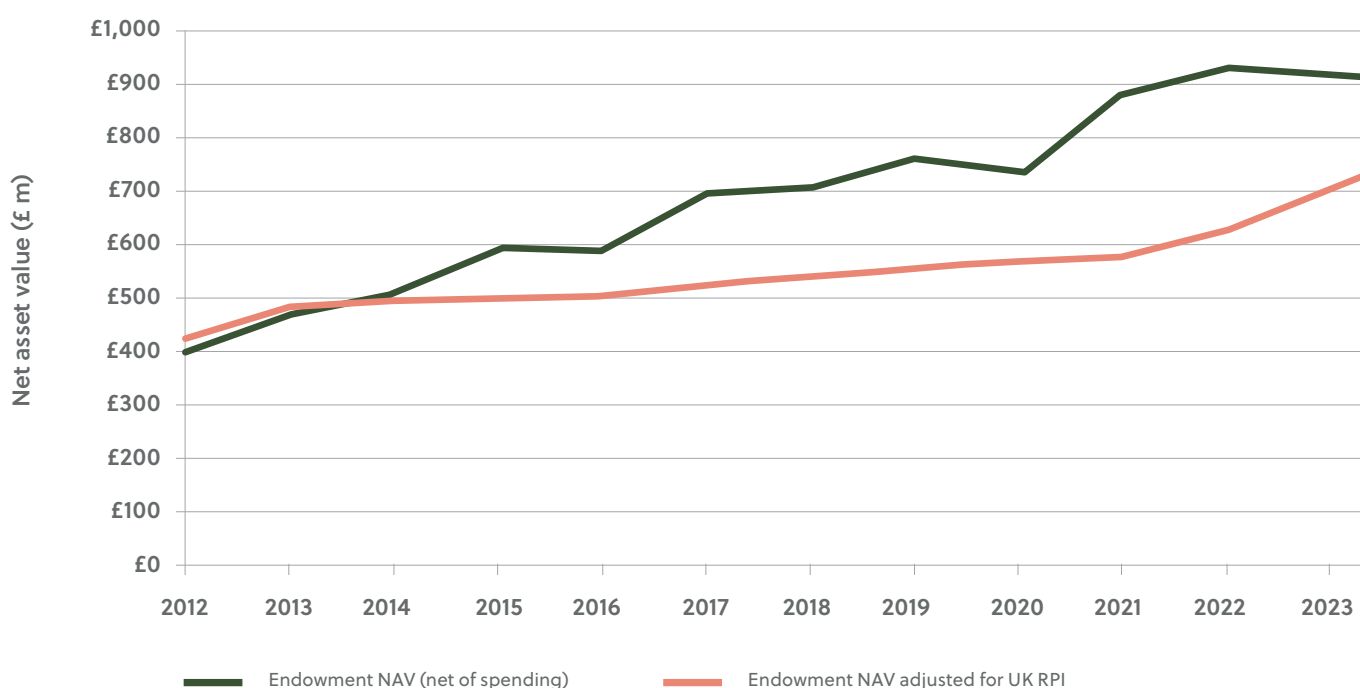
Over the past three and five years, average annual returns have exceeded the Foundation's financial objective of UK RPI + 4%

Our endowment

Endowment return over 1,3 and 5 years

Annualised returns over:	1 year	3 years	5 years
Endowment return	2.5%	11.5%	9.5%
UK RPI	13.5%	7.9%	5.7%
Benchmark	-7.1%	8.1%	5.9%

Endowment performance vs RPI



The increase in endowment net assets before transfers for the year was £19m (2021/22: £80m). A total of £36m (2021/22: £30m) was released under the distribution rule and other transfers to support charitable expenditure.

The Foundation remains in a strong financial position in the context of a challenging market environment. It outperformed in all asset class benchmarks during the year with the exception of global equities. Overall, the endowment maintained a positive position with a return on gross investment assets.

Our endowment

Performance summary 1 April 2022 to 31 March 2023

Asset Class	Strategic Asset Allocation Band (%)	Strategic Asset Allocation (%)	Allocation as at 31 March 2023 (%)	Asset Class Performance (LC)	Benchmark Performance (LC)	Allocation as at 31 March 2022 (%)
Cash	0-10	1	2.3		2.5%	3.5
Fixed Income	0-10	3	2.1	1.3%	-16.3%	0.0
Liquid Credit and Private Debt	0-12	5	3.5	5.4%	-4.9%	3.5
Absolute Return	0-12	6	6.2	3.5%	-1.1%	9.8
Hedged Equities	0-14	10	4.3	-1.1%	-4.8%	10.1
Global Equities	17-35	23	23.8 ¹	-6.0%	-5.6%	17.0
Private Equity	5-17	12	18.3	-1.7%	-5.5%	15.5
Core Property	30-50 ²	40 ²	0.7	-2.6%	-15.0%	0.7
Composite Financial Asset Class Performance (local currency)				-1.0%	-5.0%	
Property	30-50 ²	40 ²	38.3	2.0%	-15.0%	39.5
Composite Asset Class Performance (local currency)				0.1%	-8.8%	
Currency Gain or Loss				2.5%	1.7%	
Composite Asset Class Performance (GBP)				2.6%	-7.1%	
Partners Capital Fees and Other Charges				-0.1%	—	
Return on Gross Investment Assets (GBP)				2.5%	-7.1%	
Impact of Leverage				0.0%		
Return on Endowment Equity (GBP)				2.5%		

Notes:

1. Includes profit and loss on futures positions. As of 31 March 2023, the portfolio's notional exposure to equity market futures was £25.0M (2.3%), and therefore the portfolio's total exposure to Global Equities was 26.1%.

2. The portfolio's financial investments into the Core Property asset class are counted towards the Property strategic asset allocation.

Financial review

Delivering a solid financial performance

Financial review

Charitable expenditure

Overall direct charitable expenditure for 2022/23 was £40.8m: £3.2m higher than in 2021/22.

Impact on Urban Health

Impact on Urban Health commitments increased to £29.4m, equating to £24.2m of expenditure during the year (2021/22: commitments of £22.7m). Of this total, £6.9m relates to our children's health and food programme, £5.5m to our multiple long-term conditions programme, £3.9m to our health effects of air pollution programme and £4.3m to our children's mental health programme.

The Foundation received unrestricted grant income of £0.2m.

Fundraising charities

The single largest recipient of funds continues to be our strategic partner, Guy's and St Thomas' NHS Foundation Trust. Expenditure increased to £16.2m (2021/22: £13.1m) of which £13.4m relates to Guy's & St Thomas' Charity, £2.2m to Guy's Cancer Charity and £0.6m to Evelina London Children's Charity.

£40.8m

*Overall direct charitable
expenditure for 2022/23*

£3.2m

*Increase in charitable
expenditure from 2021/22*

Financial review

Income generation

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

- This year we secured total pledged income of £9.3m through fundraising efforts. This amount was significantly higher than anticipated, being £1.8m (24%) more than the annual target of £7.5m. However, this total represents a 33% decrease in new funds secured annually as compared to 2021/22. This is because last year's income included a 10-year pledge of £6.3m for the Head and Neck Cancer Centre and its suite of projects.
- Fundraising income recognised (cash with legacy accruals) for the year was £8.9m, which is £1m more than our target for the year.
- Direct fundraising costs for the year were £4.0m. This is broadly in line with last year's costs.
- Other investment and sundry income for 2022/23 was £20.1m.

£9.3m

Secured total pledged income of £9.3m through fundraising efforts

+24%

This amount was 24% higher than our annual target of £7.5m

Financial review

Endowment

The endowment's net assets increased by £18.9m before the transfer of £35.8m (2021/22: £30.0m) which was released to support charitable expenditure. Direct investment management costs increased by £2.1m to £8.7m, principally because of higher performance related fees. The net value of our endowment after the spending transfer decreased by £17.0m to £913.6m. Over the five years since March 2018, the net value has grown from £704.9m to £913.6m while also releasing a total of £146.5m to support charitable expenditure.

Costs

Total staff costs increased to £10.7m (2021/22: £7.9m), reflecting the recruitment of additional staff required to deliver the Foundation's ambitious strategy.

Other support costs increased to £6.9m (2021/22: £3.6m) as a result of the additional investment in systems and infrastructure required to support the Foundation's increased levels of activity.



Financial review

Financial position

The Foundation remains in a strong financial position in challenging market conditions.

Financial key performance indicators (KPIs)

Measure	Key performance	Key indications
Charitable commitments for Impact on Urban Health programmes	£29.4m against a forecast of £27.4m	A successful sixth year of programmatic activity resulted in forecast commitments being exceeded, with a total value 28% higher than the previous year.
Funds raised	£8.9m against a forecast of £8.9m	Another successful year of fundraising which saw voluntary income exceed its target by £1.0m and match forecast expectations.
Funds deployed as the charity for Guy's and St Thomas' NHS Foundation Trust	£16.2m against a forecast of £15.6m	Total spending on projects to benefit patients and staff of Guy's and St Thomas' NHS Foundation Trust was ahead of forecast and £3.1m or 24% higher than the previous year.
Return on the endowment compared to benchmark	2.5% return on endowment for 2022/23 compared to benchmark return of negative 7.1%	The endowment outperformed in all asset class benchmarks during the year with the exception of global equities. Overall, it maintained a positive position with a return on gross investment assets.

Reserves policy

Total funds as at 31 March 2023 were £970.9m (2021/22: £1,002.3m), comprising unrestricted funds of £44.0m (2021/22: £60.6m), restricted funds of £13.3m (2021/22: £11.1m) and endowment funds of £913.6m (2021/22: £930.6m). The decrease in unrestricted funds over the course of the year reflects the expenditure of accumulated income from prior years. As at 31 March 2023, £28.8m of the unrestricted funds represented properties and other assets that are used in the provision of our charitable activities, with the remaining £15.2m (2021/22: £28.2m) being free reserves that are managed through a distribution account.

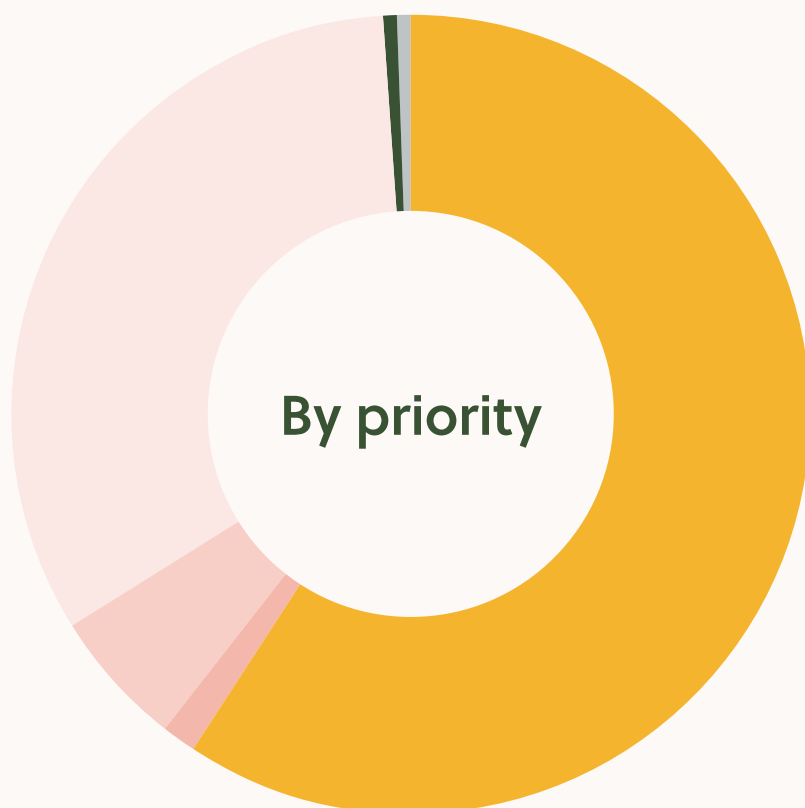
The Foundation plans the distribution of its unrestricted funds through a five-year budget, performance against which is reviewed annually. The budget is based on the distribution of all available resources projected to arise in the five-year period covered by the budget. The distribution of funds during the year and the level of the distribution account at 31 March 2023 were in line with the budget and in accordance with this policy.

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

The Foundation has adopted a total return approach to investment for its permanent endowment funds, as disclosed in note 18 to the accounts.

Our charitable expenditure in 2022/23

Total: £40,832,000



Impact on Urban Health programmes:
£24,208,000

Charities for Guy's and St Thomas' NHS Foundation Trust:
£16,207,000

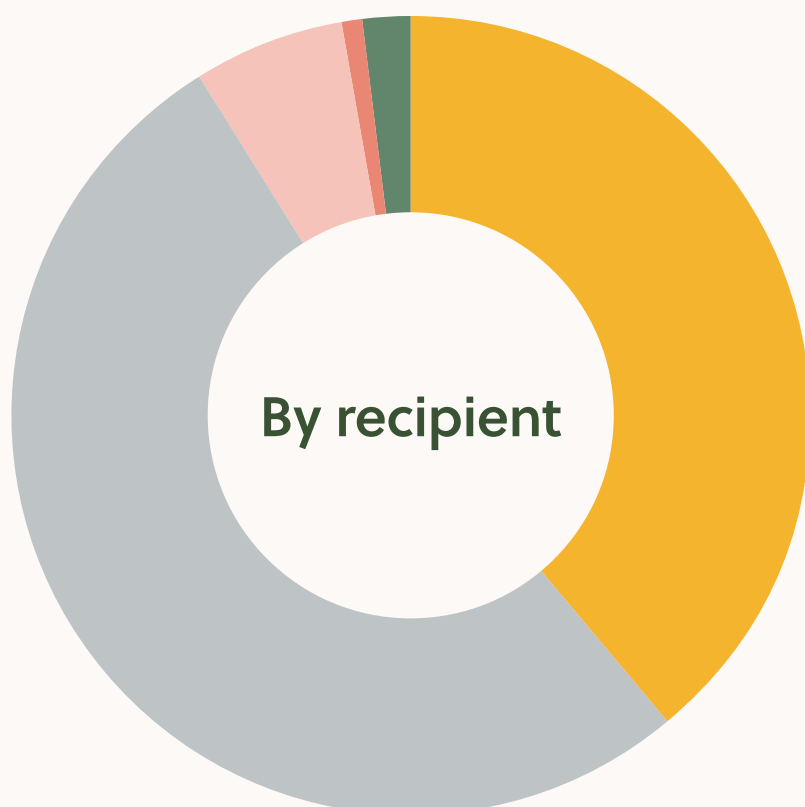
Evelina London Children's Charity:
£552,000

Guy's Cancer Charity:
£2,160,000

Guy's & St Thomas' Charity and other:
£13,495,000

Investing for Health:
£266,000

Health Innovation Fund:
£151,000



Guy's and St Thomas' NHS Foundation Trust: £16,059,000

Voluntary, community and social enterprises: £21,558,000

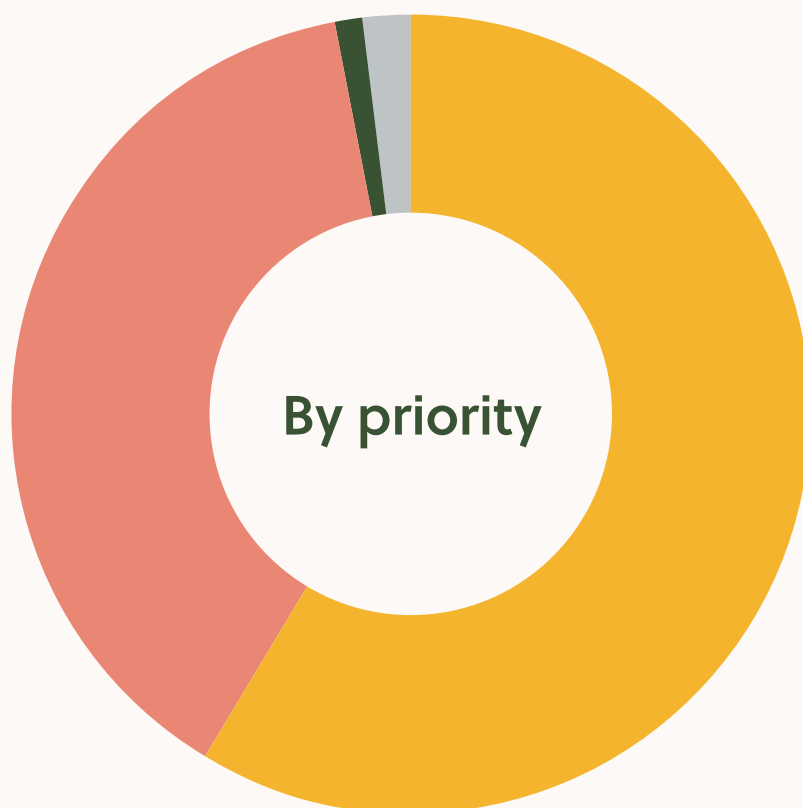
Commercial: £2,505,000

Local authorities and other service providers: £356,000

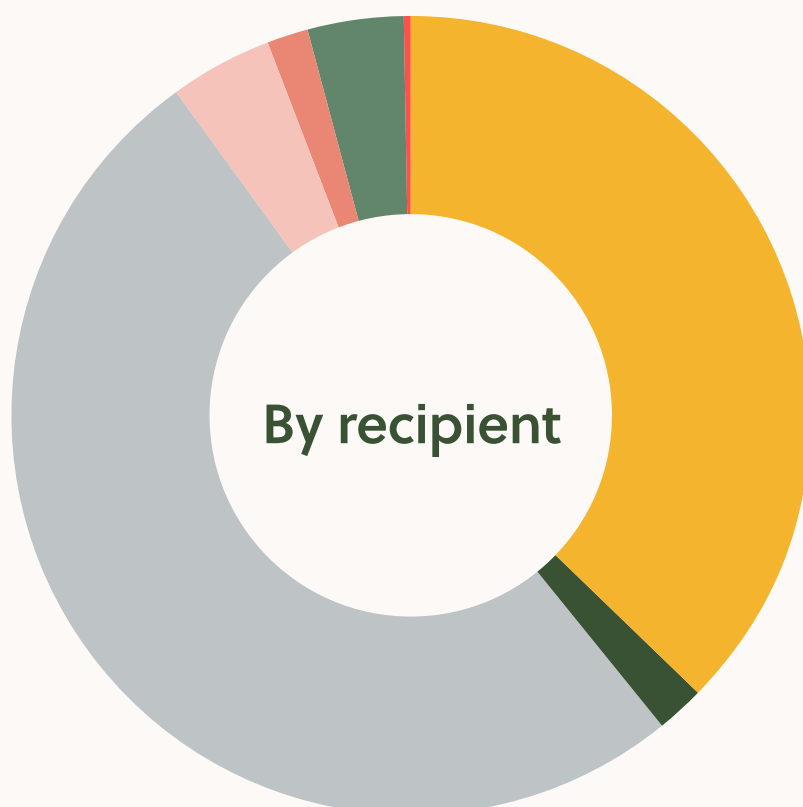
Universities: £765,000

Five year review 2018/23

Total: £151,566,000



- Impact on Urban Health programmes:** £89,054,000
- Charity for Guy's and St Thomas' NHS Foundation Trust:** £57,998,000
- Investing for Health:** £1,766,000
- Health Innovation Fund:** £2,748,000



- Guy's and St Thomas' NHS Foundation Trust:** £56,553,000
- Other NHS (Trusts, CCGs, GP practices etc):** £2,841,000
- Voluntary, community and social enterprises:** £77,198,000
- Commercial:** £6,343,000
- Local authorities and other service providers:** £2,688,000
- Universities:** £5,718,000
- Other:** £225,000

Governance

Socially and strategically responsible

Key risks and their management

We need to take risks to achieve our charitable and other goals. Effective risk management ensures we are identifying risks, mitigating them to the appropriate extent and ensuring they can be properly scrutinised within our governance processes. The Trustees believe the appropriate procedures and controls are in place to achieve this, as set out in our risk management policy. The policy defines key risks as those which are probable or very probable to occur and which have major or critical impact.

Responsibility for setting the Foundation's risk appetite, and oversight of our risk management, sits with the Board of Trustees supported by the Finance and Audit Committee. The Executive Team takes ownership of management of our strategic risks and all Foundation staff have a responsibility to identify and manage operational risks within their business areas. Our risk appetite statement and matrix are reviewed every three years and our risk management policy every three years.

Key risks, and their related actions and controls, are reviewed each month by the Executive Team. Every quarter, business areas review operational and strategic risks that relate to their area, along with their related actions and controls. The Executive Team reviews any attendant changes to the key risks resulting from the business areas' reviews. All key risks are reported to the Finance and Audit Committee on a quarterly basis. In addition, twice a year the Finance and Audit Committee reviews all strategic risks, and once a year it reviews the effectiveness of the Foundation's risk management systems. The Board of Trustees reviews key risks twice a year and the full risk register is provided for information at each Board meeting.

The Foundation has identified the following key strategic and operational risks.

The Trustees have considered these risks and are satisfied that appropriate mitigation is in place.

Key strategic risks

Strategic risks pose a threat to our ability to set and/or execute our overall strategy - were a strategic risk to become a reality, they would typically have fundamental, long-term impact. Key strategic risks are those which we believe would have major impact and are at least reasonably likely to occur.

Many strategic risks are related to external factors and so our options to control their likelihood and impact are limited. Strategic risks are managed by the Executive Team. Key strategic risks – outlined below – are regularly reviewed by the Finance and Audit Committee and our Board of Trustees.

1. Cost of living challenges have an increasingly negative effect on health, particularly the issues we work on.

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

2. Significant public sector fiscal retrenchment, including for the NHS, impacts our partners.

Our Board of Trustees and the wider team are monitoring volatility in the environment we operate in and how this may affect the Foundation's ability to achieve its goals.

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

We are adjusting our long-term financial plan and making changes to the endowment's strategic asset allocation. We have conducted stress tests and have confidence that we can finance our charitable activities in line with our strategy. We continue to monitor and manage individual investment and overall portfolio risk.

Key operational risks

Operational risks affect our delivery of our strategy, with short- or long-term impact. As we grow as an organisation – and our operations grow in complexity – we manage a larger portfolio of operational risks, spread across our areas of operation.

Operational risks are usually managed by the person closest to the risk, and are regularly reviewed by the relevant leadership team. Key operational risks – outlined below – are regularly reviewed by our Executive Team and by the Finance and Audit Committee, and are escalated to the Board when necessary.

Organisation-wide

4. Our ambition exceeds our operational capacity.

We have built capacity-checking into our annual planning process, and review capacity at our quarterly performance meetings.

5. Lack of clear strategy and objectives for progress on Diversity, Equity and Inclusion in our work.

We have been working on a clear revised strategy and action plan and, by the end of 2023/24, a strategy and objectives will have been signed off by our Board.

6. Limited cultural competency of senior leaders to lead diverse teams inclusively.

The Executive Team agreed a set of inclusive behaviours, we began leadership and management training which included this topic, and we agreed to include inclusion in our organisational values. We are working on further learning and development initiatives, integrating into performance management and agreeing a competency framework.

Reputational

7. Statues belonging to the Foundation are the focus of protests, complaints or continued public attention and/or we fail to deliver on our commitment to provide in situ interpretation.

In situ interpretation is now in place, to be replaced with permanent materials in autumn 2023, developed in response to public engagement and in line with best practice. These materials will evolve over time in response to public engagement. We keep this risk under review, with regular communication with stakeholders and clear crisis communication plans in place.

8. Our property developments attract adverse attention putting planning and other milestones at risk.

We review regularly with our development partners, and proactively engage with local communities and stakeholders. We monitor media coverage and have appropriate reactive plans in place.

9. Knowledge and expertise gaps arising from personnel changes within our Endowment team, in particular affecting high-profile property and impact investing matters.

Key vacancies have been filled including a new Chief Investment Officer. Key person risk in the Property team has reduced with the appointment of a Property Director and wider team engagement in key milestones.

Key operational risks

Our charities

10. Inability to recruit and retain talent, particularly in marketing, communications, digital and high value fundraising.

Senior leaders in these areas and our Chief People Officer are focusing on improving staff recruitment and team development.

Our programmatic work

11. Failure to clearly define our impact aims, to effectively measure impact and/or to effectively use our impact evidence to adapt and improve our programmatic work.

Work is underway to draw up key performance indicators for each programme and these will be monitored regularly

Our people

12. Loss of multiple key personnel and lack of succession potential across functions, particularly in Executive and specialist roles.

Organisation-wide succession planning for all leadership roles has been introduced.

13. Not having the right policies, processes and structures in place to effectively support our staff, manage culture change, build high performance teams and/or administer effectively.

Our HR processes and policies are being refreshed to better support the organisation, we are delivering training to all line managers and we are implementing a new HR Information System.

Structure, governance and management

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

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

The Foundation owns 100% of the share capital of three trading subsidiary companies: GSTC Property Investments Ltd, GSTC Health Innovations Ltd and GSTC Property Developments Ltd, details of which are shown in note 11.2 to the accounts.

The charitable objects of Guy's and St Thomas' Foundation were amended this year to bring greater clarity to how we describe our purpose. Our revised objects are any charitable purpose or purposes relating to the general or specific purposes of the Guy's and St Thomas' NHS Foundation Trust or the purposes of the health service (as described in section 1 of the NHS Act 2006 or any statutory modification of that section), including but without limitation by:

- i) securing improvements in physical and mental health.
- ii) securing improvements in the prevention, diagnosis and treatment of physical and mental illness.
- iii) the promotion and protection of public health.

Funding policy

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

Appointment of Trustees

Since our reconstitution on 1 April 2015, Trustee appointments are made by the Trustees after open advertisement in partnership with executive recruitment firms specialising in such appointments. Guy's and St Thomas' NHS Foundation Trust has the right to appoint and remove one Foundation Trustee. In addition, we have partnered with Inclusive Boards to fund and participate in their Transformational Leadership Programme, and through that have welcomed Pamela Thomas as an observer to our Board.

All Trustees are provided with a comprehensive induction covering strategy and mission, the individual strategies and aims of our different areas of operation, and legal and governance matters, including their duties and obligations as Trustees. In addition, further training is provided (either by our staff or external providers) as required, tailored to individual needs.

Structure, governance and management

Trustee changes

Sally Tennant OBE stepped down from the Board on 1 December 2022, having completed her second term of office.

Debu Purkayastha stepped down as Chair of the Board on 15 December 2022 and was replaced on an interim basis by Sir Ronald Kerr. Susanne Given was appointed Chair of the Board on 1 April 2023.

Powers of investment

The Foundation's powers of investment in its own right are principally derived from its Articles of Association and the Companies Act 2006. In exercising these powers, the Trustees must act in accordance with their duties as Foundation Trustees and as company directors as set out in the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, Charities Act 2022 and the Companies Act 2006 and as derived from case law. The Foundation's powers of investment, in its capacity as corporate Trustee of the Guy's and St Thomas' Endowed Charity and the other linked charities, are principally derived from the revised Scheme approved by the Charity Commission in 2015 and the Trustee Act 2000. In exercising these powers, the Foundation must act in accordance with its duties as set out in the Scheme and the Trustee Act 2000. In each case, these powers of investment are wide, allowing the Trustees and the Foundation, in its capacity as corporate Trustee of the Endowed Foundation and the other linked charities, to invest in such stocks, funds, shares, securities or other investments as they see fit.

Fundraising

The Foundation's fundraising activities have been undertaken by King's College London (KCL) since 2012. We have a contract with KCL to cover these activities. KCL reports regularly to the Foundation on fundraising activities, income, other key performance indicators and any issues arising, including complaints. These reports are discussed with KCL and at the Foundation's Fundraising Leadership Group, which includes representatives from the Foundation, the Trust and KCL. The Foundation and KCL are both registered with the Fundraising Regulator and seek to abide by best fundraising practice. The Foundation is informed of sub-contractors used by KCL for fundraising activities and KCL actively monitors them. The Foundation takes seriously the protection of vulnerable people and other members of the public from inappropriate fundraising behaviour.

Grant making policy - Charities

Our grant making is designed to support Guy's and St Thomas' NHS Foundation Trust to deliver better, fairer healthcare for all. We award grants to deliver projects that we design with Trust teams, in line with our strategy and our charitable objects. We learn from every grant we make and use that learning to inform future project development and improve decision-making.

Structure, governance and management

Grant making policy – Impact on Urban Health

We work closely with partners to support them to develop fundraising proposals, which clearly demonstrate impact. Proposals are reviewed at a quarterly investment committee and assessed against our objectives and Diversity, Equity and Inclusion principles.

With a focus on long-term change, the committee also considers how success will be evaluated and the potential for scalability, both in our place and in other urban areas. Once approved, we continue to support funded partners to develop and deliver those projects, using insight and learning to inform our work.

Complaints

The Foundation takes all complaints seriously and responds appropriately to issues raised. During 2022/23, we received three complaints, one relating to fundraising and two relating to our property portfolio. The fundraising complaint and one of the property related complaints were upheld. Appropriate action was taken to address the concern raised with the complainants and lessons have been learnt to reduce the likelihood of a reoccurrence.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 and that they have considered the Charity Commission's guidance on public benefit in shaping the Foundation's objectives and planning future activities. The Trustees are conscious of the need to ensure that the activities of the Foundation comply with the public benefit requirement, and they believe that all the charitable activities – most of which are described in this report – are for the public benefit.

Structure, governance and management

Remuneration

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

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

These principles apply to all staff, including senior executives. The table below details staff compensation by salary band. It covers staff who were on payroll on 31 March 2023, and shows full-time equivalent (FTE) pay for ease of comparison. An additional breakdown of the remuneration of senior employees appears in note 8 of the financial statements.

Information on gender and ethnicity pay gaps is set out in the Diversity, Equity and Inclusion section on page 56.

Salary band for staff as at 31 March 2023

Salary band	Number of staff
£20,000–£70,000	103
£70,000–£100,000	15
£100,000–£150,000	11
Over £150,000	3

All staff employed before 1 April 2023 were awarded a general pay increase of 4.5% (capped at £4,500 FTE) on 1 April 2023, with additional one-off payments of £1,800 or £1,200 (both FTE) for staff whose FTE salaries after the general increase on 1 April 2023 were below £50,270 or £100,000 respectively. The Foundation has been certified as a London Living Wage employer since 2016/17.

Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DEI) is critical to achieving our mission to build the foundations of a healthier society. Lambeth and Southwark are home to some of the most diverse communities in the UK. This diversity is reflected in the Trust's staff and patients, the local organisations we fund and partner with, and our own staff team.

- We believe that to achieve our mission of a healthier future for all, the process of building health equity needs to be equitable itself. We want everyone to enjoy a healthy life, so we will particularly focus on those who suffer most from health inequity.
- We recognise that part of the source of our endowment includes profits made from the historical trade in enslaved people. We are committed to tackling the impact of racism on health inequalities and to supporting greater diversity within our organisation and work.

What Diversity, Equity and Inclusion mean to us

- Diversity means recognising and taking account of everything that makes us unique as an individual. It is not just the categories that are protected by law. It is our backgrounds, the way we live, our personality types, our ways of thinking and the variety of our perspectives. Diversity also describes the positive value of the rich tapestry of experience. This helps us to look at things from different angles to make an impact in the communities in which we operate.
- Equity means we consider individual needs to create fair access, opportunities and advancement for everybody. While equality means sameness, to us equity means acknowledging we all have different starting points. As a result, we act with transparency, compassion and trust. We create conditions for everyone to thrive and reach their full potential.
- Inclusion means we embrace, celebrate and value difference within the workplace. Our organisational effort and practices aim to remove barriers to ensure all groups or individuals are culturally and socially welcomed and valued equally in a way that is fair for all. By valuing everyone's differences, we empower and enable each person to be themselves, achieve their full potential and thrive at work. Our people are our most valuable asset, and we want all of them to be able to be their best at work. We want to be inclusive in the way we support the Trust, organisations in Lambeth and Southwark and our national partners.

We have made progress during this reporting period on moving our DEI work forwards, but we recognise there is more for us to do, and we remain committed to continuing this valuable work. We are working towards embedding Diversity, Equity and Inclusion into everything we do. This is to enable us to ensure that the process and practices we use to achieve our mission of building a healthier society. During 2022/23:

- We committed further resources to our DEI team, recruiting a full-time DEI manager and creating a permanent Director of DEI post.
- We have taken steps towards building our inclusive culture by creating four new employee networks.

Diversity, Equity and Inclusion

- We have published our anti-racism statement along with our commitments to improving internal policies.
- We have introduced 'Inclusive' as an organisational value.
- We have improved support for staff to raise concerns and continued to develop our DEI learning and development programme.
- We completed a DEI action plan for our Endowment team.
- We launched our Trustees' DEI learning and development programme with a series of facilitated sessions with experts in healthcare inequity and alternative models of philanthropy.
- We have contributed to DEI in the philanthropy sector, as outlined in the Association of Charitable Foundations' (ACF) stronger pillars of foundations, by:
 - Developing a pipeline of talent into the philanthropy sector through routes such as 10,000 Black Interns, and other internships and apprenticeship programmes, and supporting Associates within our own Foundation.
 - Advocating for DEI within the wider urban health and philanthropic community at national and international conferences, including at the ACF annual conference.

It has been five years since our first DEI strategy. Our next DEI strategy will aim to embed DEI into everything we do. We have taken the learning gained during the last five years and are working towards launching an updated DEI strategy during 2023/24. This strategy will shift our focus from putting the basic foundations of DEI in place to making a difference in how we relate to each other and to how policies are implemented. We want to make sure we take a consistent, equitable and inclusive approach with all our staff partners and the communities we work alongside.

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 talent. Of the 124 people in the Foundation on 31 March 2023 for whom data is available, 71% were female (2021/22: 65%), 27% were male (2021/22: 24%) and 2% preferred not to say. Our Executive Team was two thirds female and one third male. On 31 March 2023, approximately 38% of employees were Black or from other minoritised ethnic groups. Of our Trustees, 62.5% were female and 37.5% came from Black or other minoritised ethnic groups.

Diversity, Equity and Inclusion

Reporting on our pay gap

Across our organisation, we look at both gender and ethnicity pay gaps. We publish this data annually as part of our commitment to transparency, in our role as a foundation addressing health inequalities and, in the case of gender pay gap data, to fulfil statutory obligations.

As at 31 March 2023, our median gender pay gap was 1%. This compares to -3% in the previous year and to a 2022 national median gap of 8.3% (Office of National Statistics, Gender pay gap in the UK). Our median ethnicity pay gap was 0%, compared to 4% in the previous year and to a 2019 national median gap of 2.3% (Office of National Statistics, Ethnicity and pay gaps).

Male/female staff pay gap as at 31 March 2023

Measure	Number	Male percent	Number	Female percent	Gap mean	Gap median
Upper quartile	8	6%	23	19%	7%	-7%
Upper middle quartile	10	8%	27	22%	0%	1%
Lower middle quartile	11	9%	17	14%	-1%	0%
Lower quartile	5	4%	21	17%	-5%	3%
All staff	34	27%	88	71%	3%	1%

Ethnicity pay gap as at 31 March 2023

Measure	Number	White percent	Number	Black and minoritised ethnic percent	Gap mean	Gap median
Upper quartile	22	18%	11	9%	0%	1%
Upper middle quartile	24	19%	13	10%	1%	2%
Lower middle quartile	18	15%	10	8%	2%	0%
Lower quartile	13	10%	13	10%	4%	-3%
All staff	77	62%	47	38%	9%	0%

When deciding how to group staff for reporting purposes, we have followed government guidance for ethnicity pay gap reporting. In view of the relatively small size of some of our staff cohorts when split by ethnicity, staff have, for this purpose only, been placed into two groups, those of white ethnicity and those of Black and other minoritised ethnicities.

Our commitment to the environment

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

- Halving emissions across our financial investments portfolio by 2030.
- Investing 5% of our portfolio in climate solutions and strategies by 2026.
- Reducing exposure to fossil fuels and other investments that are not consistent with a low carbon future.
- Transitioning our property portfolio to operational net zero (Scope 1 direct emissions and Scope 2 indirect emissions) by 2030.

We have committed 2.1% of our portfolio to climate solutions against our 2026 target of 5%. We have also reduced our fossil fuel exposure within the endowment to 0.1%. We continue to make progress against our other goals.

Within Impact on Urban Health, we are working to better understand the link between climate change and our health equity mission. Initially we are looking at opportunities for research and projects that could benefit both the climate and health through our four programmes. During 2022/23, we committed £0.5m in funds for grassroots organisations engaging with marginalised communities around climate and environmental issues.

We continue to engage with climate working groups and organisations aligned to our work, including the Institutional Investors Group on Climate Change, the Funder Commitment to Climate Change and the Lambeth Climate Partnership, of which we are a founding member.

Streamlined Energy and Carbon Reporting (SECR)

We report in line with the SECR guidance for the period covering 1 April 2022 to 31 March 2023, which considers an operational control approach for all our properties and land.

See appendix on page 108 for our report and methodology.

2.1%

***Of our investment portfolio
committed to climate solutions***

0.1%

***Our fossil fuel exposure within
the endowment***

Trustees' responsibilities

The Trustees (who are also directors and members of Guy's and St Thomas' Foundation for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Board is 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 FRS 102 – have been followed, subject to any material departures disclosed and explained in the financial statements.
- Follow the guidance in Statements of Recommended Practice (SORP), Accounting and Reporting by Charities.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Trustees' responsibilities

The Trustees of Guy's and St Thomas' Foundation must also act in accordance with a set of general duties, set out in section 172 of the UK Companies Act 2006. These duties are summarised as follows:

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

- Likely consequences of any decisions in the long term.
- Interests of the charitable company's employees.
- Need to foster the charitable company's business relationships with suppliers, customers and others.
- Impact of the charitable company's operations on the community and environment.
- Charitable company's reputation for high standards of business conduct.
- Need to act fairly between members of the charitable company.

Statement of disclosure to the auditor

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

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

Auditors

Crowe U.K. LLP - Tina Allison, Audit Partner

Crowe U.K. LLP were appointed as the Foundation's auditors in December 2022 following a competitive tender process and have expressed their willingness to continue as auditor for the following period.

Our organisation

Building on our foundations



Our organisation

Our Executive Team

Kieron Boyle Chief Executive

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

Cynthia Duodu Chief People Officer (from February 2023)

Ethan Hall Chief Investment Officer

Sarah Hickey Interim Executive Director of Urban Health (from October 2022)

Barbara Kasumu Executive Director of Charities (from September 2022)

Moray McConnachie Executive Director of Operations

Andy Ratcliffe Executive Director of Urban Health (until January 2023)

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

Changes to the Executive Team after March 2023

In May 2023, Kieron Boyle and Ethan Hall left the Foundation.

They were replaced, respectively, by Laurie Lee, who joined the Foundation as interim Chief Executive, and Emma Davies as Chief Investment Officer.

In August 2023, Peter Babudu joined the Foundation as Executive Director of Urban Health, replacing Sarah Hickey.

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

Our Trustee Board

Susanne Given (Chair from 1 April 2023)

Sir Ron Kerr (Interim Chair from January to March 2023, Vice Chair from April 2023)

Helen Bailey

Dr Nikki Kanani

Yasemin Saltuk Lamy

Tom Joy

Dr Danny Sriskandarajah

Katherine Ward

Our organisation

Trustees who resigned during the period

Sally Tennant OBE (resigned December 2022)

Debu Purkayastha (resigned December 2022)

Subsequent changes to the Trustee Board

Paul Brown (resigned from the Board in April 2023)



Trustee biographies

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

Sir Ron Kerr is Vice Chair of our Board. He was appointed as a lay member of the Council for 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 while remaining with the Trust before becoming special advisor to the Board. His other Chief Executive roles have included the National Care Standards Commission, United Bristol Healthcare NHS Trust, and the South East London Commissioning Agency.

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

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

Yasemin Saltuk Lamy is MD, Head of Asset Allocation and Capital Solutions for British International Investment plc. She previously covered Digital Identity and Innovation at Omidyar Network and had several roles at J.P. Morgan in London across derivatives and impact investing. Yasemin earned a Master of Science with merit in financial mathematics from King's College London. She chairs our Impact Investment Committee and sits on our Investment Committee.

Trustee biographies

Katherine Ward is Chief Commercial Officer and Managing Director, UK and Europe, for Healthy.io – a digital healthcare startup. She has worked in healthcare for 26 years: 15 years in the NHS in both provider and payer roles and 11 years with UnitedHealth Group, where she was Chief Executive of UnitedHealth UK and, later, Chief Growth Officer for Optum International. Katherine chairs our People Committee and sits on our Finance and Audit 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 holds a Masters and Doctorate from Oxford University and an undergraduate degree from the University of Sydney, and is a Trustee of the Disasters Emergency Committee. Danny chairs our Multiple Long-term Conditions Programme Committee.

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

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

Committees

We have a number of committees that report to the Board and funding committees that advise the Board on charitable expenditure.

Board Committees

Investment Committee

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

Impact Investment Committee

This committee, a sub-committee of the Investment Committee, is responsible for overseeing and guiding our initiative to build a portfolio of funds that generate both risk-adjusted financial returns and health benefits in the UK. It reports to the Investment Committee, approves investments up to and including £10m, and recommends funds to the Investment Committee for approval above that level.

Property Committee

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

Finance and Audit Committee

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

People Committee

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

Committees

Charities Strategy Committee

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

Impact on Urban Health Committee

This committee, operating under delegated authority from the Board, is responsible for providing strategic oversight and guidance to Impact on Urban Health (the programmatic area of the Foundation's activities). The committee advises on strategic direction for cross-programmatic learning and reviews the progress of our programmes.

Executive Committees

Executive Investment Committee

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

Charities Oversight Group

This group, operating under delegated authority from the Board, is responsible for funding and fundraising decisions from £500,000 up to and including £2m relating to support for the Trust. Decisions above this value are escalated to the Board for approval. It delegates certain funding decisions to other Foundation committees, which are in the process of being reformed as the Evelina London Children's Charity, Guy's Cancer Charity and Guy's & St Thomas' Charity Expert Groups, as well as to Special Purpose Fundholders and the Foundation's Chief Executive, respectively. It also takes decisions on support for the Trust in response to unforeseen needs up to and including a value of £2m. Decisions above this value are escalated to the Board for approval.

Committees

Programme Advisory Committees

Children's Health and Food Programme Committee

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

Multiple Long-term Conditions Programme Committee

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

Health Effects of Air Pollution Programme Committee

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

Children's Mental Health Programme Committee

We have been exploring different approaches to developing our Children's Mental Health Programme Committee. In line with our wider approach to the programme, we are focusing on how to ensure the programme is informed by the knowledge and experience of the people and communities directly impacted by the issues we are tackling. We have invited a group of experts who work in a place-based way, are trusted by the communities they support, and demonstrate a commitment to centring the needs and experiences of children and families in their work, to work with us to develop and test a Children's Mental Health Programme Partner Group over the next year.

Committees

Committees to support the Trust

Our charitable work with Guy's and St Thomas' NHS Foundation Trust is supported by several committees. Applications for charitable funding are considered by these committees in light of the strategic direction set by the Charities Strategy Committee. Any applications for funding or proposals for fundraising above £500,000 approved by these committees are escalated for approval to the Charities Oversight Group.

Evelina Children's Fund Committee

This committee is responsible for considering applications for funding from the Evelina Children's Fund.

Cancer Funds Committee

This committee is responsible for overseeing Special Purpose Funds benefiting cancer services and considering applications for funding to improve cancer care at Guy's and St Thomas' NHS Foundation Trust.

The Charitable Fund Committee

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

The Samaritan Fund Committee

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

Advisors

Auditors (statutory)

Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

Auditors (internal)

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

Bankers

NatWest, 91 Westminster Bridge Road, London SE1 7HT

Insurance brokers

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

Investment advisors

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

Property advisers

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

Property managers

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

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

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

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

Lawyers (charity and general legal support)

Withers LLP, 20 Old Bailey, London EC4M 7AN

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

Lawyers (property)

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

Burges Salmon, One Glass Wharf, Bristol BS2 0ZX

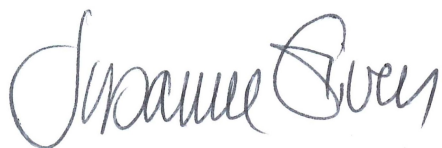
Others

Newcomen Collett Foundation

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

The Trustees' annual report is approved by the Trustees of the Foundation. The strategic report, which forms part of the annual report, is approved by the Trustees in their capacity as directors in company law of the Foundation.

By order of the Board of Trustees.



Susanne Given,

28 September 2023

Financial review

Auditor's report and financial statements

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

Opinion

We have audited the financial statements of Guy's and St Thomas' Foundation (the "charitable company") and its subsidiaries (the "group") for the year ended 31 March 2023 which comprise of the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2023 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 group 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 Trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report included within the Trustees' report.

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

- the parent company has not kept adequate accounting records.
- the parent company financial statements are not in agreement with the accounting records and returns.
- certain disclosures of Trustees' remuneration specified by law are not made.
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the Foundation and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Foundation's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were fundraising regulations, taxation legislation, employment legislation, Health and Safety regulations and General Data Protection Regulation (GDPR).

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within timing and recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Finance and Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading regulatory reports and minutes of meetings of those charged with governance.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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 anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.



Tina Allison

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

22 October 2022

Consolidated Statement of Financial Activities

(incorporating an Income and Expenditure Account)

For the year ended 31 March 2023

	Notes	2023				2022			
		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	1,926	401	17,068	19,395	1,488	9	16,467	17,964
Release from endowment funds	3	35,611	234	(35,845)	-	29,769	240	(30,009)	-
Grant income	4	189	423	-	612	2,666	508	-	3,174
Donations, legacies and other	5	2,813	6,308	-	9,121	2,628	5,161	-	7,789
Total income		40,539	7,366	(18,777)	29,128	36,551	5,918	(13,542)	28,927
Expenditure on:									
Raising funds									
Investment costs	6	327	-	13,666	13,993	351	11	10,971	11,333
Fundraising cost	6	1,715	4,646	-	6,361	1,227	3,650	-	4,877
		2,042	4,646	13,666	20,354	1,578	3,661	10,971	16,210
Charitable activities									
Grants	6	38,748	3,242	-	41,990	30,608	3,463	-	34,071
Other charitable activities	6	8,134	2,075	-	10,209	9,530	2,371	-	11,901
		46,882	5,317	-	52,199	40,138	5,834	-	45,972
Total expenditure	8	48,924	9,963	13,666	72,553	41,716	9,495	10,971	62,182
Net (expenditure) before gains and losses on investments		(8,385)	(2,597)	(32,443)	(43,425)	(5,165)	(3,577)	(24,513)	(33,255)
Net (losses)/gains on revaluation and disposal of investments	10	(3,325)	-	15,474	12,149	525	-	74,607	75,132
Net (expenditure)/income		(11,710)	(2,597)	(16,969)	(31,276)	(4,640)	(3,577)	50,094	41,877
Transfers between funds	19	(4,809)	4,809	-	-	(3,600)	3,600	-	-
Other recognised losses									
(Loss) on revaluation of tangible fixed assets	9	(99)	-	-	(99)	-	-	-	-
Net movement in funds		(16,618)	2,212	(16,969)	(31,375)	(8,240)	23	50,094	41,877
Reconciliation of funds									
Total funds brought forward		60,606	11,114	930,603	1,002,323	68,846	11,091	880,509	960,446
Total funds carried forward		43,988	13,326	913,634	970,948	60,606	11,114	930,603	1,002,323

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 80 to 107 form part of these financial statements.

Consolidated balance sheet

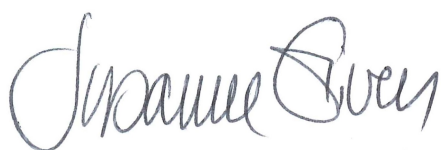
As at 31 March 2023

	Notes	2023				2022			
		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	5,040	–	–	5,040	5,216	–	–	5,216
Investments	10	23,809	–	1,017,953	1,041,762	27,198	–	1,030,313	1,057,511
		28,849	–	1,017,953	1,046,802	32,414	–	1,030,313	1,062,727
Current assets									
Investments	10	–	–	17,767	17,767	–	–	25,403	25,403
Debtors	11	1,799	654	25,697	28,150	1,353	464	27,213	29,030
Inter-fund loan	12	65,000	–	(65,000)	–	65,000	–	(65,000)	–
Cash and short term deposits	13	3,934	24,617	3,145	31,696	16,547	20,980	13,596	51,123
		70,733	25,271	(18,391)	77,613	82,900	21,444	1,212	105,556
Creditors:									
Amounts falling due within one year									
Grant creditors	7	35,651	6,708	–	42,359	34,928	5,785	–	40,713
Other creditors	14	6,902	3,484	22,046	32,432	11,086	3,288	26,441	40,815
		42,553	10,192	22,046	74,791	46,014	9,073	26,441	81,528
Net current assets/(liabilities)		28,180	15,079	(40,437)	2,822	36,886	12,371	(25,229)	24,028
Total assets less current liabilities		57,029	15,079	977,516	1,049,624	69,300	12,371	1,005,084	1,086,755
Creditors:									
Amounts falling due after one year									
Grant creditors	7	13,041	1,477	–	14,518	8,694	1,184	–	9,878
Other creditors		–	276	3,882	4,158	–	73	14,481	14,554
Private placement loan	15	–	–	60,000	60,000	–	–	60,000	60,000
		13,041	1,753	63,882	78,676	8,694	1,257	74,481	84,432
Total net assets		43,988	13,326	913,634	970,948	60,606	11,114	930,603	1,002,323
Funds of the charity									
Income funds									
Unrestricted	16	43,988	–	–	43,988	60,606	–	–	60,606
Restricted	17	–	13,326	–	13,326	–	11,114	–	11,114
		43,988	13,326	–	57,314	60,606	11,114	–	71,720
Capital funds									
Endowment	18	–	–	913,634	913,634	–	–	930,603	930,603
Total funds		43,988	13,326	913,634	970,948	60,606	11,114	930,603	1,002,323

The accounts were approved and authorised for issue by the Trustee Board on 28 September 2023.

The notes on pages 80 to 107 form part of these financial statements.

Signed in the name and on behalf of the Trustees of Guy's and St Thomas' Foundation:



Susanne Given
Chair

Balance sheet

As at 31 March 2023

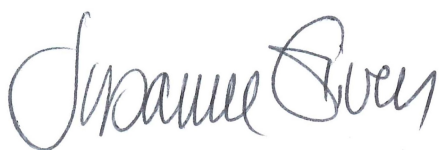
	Notes	2023				2022			
		Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total at 31 March £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total at 31 March £'000
Fixed assets									
Tangible assets	9	5,040	–	–	5,040	5,216	–	–	5,216
Investments	10	22,377	–	1,022,946	1,045,323	25,432	–	1,037,252	1,062,684
		27,417	–	1,022,946	1,050,363	30,648	–	1,037,252	1,067,900
Current assets									
Debtors	11	1,809	655	16,229	18,693	1,357	464	31,050	32,871
Inter-fund loan	12	65,000	–	(65,000)	–	65,000	–	(65,000)	–
Cash and short term deposits	13	3,707	24,617	2,828	31,152	16,304	20,980	13,284	50,568
		70,516	25,272	(45,943)	49,845	82,661	21,444	(20,666)	83,439
Creditors:									
Amounts falling due within one year									
Grant creditors	7	35,651	6,708	–	42,359	34,928	5,785	–	40,713
Other creditors	14	6,895	3,484	7,896	18,275	11,087	3,288	25,968	40,343
		42,546	10,192	7,896	60,634	46,015	9,073	25,968	81,056
Net current assets/(liabilities)		27,970	15,080	(53,839)	(10,789)	36,646	12,371	(46,634)	2,383
Total assets less current liabilities		55,387	15,080	969,107	1,039,574	67,294	12,371	990,618	1,070,283
Creditors:									
Amounts falling due after one year									
Grant creditors	7	13,041	1,477	–	14,518	8,694	1,184	–	9,878
Other creditors		–	276	–	276	–	73	–	73
Private placement loan	15	–	–	60,000	60,000	–	–	60,000	60,000
		13,041	1,753	60,000	74,794	8,694	1,257	60,000	69,951
Total net assets		42,346	13,327	909,107	964,780	58,600	11,114	930,618	1,000,332
Funds of the charity									
Income funds									
Unrestricted	16	42,346	–	–	42,346	58,600	–	–	58,600
Restricted	17	–	13,327	–	13,327	–	11,114	–	11,114
		42,346	13,327	–	55,673	58,600	11,114	–	69,714
Capital funds									
Endowment	18	–	–	909,107	909,107	–	–	930,618	930,618
Total funds		42,346	13,327	909,107	964,780	58,600	11,114	930,618	1,000,332

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 loss of the Foundation only for the year ended 31 March 2023 was £35,553,000 (2022: net income of £41,863,000).

The accounts were approved and authorised for issue by the Trustee Board on 28 September 2023.

The notes on pages 80 to 107 form part of these financial statements.

Signed in the name and on behalf of the Trustees of Guy's and St Thomas' Foundation:



Susanne Given
Chair

Consolidated statement of cash flows

For the year ended 31 March 2023

	Notes	31 March 2023 £'000	31 March 2022 £'000
Cash flows from operating activities:			
Net cash used in operating activities		(73,070)	(33,306)
Cash flows from investing activities:			
Rents, dividends and interest from investments		19,395	17,964
Proceeds from sale of investments		193,090	223,473
Purchase of investments		(157,465)	(202,320)
Purchase of tangible fixed assets		(118)	(1,529)
Net cash provided by investing activities		54,902	37,588
Change in cash and cash equivalents in the reporting period		(18,168)	4,282
Cash and cash equivalents at the beginning of the reporting period	13	51,123	47,705
Change in cash and cash equivalents due to exchange rate movements		(1,259)	(864)
Cash and cash equivalents at the end of the reporting period	13	31,696	51,123

Reconciliation of net income to net cash flow from operating activities

	31 March 2023 £'000	31 March 2022 £'000
Net (expenditure)/income for the reporting period	(31,375)	41,877
Adjustments for:		
Depreciation charges	195	142
(Gains)/loss on investments	(12,149)	(75,132)
Programme-related investments written off	1,265	48
Rents, dividends and interest from investments	(19,395)	(17,964)
Donated fixed assets	2	–
Decrease/(increase) in debtors	880	(21,434)
Increase in grants payable	6,286	6,948
(Decrease)/increase in other creditors	(18,779)	32,209
Net cash used in operating activities	(73,070)	(33,306)
Increase in grants payable includes:		
Grants awarded	33,008	28,832
Grants paid out	(25,785)	(21,954)
Change in fair value	937	70
	8,160	6,948

Analysis of changes in net debt

	At 1 April 2022 £'000	Cash flows £'000	FX rate movements £'000	At 31 March 2023 £'000
Cash and cash equivalents	51,123	(18,168)	(1,259)	31,696
Borrowings				
Due after one year	(60,000)	–	–	(60,000)
Total net debt	(8,877)	(18,168)	(1,259)	(28,304)

The notes on pages 80 to 107 form part of these financial statements.

Notes to the financial statements

1. Accounting policies

1.1 General

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

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

1.2 Going concern

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

1.3 Fund accounting

The Foundation maintains various types of funds and descriptions of these funds are provided in notes 16 to 18. 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. Funds that are freely available to spend on any of the Foundation's charitable objectives are managed through a distribution account. Other funds represent the net book value of fixed assets which are used in furtherance of the Foundation's charitable objectives, including charitable property, health innovations investments, the art collection and other tangible fixed assets.
- Restricted funds represent funds where the grants and donations are requested by the donor to be spent on a specific purpose.
- Endowment funds are funds which are held as the long-term capital of the Foundation to provide an ongoing income to expend in furtherance of the Foundation's objects. The Foundation has two types of endowment funds; those expendable at the Trustees' discretion (expendable endowment funds) and those which must be permanently held as capital (permanent endowment funds). A total return approach to investment has been adopted for both types of endowment fund under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Foundation has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term (see note 3).

1.4 Critical accounting estimates and judgements

The Foundation's management is required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of the estimates and assumptions form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The judgements 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's internal property team has assessed based on market knowledge and professional expertise 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.
- 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 which is linked to 12 month sterling SONIA, as described more fully in note 12, as this best reflects the opportunity cost of income foregone.

Notes to the financial statements

1. Accounting policies (cont.)

1.5 Income

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

1.6 Expenditure

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

- Expenditure on raising funds comprise costs incurred in managing the Foundation's investment portfolio and maintaining the Foundation's investment properties, as well as amounts both charged to and directly incurred by the Foundation for fundraising services.
- Grants awarded are brought into account when a constructive obligation exists for the Trustees to make the grant.
- Other charitable activities relate to expenditure in support of beneficiaries which is not made as part of the normal grants programme. It includes day-to-day beneficiary expenditure incurred through special purpose funds, charitable activity funded by contractual agreements, and expenditure on maintaining and displaying the art collection.

1.7 Pension contributions and employee benefits

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

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

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

1.8 Allocation and apportionment of costs

Staff costs are considered on a person by person basis and allocated between expense headings on the basis of an estimate of time spent on activities in each area derived from headcount. Other overheads which are not directly attributable to one particular area of activity are apportioned in the same ratios. 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 fair value, which is the 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 on a desktop basis as at 31 March 2023.

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 five years. Computers and other IT hardware is depreciated over three 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.

Notes to the financial statements

1. Accounting policies (cont.)

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 2022. Where a decision to sell a property was made before the balance sheet date and offers to purchase were received subsequent to the balance sheet date, the value at which the property is included in the accounts has been adjusted to reflect the estimated net sale price achievable. The Foundation does not believe that the valuations of property assets have otherwise materially changed subsequent to the balance sheet date.
- Listed investments are included in the Balance Sheet at market value as at 31 March 2023. Inevitably, market valuations fluctuate, sometimes significantly, over time including over the period subsequent to the balance sheet date. However, given the long-term nature of its investment portfolio, the Foundation does not believe that there has been any material permanent diminution in investment valuations subsequent to the balance sheet date.
- Unlisted Investments are valued with reference to the most recent valuations provided by the fund managers, all of which were as at 31 March 2023. The Foundation does not believe that there is any evidence of any material permanent reduction in these valuations subsequent to the balance sheet date.

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

1.11 Financial instruments

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

Basic financial instruments are recognised in the accounts as follows:

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

Other financial instruments are used as part of the Foundation's portfolio management and risk management strategy. The Foundation's use of other financial instruments during the year ended 31 March 2023 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

2. Income from investments

	2023				2022			
	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	–	–	966	966	–	–	723	723
Programme-related financial investments								
Royalties and interest	–	–	–	–	12	–	–	12
	–	–	966	966	12	–	723	735
Property investments	–	–			–	–		
Property investments								
Rents	–	–	17,003	17,003	–	–	16,195	16,195
Other income	–	–	62	62	–	–	175	175
Programme-related property investments								
Rents	872	–	–	872	840	–	–	840
	872	–	17,065	17,937	840	–	16,370	17,210
Interest								
Cash and short-term deposits	85	401	6	492	10	9	–	19
Inter-fund loan (see note 11)	969	–	(969)	–	626	–	(626)	–
	1,054	401	(963)	492	636	9	(626)	19
	1,926	401	17,068	19,395	1,488	9	16,467	17,964

3. Release from endowment funds

	2023				2022			
	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	35,611	–	(35,611)	–	29,769	–	(29,769)	–
Permanent endowments total return allocated to income	–	234	(234)	–	–	240	(240)	–
	35,611	234	(35,845)	–	29,769	240	(30,009)	–

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.

Notes to the financial statements

4. Grant income

	2023				2022			
	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								
NHS Charities Together	–	423	–	423	–	508	–	508
Wellcome Trust	189			189	543	–	–	543
South East London Clinical Commissioning Group	–	–	–	–	1,700	–	–	1,700
Clean Air Fund	–	–	–	–	387	–	–	387
Other	–	–	–	–	36	–	–	36
	189	423	–	612	2,666	508	–	3,174

The Foundation was awarded a grant with a total value of £1,499,800 from Wellcome Trust prior to 31 March 2021, of which the conditions relating to £732,000 had been met up to 31 March 2023. The grant from South East London CCG was an unconditional award of £1,700,000. The grant from Clean Air Fund was a conditional award with a total value of £2,000,000 over a three-year term from 1 January 2021 to 31 December 2023, of which the conditions relating to £537,000 had been met prior to 31 March 2022; this grant was subsequently suspended during 2022/23.

5. Income from donations, legacies and other

	2023				2022			
	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	617	4,533	–	5,150	589	4,406	–	4,995
Legacies	1,985	1,722	–	3,707	2,012	752	–	2,764
	2,602	6,255	–	8,857	2,601	5,158	–	7,759
Other	211	53	–	264	27	3	–	30
	2,813	6,308	–	9,121	2,628	5,161	–	7,789

Contingent assets representing the net amount of pecuniary and residuary cases not included in legacy income as at 31 March 2023 were £2,266,000.

Notes to the financial statements

6. Total expenditure

	2023						
	Investments £'000	Fundraising £'000	Total raising funds £'000	Grants £'000	Other charitable activities £'000	Total charitable activities £'000	Total £'000
Unrestricted funds							
Direct expenditure							
Property investments	272	–	272	–	–	–	272
Grants awarded	–	–	–	30,575	–	30,575	30,575
Other direct	–	1,163	1,163	–	6,267	6,267	7,430
	272	1,163	1,435	30,575	6,267	36,842	38,277
Support costs							
Salary and other payroll	37	196	233	5,981	1,226	7,207	7,440
Other support	17	352	369	3,019	618	3,637	4,006
Depreciation	1	4	5	110	23	133	138
	55	552	607	9,110	1,867	10,977	11,584
Change in fair value							
Grants creditors	–	–	–	(937)	–	(937)	(937)
Total unrestricted funds	327	1,715	2,042	38,748	8,134	46,882	48,924
Restricted funds							
Direct expenditure							
Grants awarded	–	–	–	2,433	–	2,433	2,433
Other direct	–	2,804	2,804	–	1,557	1,557	4,361
	–	2,804	2,804	2,433	1,557	3,990	6,794
Support costs							
Salary and other payroll	–	784	784	428	274	702	1,486
Other support	–	1,043	1,043	372	238	610	1,653
Depreciation	–	15	15	9	6	15	30
	–	1,842	1,842	809	518	1,327	3,169
Total restricted funds	–	4,646	4,646	3,242	2,075	5,317	9,963
Endowment funds							
Direct expenditure							
Financial investments	3,829	–	3,829	–	–	–	3,829
Property investments	4,585	–	4,585	–	–	–	4,585
	8,414	–	8,414	–	–	–	8,414
Support costs							
Salary and other payroll	1,734	–	1,734	–	–	–	1,734
Other support	1,020	–	1,020	–	–	–	1,020
Depreciation	27	–	27	–	–	–	27
	2,781	–	2,781	–	–	–	2,781
Interest costs							
Private placement loan	2,232	–	2,232	–	–	–	2,232
Other interest	239	–	239	–	–	–	239
	2,471	–	2,471	–	–	–	2,471
Total endowment funds	13,666	–	13,666	–	–	–	13,666
	13,993	6,361	20,354	41,990	10,209	52,199	72,553
Of which:							
Total direct expenditure	8,686	3,967	12,653	33,008	7,824	40,832	53,485

Notes to the financial statements

6. Total expenditure (cont.)

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

Notes to the financial statements

6. Total expenditure (cont.)

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

Total expenditure includes governance costs of £287,662 (2022: £188,463). Governance costs include auditor's remuneration of £74,921 (2022: £41,446) in respect of the external audit of the statutory accounts..

Direct charitable expenditure

	Total 2019 £'000	Total 2020 £'000	Total 2021 £'000	Total 2022 £'000	Total 2023 £'000	Total 2019–2023 £'000
By activity: five-year profile						
Impact on Urban Health programmes	10,014	14,323	17,637	22,872	24,208	89,054
Charity for Guy's and St Thomas' NHS Foundation Trust	7,923	9,898	10,905	13,065	16,207	57,998
Investing for health	–	–	–	1,500	266	1,766
Health Innovation Fund	968	1,015	458	156	151	2,748
	18,905	25,236	29,000	37,593	40,832	151,566
By recipient: five-year profile						
Guy's and St Thomas' NHS Foundation Trust	8,584	10,243	10,488	11,179	16,059	56,553
Other organisations	10,321	14,993	18,512	26,414	24,773	95,013
	18,905	25,236	29,000	37,593	40,832	151,566

Amounts are shown net of write backs and other adjustments.

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

Notes to the financial statements

7. Grants

7.1 Grants awarded and paid

Grants awarded are brought into account when a constructive obligation exists for the Trustees to make the grant. Amounts thus committed but not yet paid are included on the balance sheet as grant creditors. Grant creditors that are estimated as payable after more than one year are measured at the present value of the expected future payments discounted at a market rate of interest, with the change in the value of the discount being included in grant expenditure (see note 6).

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Group and Company				
Committed but not yet paid at 31 March 2022	43,622	6,969	–	50,591
Grants awarded	30,575	2,433	–	33,008
Payments	(24,568)	(1,217)	–	(25,785)
	49,629	8,185	–	57,814
Fair value adjustment	(937)	–	–	(937)
Grant creditors at 31 March 2023	48,692	8,185	–	56,877
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Group and Company				
Committed but not yet paid at 31 March 2021	35,513	8,501	–	44,014
Grants awarded	25,948	2,884	–	28,832
Payments	(17,538)	(4,416)	–	(21,954)
	43,923	6,969	–	50,892
Fair value adjustment	(301)	–	–	(301)
Grant creditors at 31 March 2022	43,622	6,969	–	50,591

There were no grant creditors due more than five years after the balance sheet date at 31 March 2023 and 31 March 2022.

Notes to the financial statements

7. Grants (cont.)

7.2 Grants awarded by recipient

	Number	Awarded Total 2023 £'000
Guy's and St Thomas' NHS Foundation Trust	72	13,876
Other organisations with total grants awarded greater than £100,000:		
BiteBack 2030	1	1,980
Chefs in Schools	1	1,337
Black Thrive Lambeth	1	794
Asthma and Lung UK	1	654
Healing Justice London	1	647
PACT Group	1	596
Money and Mental Health Policy Institute	1	590
Motherhood Group	1	535
Parent Skills 2Go CIC	1	489
Justice for Tenants	1	455
Do It Now Now	1	440
Oval Learning	1	437
Breathe	2	383
Cambridge House	1	370
King's College London	1	344
School Food Matters	1	338
Southwark Council	1	325
Centric Lab	1	300
Food Foundation Strategic Partnership	1	300
Marks out of Tenancy	1	297
Sustain: The Alliance For Better Food & Farming	1	275
Community Southwark	1	254
Stonehaven	1	250
Rooted Innovation Limited	2	250
Doing Social	1	229
Imperial College London	1	228
Partisan Community CIC	1	228
The Centre for Social Justice	1	200
Social Progress Imperative, Inc	1	200
The Integrate Agency CIC	1	199
Centre for Responsible Credit	1	171
Elifinty Ltd	1	168
Global Action Plan UK	1	155
Young Mums Support Network CIC	1	146
Ordrs Ltd	1	137
Enact Equality	1	134
Lambeth Council	1	120
South London Mission	1	102
Growth Studio	1	100
	41	15,157
Other organisations	34	3,975
Total grants awarded	147	33,008

Notes to the financial statements

8. Staff costs

Analysis of total staff costs

	2023 £'000	2022 £'000
Salaries and wages	8,810	6,476
Social security costs	908	663
Other pension costs	942	743
	10,660	7,882

Remuneration of higher paid employees

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

	2023 Number	2022 Number
£60,001 to £70,000	15	5
£70,001 to £80,000	7	5
£80,001 to £90,000	10	6
£90,001 to £100,000	3	–
£100,001 to £110,000	1	1
£110,001 to £120,000	1	–
£120,001 to £130,000	1	2
£130,001 to £140,000	1	1
£140,001 to £150,000	1	–
£210,001 to £220,000	–	1
£230,001 to £240,000	1	–
£250,001 to £260,000	1	–
£440,001 to £450,000	–	1

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

Number of employees

	2023 Number	2022 Number
Average monthly number of employees in the year	126	103

Pension creditor

	2023 £'000	2022 £'000
Pension contributions due but not yet paid	120	102

Key management personnel

The total employment costs of key management personnel, who are the seven members of the Foundation's Executive Team, during the year were £1,360,000 (2022: £1,318,000), of which £1,088,000 (2022: £1,078,000) was salaries, £143,000 (2022: £135,000) employer's National Insurance contributions and £129,000 (2022: £105,000) pension contributions.

Pension contributions for higher paid employees

The following pension contributions were made for senior employees:

	Total value of contributions £'000	Number of staff
Defined benefit schemes	62	4
Defined contribution schemes	276	23

Notes to the financial statements

9. Tangible fixed assets

	Art Collection £'000	Leasehold Improvements £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Group and Company				
Cost or valuation				
Balance at 31 March 2022	3,709	1,562	121	5,392
Acquisitions	5	103	10	118
Written off		–	(39)	(39)
Revaluation	(99)	–	–	(99)
Balance at 31 March 2023	<u>3,615</u>	<u>1,665</u>	<u>92</u>	<u>5,372</u>
Depreciation				
Balance at 31 March 2022	–	121	55	176
Disposals	–	–	(39)	(39)
Charge for the year	–	166	29	195
Balance at 31 March 2023	<u>–</u>	<u>287</u>	<u>45</u>	<u>332</u>
Net book value at 31 March 2023	<u>3,615</u>	<u>1,378</u>	<u>47</u>	<u>5,040</u>
Net book value at 31 March 2022	3,709	1,441	66	5,216
 Original cost at 31 March 2023	 4,785	 1,665	 92	 6,542
Original cost at 31 March 2022	4,780	1,562	121	6,463

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 £146,000 (2022: £131,000).

Notes to the financial statements

10. Fixed and current asset investments

	2023			2022		
	Investments £'000	Programme- Related Investments £'000	Total £'000	Investments £'000	Programme- Related Investments £'000	Total £'000
Group						
Fixed assets						
Unrestricted funds						
Financial investments	11	7,010	7,021	10	7,320	7,330
Property investments	–	16,788	16,788	–	19,868	19,868
	11	23,798	23,809	10	27,188	27,198
Endowment funds						
Financial investments	633,907	–	633,907	629,632	–	629,632
Property investments	384,046	–	384,046	400,681	–	400,681
	1,017,953	–	1,017,953	1,030,313	–	1,030,313
Current assets						
Endowment funds						
Property investments	17,767	–	17,767	25,403	–	25,403
Total investments						
Financial investments	633,918	7,010	640,928	629,642	7,320	636,962
Property investments	401,813	16,788	418,601	426,084	19,868	445,952
	1,035,731	23,798	1,059,529	1,055,726	27,188	1,082,914

Property investments classified as current assets represents property owned by a subsidiary company which was sold to a third party on 25 May 2023. It is therefore included at the balance sheet date at the net sales value after deducting promoter's commission, the cost of purchase of a third party's equitable interest in the property, and sales commission.

Company

Unrestricted funds

Financial investments	11	5,578	5,589	10	5,554	5,564
Property investments	–	16,788	16,788	–	19,868	19,868
	11	22,366	22,377	10	25,422	25,432

Endowment funds

Financial investments	633,907	–	633,907	629,632	–	629,632
Property investments	389,039	–	389,039	407,620	–	407,620
	1,022,946	–	1,022,946	1,037,252	–	1,037,252

Total funds

Financial investments	633,918	5,578	639,496	629,642	5,554	635,196
Property investments	389,039	16,788	405,827	407,620	19,868	427,488
	1,022,957	22,366	1,045,323	1,037,262	25,422	1,062,684

Notes to the financial statements

10. Fixed and current asset investments (cont.)

10.1 Investments

Group	Market Value 31 March 2022 £'000	Disposals at Carrying Value £'000	Acquisitions at Cost £'000	Net Gains /(Losses) on Revaluation £'000	Market Value 31 March 2023 £'000
Unrestricted funds					
Financial investments					
Global equity	10	–	–	1	11
Endowment funds					
Financial investments					
Global equity	201,360	(56,012)	92,004	3,145	240,497
Private equity	161,797	(11,736)	33,035	12,614	195,710
Absolute return	105,344	(40,604)	–	1,599	66,339
Hedged equity	108,427	(57,964)	–	5,877	56,340
Credit	38,218	(7,311)	2,979	3,663	37,549
Fixed income	–	(4,003)	26,009	279	22,285
Property funds	7,551	(135)	532	(97)	7,851
Multi-asset class	5,825	(313)	–	(293)	5,219
Forward FX contracts	(372)	2,172	–	(917)	883
Other	1,482	416	–	(664)	1,234
	629,632	(175,490)	154,559	25,206	633,907
Property investments	426,084	(1,650)	2,972	(25,593)	401,813
	1,055,716	(177,140)	157,531	(387)	1,035,720
	1,055,726	(177,140)	157,531	(386)	1,035,731
Company					
Unrestricted funds					
Financial investments					
Global equity	10	–	–	1	11
Endowment funds					
Financial investments					
Global equity	201,360	(56,012)	92,004	3,145	240,497
Private equity	161,797	(11,736)	33,035	12,614	195,710
Absolute return	105,344	(40,604)	–	1,599	66,339
Hedged equity	108,427	(57,964)	–	5,877	56,340
Credit	38,218	(7,311)	2,979	3,663	37,549
Fixed income	–	(4,003)	26,009	279	22,285
Property funds	7,551	(135)	532	(97)	7,851
Multi-asset class	5,825	(313)	–	(293)	5,219
Forward FX contracts	(372)	2,172	–	(917)	883
Other	1,482	416	–	(664)	1,234
	629,632	(175,490)	154,559	25,206	633,907
Property investments	407,620	(1,650)	–	(16,931)	389,039
	1,037,252	(177,140)	154,559	8,275	1,022,946
	1,037,262	(177,140)	154,559	8,276	1,022,957

The Foundation has entered into commitments to invest in private equity, private debt and other funds. At 31 March 2023, outstanding commitments totalled £109,081,000 (2022: £79,187,000)

Notes to the financial statements

10. Fixed and current asset investments (cont.)

10.1 Investments (cont.)

Analysis of market value and historic cost

Group	Listed UK £'000	Listed Overseas £'000	Unlisted UK £'000	Unlisted Overseas £'000	2023 Total £'000	2022 Total £'000
Global equity	11	109,610	13	130,874	240,508	201,370
Private equity	–	–	7,667	188,043	195,710	161,797
Absolute return	–	–	–	66,339	66,339	105,344
Hedged equity	–	23,891	–	32,449	56,340	108,427
Credit	–	1	22,355	15,193	37,549	38,218
Fixed income	22,285	–	–	–	22,285	–
Property funds	–	–	7,851	–	7,851	7,551
Multi-asset class	–	–	–	5,219	5,219	5,825
Forward FX contracts	–	–	–	883	883	(372)
Other	–	–	1,234	–	1,234	1,482
	22,296	133,502	39,120	439,000	633,918	629,642
Property investments	–	–	401,813	–	401,813	426,084
Market value at 31 March 2023	22,296	133,502	440,933	439,000	1,035,731	
Market value at 31 March 2022	23	204,447	461,204	390,053		1,055,726
Historic cost at 31 March 2023	22,006	59,913	184,624	319,762	586,305	
Historic cost at 31 March 2022	13	124,491	181,970	260,925		567,399
Company						
Global equity	11	109,610	13	130,874	240,508	201,370
Private equity	–	–	7,667	188,043	195,710	161,797
Absolute return	–	–	–	66,339	66,339	105,344
Hedged equity	–	23,891	–	32,449	56,340	108,427
Credit	–	1	22,355	15,193	37,549	38,218
Fixed income	22,285	–	–	–	22,285	–
Property funds	–	–	7,851	–	7,851	7,551
Multi-asset class	–	–	–	5,219	5,219	5,825
Forward FX contracts	–	–	–	883	883	(372)
Other	–	–	1,234	–	1,234	1,482
	22,296	133,502	39,120	439,000	633,918	629,642
Property	–	–	389,039	–	389,039	407,620
Market value at 31 March 2023	22,296	133,502	428,159	439,000	1,022,957	
Market value at 31 March 2022	23	204,446	442,739	390,054		1,037,262
Historic cost at 31 March 2023	22,006	59,913	181,195	319,762	582,876	
Historic cost at 31 March 2022	13	124,491	168,364	260,925		553,793

Notes to the financial statements

10. Fixed and current asset investments (cont.)

10.2. Programme-related investments

	Market Value 31 March 2022 £'000	Disposals at Carrying Value £'000	Acquisitions at Cost £'000	Written Down £'000	Net Gains /(Losses) on Revaluation £'000	Market Value 31 March 2023 £'000
Group						
Unrestricted funds						
Property investments	19,868	–	–	–	(3,080)	16,788
Financial investments	7,320	–	(65)	–	(245)	7,010
	27,188	–	(65)	–	(3,325)	23,798
Historic cost at 31 March 2023						6,929
Historic cost at 31 March 2022						6,902
Company						
Unrestricted funds						
Property investments	19,868	–	–	–	(3,080)	16,788
Financial investments	5,554	–	24	–	–	5,578
	25,422	–	24	–	(3,080)	22,366
Historic cost at 31 March 2023						5,774
Historic cost at 31 March 2022						5,750

Programme-related investments are investments made directly in pursuit of the Foundation's charitable purposes, are unlisted and are held in the United Kingdom. The financial investments include equity, quasi-equity, revenue participation and other investments.

Notes to the financial statements

10. Fixed and current asset investments (cont.)

10.3 Net gains and losses on revaluation and disposal of investments

Group	2023			2022		
	Investments £'000	Programme- Related Investments £'000	Total £'000	Investments £'000	Programme- Related Investments £'000	Total £'000
Unrestricted funds						
Unrealised gains/(losses)						
Financial investments	–	(245)	(245)	–	(166)	(166)
Property investments	–	(3,080)	(3,080)	–	263	263
	–	(3,325)	(3,325)	–	97	97
Realised gains						
Financial investments	–	–	–	–	290	290
Property investments	–	–	–	–	132	132
	–	–	–	–	422	422
Other gains/(losses)	–	–	–	6	–	6
Total gains/(losses)						
Financial investments	–	(245)	(245)	–	124	124
Property investments	–	(3,080)	(3,080)	–	395	395
Other	–	–	–	6	–	6
	–	(3,325)	(3,325)	6	519	525
Endowment funds						
Unrealised gains/(losses)						
Financial investments	25,206	–	25,206	22,993	–	22,993
Property investments	(25,593)	–	(25,593)	38,017	–	38,017
	(387)	–	(387)	61,010	–	61,010
Realised gains/(losses)						
Financial investments	3,087	–	3,087	21,171	–	21,171
Property investments	14,033	–	14,033	(6,710)	–	(6,710)
	17,120	–	17,120	14,461	–	14,461
Other gains/(losses)	(1,259)	–	(1,259)	(864)	–	(864)
Total gains/(losses)						
Financial investments	28,293	–	28,293	44,164	–	44,164
Property investments	(11,560)	–	(11,560)	31,307	–	31,307
Other	(1,259)	–	(1,259)	(864)	–	(864)
	15,474	–	15,474	74,607	–	74,607
Total funds						
Total gains/(losses)						
Financial investments	28,293	(245)	28,048	44,164	124	44,288
Property investments	(11,560)	(3,080)	(14,640)	31,307	395	31,702
Other	(1,259)	–	(1,259)	(858)	–	(858)
	15,474	(3,325)	12,149	74,613	519	75,132

Notes to the financial statements

10. Fixed and current asset investments (cont.)

10.4. Subsidiary undertakings

The Foundation owns 100% of the following subsidiary undertakings.

GSTC Property Investments Limited (registered in England and Wales number 7369879). The principal activity of this company is investment in land and buildings with long-term development potential. The company made a profit of £2,258,127 for the year ended 31 March 2023 and its net assets at that date amounted to £44,465,197. 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 £390,838 for the year ended 31 March 2023 and its net assets at that date amounted to £3,139,649. Its accounts have been consolidated into the Group accounts. The Foundation's investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased of £1,497,434.

GSTC Property Developments Limited (registered in England and Wales number 6861110). The principal activity of the company is to undertake commercial and trading activities for the benefit of Guy's and St Thomas' Foundation or any linked charity of which the Foundation is Trustee. The company made a loss of £527,697 for the year ended 31 March 2023. Its net liabilities at that date were £541,363. The Foundation's investment in this subsidiary undertaking has been valued at the original cost of the share capital purchased of £1.

Summary accounts for the active subsidiaries are shown below:

GSTC Property Investments Ltd

Summary Income and Expenditure account for the year ended 31 March 2023

	£
Gross income	14,052,996
Expenditure	(7,985,173)
Net income	6,067,823
Investment gains	(3,809,696)
Net profit	2,258,127

Summary Balance Sheet as at 31 March 2023

	£
Tangible fixed assets	34,405,938
Net current assets	18,195,049
Total assets less net current liabilities	52,600,987
Creditors due after one year	(8,135,790)
Net assets and shareholder's funds	44,465,197

GSTC Health Innovations Ltd

Summary Income and Expenditure account for the year ended 31 March 2023

	£
Gross income	1,000
Expenditure	(212,869)
Net expenditure	(211,869)
Net investment gains	(178,969)
Net loss	(390,838)

Summary Balance Sheet as at 31 March 2023

	£
Tangible fixed assets	2,929,822
Net current assets	209,827
Total assets less net current liabilities	3,139,649
Creditors due after one year	-
Net assets and shareholder's funds	3,139,649

GSTC Property Developments Ltd

Summary Income and Expenditure account for the year ended 31 March 2023

	£
Gross income	45,841
Expenditure	(573,538)
Net expenditure	(527,697)
Net loss	(527,697)

Summary Balance Sheet as at 31 March 2023

	£
Tangible fixed assets	-
Net current liabilities	(245,033)
Total assets less net current liabilities	(245,033)
Creditors due after one year	(296,330)
Net liabilities and shareholder's funds	(541,363)

Notes to the financial statements

11. Debtors

	2023				2022			
	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	820	654	25,697	27,171	1,153	464	27,213	28,830
Debtors falling due after one year	979	–	–	979	200	–	–	200
	1,799	654	25,697	28,150	1,353	464	27,213	29,030
Company								
Debtors falling due within one year	830	655	11,942	13,427	1,157	464	27,190	28,811
Debtors falling due after one year	979	–	4,287	5,266	200	–	3,860	4,060
	1,809	655	16,229	18,693	1,357	464	31,050	32,871

11.1 Debtors falling due within one year

	2023				2022			
	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	577	–	371	948	321	–	303	624
Accrued income	3	192	764	959	4	152	167	323
Due from sale of investments	23	–	20,535	20,558	–	–	23,685	23,685
Other debtors	217	462	4,027	4,706	828	312	3,058	4,198
	820	654	25,697	27,171	1,153	464	27,213	28,830
Company								
Prepayments	577	–	371	948	321	–	303	624
Accrued income	1	192	808	1,001	2	152	198	352
Amount due from subsidiary undertakings	11	–	296	307	6	–	–	6
Due from sale of investments	23	–	–	23	–	–	23,685	23,685
Other debtors	218	463	10,467	11,148	828	312	3,004	4,144
	830	655	11,942	13,427	1,157	464	27,190	28,811

Notes to the financial statements

11. Debtors (cont.)

11.2. Debtors falling due after one year

	2023				2022			
	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	979	–	–	979	200	–	–	200
	979	–	–	979	200	–	–	200
Company								
Loans to subsidiary undertakings	–	–	4,287	4,287	–	–	3,860	3,860
Charitable loans	979	–	–	979	200	–	–	200
	979	–	4,287	5,266	200	–	3,860	4,060

The loans to subsidiary undertakings comprise the following:

- (i) (i) A loan of £1,448,000 to GSTC Property Investments Ltd, drawn down under a facility of £9,000,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 4.5% per annum, and repayable no later than 9 December 2034 or earlier at the option of that company.
- (ii) A loan of £2,805,000 to GSTC Property Investments Ltd drawn down under a facility £30,000,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 2.75% per annum, and repayable no later than 31 December 2024 or earlier at the option of that company.
- (iii) A loan of £296,000 to GSTC Property Developments Ltd drawn down under a facility of £1,750,000 secured by a fixed and floating charge over the assets of that company, bearing interest at a rate of 2% per annum, and repayable no later than 29 November 2023 or earlier at the option of that company.

12. Inter-fund loan

Within the unrestricted fund, the Foundation's policy is to closely match the total of grant liabilities and the balance on the distribution account with cash or cash equivalents. In order to enable the unrestricted fund to obtain a better return on this cash than would be available in the money market without incurring additional market risk, on 9 April 2013 the unrestricted fund lent £50,000,000 to the endowment fund for an initial term of five years, which was subsequently renewed. With effect from 9 April 2023 the facility was further renewed for an additional five years with an upper loan limit of £65,000,000 and extended to allow the restricted fund to also participate in the lending. Repayments of any amount can be requested by the unrestricted fund, the restricted fund or the endowment fund at any time. The lending funds receive interest on their loans at a rate of 12 month sterling SONIA (LIBOR prior to January 2022) + 0.8% fixed annually on the anniversary of the commencement of the loan which is paid by transfers from the endowment fund to the lending funds. At 31 March 2023 the balance outstanding was £65,000,000 to the unrestricted fund and during the year the balance fluctuated between this amount and the balance outstanding at 31 March 2023 of £65,000,000, in accordance with the cash requirements of the unrestricted fund.

Notes to the financial statements

13. Cash and short-term deposits

	2023				2022			
	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								
Short-term deposits within one month	–	25,311	6,515	31,826	6,343	21,238	–	27,581
Cash at bank and in hand	3,934	(694)	(3,370)	(130)	10,204	(258)	13,596	23,542
	3,934	24,617	3,145	31,696	16,547	20,980	13,596	51,123
Company								
Short-term deposits within one month	–	25,311	6,515	31,826	6,343	21,238	–	27,581
Cash at bank and in hand	3,707	(694)	(3,687)	(674)	9,961	(258)	13,284	22,987
	3,707	24,617	2,828	31,152	16,304	20,980	13,284	50,568

14. Other creditors falling due within one year

	2023				2022			
	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								
Purchase creditors	3,297	–	8	3,305	6,124	–	47	6,171
Accruals	1,882	–	4,301	6,183	1,530	–	1,785	3,315
Deferred investment property income	152	–	1,671	1,823	152	–	3,082	3,234
Tax and social security	539	–	–	539	276	–	–	276
Pension creditors	120	–	–	120	102	–	–	102
Other creditors	912	3,484	16,066	20,462	2,902	3,288	21,527	27,717
	6,902	3,484	22,046	32,432	11,086	3,288	26,441	40,815
Company								
Purchase creditors	3,297	–	–	3,297	6,124	–	–	6,124
Accruals	1,874	–	3,731	5,605	1,530	–	1,363	2,893
Deferred investment property income	152	–	1,665	1,817	152	–	3,076	3,228
Tax and social security	539	–	–	539	276	–	–	276
Pension creditors	120	–	–	120	102	–	–	102
Other creditors	913	3,484	2,500	6,897	2,903	3,288	21,529	27,720
	6,895	3,484	7,896	18,275	11,087	3,288	25,968	40,343

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 2022 and 2023, no income was deferred for more than six months and all amounts included in deferred income at the end of each year were released to the statement of financial activities during the subsequent year.

15. Private placement loan

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

Notes to the financial statements

16. Unrestricted funds

Group	Balance 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balance 31 March 2023 £'000
Programme-related investment funds						
Charitable property fund	19,868	–	–	–	(3,080)	16,788
Health innovations investments fund	7,320	–	–	(4,390)	4,080	7,010
	27,188	–	–	(4,390)	1,000	23,798
Art collection fund	3,709	–	–	5	(99)	3,615
Other tangible fixed assets fund	1,507	–	–	(82)	–	1,425
Distribution account	28,202	40,539	(48,924)	(342)	(4,325)	15,150
	60,606	40,539	(48,924)	(4,809)	(3,424)	43,988
Company						
Programme-related investment funds						
Charitable property fund	19,868	–	–	–	(3,080)	16,788
Health innovations investments fund	5,554	–	–	–	(327)	5,227
	25,422	–	–	–	(3,407)	22,015
Art collection fund	3,709	–	–	5	(99)	3,615
Other tangible fixed assets fund	1,507	–	–	(82)	–	1,425
Distribution account	27,962	40,552	(48,752)	(4,732)	261	15,291
	58,600	40,552	(48,752)	(4,809)	(3,245)	42,346
	Balance 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balance 31 March 2022 £'000
Group						
Programme-related investment funds						
Charitable property fund	20,074	–	–	(469)	263	19,868
Health innovations investments fund	6,718	–	–	768	(166)	7,320
	26,792	–	–	299	97	27,188
Art collection fund	3,698	–	–	11	–	3,709
Other tangible fixed assets fund	–	–	–	1,507	–	1,507
Distribution account	38,356	36,551	(41,716)	(5,417)	428	28,202
	68,846	36,551	(41,716)	(3,600)	525	60,606
Company						
Programme-related investment funds						
Charitable property fund	20,074	–	–	(469)	263	19,868
Health innovations investments fund	4,674	–	–	–	880	5,554
	24,748	–	–	(469)	1,143	25,422
Art collection fund	3,698	–	–	11	–	3,709
Other tangible fixed assets fund	–	–	–	1,507	–	1,507
Distribution account	38,387	36,560	(41,655)	(4,649)	(681)	27,962
	66,833	36,560	(41,655)	(3,600)	462	58,600

The distribution account represents the free reserves of the Foundation. Other funds represent the net book value of fixed assets which are used in furtherance of the Foundation's charitable objectives.

Notes to the financial statements

17. Restricted funds

	Balance 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2023 £'000
Group and Company					
Evelina Children's Hospital funds	3,773	3,063	(552)	213	6,497
Guy's Hospital Cancer Fund	2,898	2,451	(2,160)	–	3,189
Other restricted funds					
St Thomas' Lupus Trust Fund	1,139	134	(350)	–	923
NHS Charities long COVID grant	–	423	–	–	423
LFRUPA	322	30	(75)	–	277
Long COVID Research	172	99	–	–	271
Samaritan Fund	226	134	(125)	–	235
Next Generation Nightingale Fund	231	–	(37)	–	194
Hunt Legacy for Dialysis Machines	200	–	(65)	–	135
Sorab Lam Fund	87	34	–	–	121
St John's Hospital	114	–	4	–	118
Cardiac Intervention Research Fund	18	100	(1)	–	117
Other funds	1,934	898	(1,062)	(944)	826
	11,114	7,366	(4,423)	(731)	13,326
Unapportioned costs	–	–	(5,540)	5,540	–
	11,114	7,366	(9,963)	4,809	13,326

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

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

Notes to the financial statements

17. Restricted funds (cont.)

Details of material funds at 31 March 2023:

Name of fund	Description of the nature and purpose of each fund
The Evelina Children's Hospital Appeal	For the benefit of the health and wellbeing of children and families accessing children's services at the Guy's and St Thomas' NHS Foundation Trust.
Integrated Cancer Centre Fund	To support the new Integrated Cancer Centre.
St Thomas' Lupus Trust Fund	To support lupus research and patient care.
NHS Charities long COVID grant	To support long COVID
LFRUPA	To benefit the Lane-Fox Respiratory Unit.
Long COVID Research	To support long COVID research.
Samaritan Fund	To benefit patients in need of financial and other assistance.
Next Generation Nightingale Fund	To support the Next Generation Nightingale Project.
Hunt Legacy for Dialysis Machines	To support Hunt legacy for dialysis machines.
Sorab Lam Fund	To support a bursary for MBBS students in need.
St John's Hospital	To benefit the St. John's Institute of Dermatology.
Cardiac Intervention Research Fund	To support research into heart disease.

18. Endowment funds

Group	Balance at 31 March 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and Losses £'000	Balance at 31 March 2023 £'000
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,804	(72)	(12)	–	(101)	1,619
The Leak Trust	1,407	(56)	(9)	–	(79)	1,263
The Guy's and St Thomas' Patients Amenities Fund	1,306	(52)	(9)	–	(72)	1,173
S J Lam Legacy Fund	838	(33)	(6)	–	(47)	752
Dr Reginald Curle Trust	494	(20)	(3)	–	(28)	443
	5,849	(233)	(39)	–	(327)	5,250
Expendable endowment						
General fund	924,754	(18,544)	(13,627)	–	15,801	908,384
	930,603	(18,777)	(13,666)	–	15,474	913,634
Company						
Permanent endowments						
Guy's and St Thomas' Samaritan Fund	1,804	(72)	(12)	–	(101)	1,619
The Leak Trust	1,407	(56)	(9)	–	(79)	1,263
The Guy's and St Thomas' Patients Amenities Fund	1,306	(52)	(9)	–	(72)	1,173
S J Lam Legacy Fund	838	(33)	(6)	–	(47)	752
Dr Reginald Curle Trust	494	(20)	(3)	–	(28)	443
	5,849	(233)	(39)	–	(327)	5,250
Expendable endowment						
General fund	924,769	(18,345)	(12,997)	–	10,430	903,857
	930,618	(18,578)	(13,036)	–	10,103	909,107

Notes to the financial statements

18. Endowment funds (cont.)

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

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 total value of the gift components was £2,329,000. The initial values of the unapplied total return (in practice, the capital profits arising from the investment of the endowments) were established as at 31 December 2015.

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

Notes to the financial statements

18. Endowment funds (cont.)

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

Permanent endowments – statement of total return

Group and Company	Trust for investment £'000	Unapplied total return £'000	Total endowments £'000
At 1 April 2022			
Gift components of the permanent endowments	2,329	–	2,329
Unapplied total return	–	3,520	3,520
	2,329	3,520	5,849
Movements during the period			
Investment return			
Realised and unrealised losses	–	(327)	(327)
	–	(327)	(327)
Allocated to income during the period	–	(272)	(272)
Net movements during the period	–	(599)	(599)
At 31 March 2023			
Gift components of the permanent endowments	2,329	–	2,329
Unapplied total return	–	2,921	2,921
Balance at 31 March 2023	2,329	2,921	5,250

Details of material funds at 31 March 2023:

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

19. Gross transfers between funds

	2023				2022			
Group and Company	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Restricted funds net support costs	(5,540)	5,540	–	–	(4,806)	4,806	–	–
Other transfers	731	(731)	–	–	1,206	(1,206)	–	–
	(4,809)	4,809	–	–	(3,600)	3,600	–	–

The transfer from unrestricted to restricted funds of £5,540,000 (2022: £4,806,000) 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 £731,000 (2022: £1,206,000) represent the transfer of restricted donations for which no appropriate special purpose fund currently exists to support unrestricted grants which have objects that are aligned to the original restriction.

Notes to the financial statements

20. Trustee and connected person transactions

Trustee expenses reimbursed

	2023 £'000	2022 £'000
Travel and subsistence	0	0
	2023 £'000	2022 £'000
Number of Trustees receiving reimbursement	0	0

Trustees' indemnity insurance

	2023 £'000	2022 £'000
Trustees' and officers' liability	29	29

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 2023 none of the Trustees, key members of the Foundation's management or parties related to them has undertaken any transactions with Guy's and St Thomas' Foundation.

Number of Trustees

	2023 Number	2022 Number
Total number of Trustees	9	10

20.1. Other related parties

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

GSTC Property Investments Ltd

The Foundation was owed £4,253,000 at 31 March 2023 (2022: £3,563,000), repayable as detailed in note 11.2.
The Foundation earned interest and service charge of £246,000 for the year end 31 March 2023 (2022: £186,000).
The Foundation received £nil donation during the year ended 31 March 2023 (2022: £nil).

GSTC Health Innovations Ltd

The Foundation was owed £12,000 at 31 March 2023 (2022: £5,000), repayable on demand.
The Foundation earned service charge of £12,000 for the year end 31 March 2023 (2022: £11,000).
The Foundation received £nil donation during the year ended 31 March 2023 (2022: £nil).

GSTC Property Developments Ltd

The Foundation was owed £296,000 at 31 March 2023 (2022: £296,000), repayable as detailed in note 11.2.
The Foundation earned interest and service charge of £20,000 for the year end 31 March 2023 (2022: £19,000).
The Foundation received £nil donation during the year ended 31 March 2023 (2022: £nil).

21. Capital commitments

There was no capital expenditure contracted or provided for at 31 March 2023 (2022: £nil).

Notes to the financial statements

22. Operating leases

22.1 Operating lease income

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

	2023 £'000	2022 £'000
Group and Company		
Within one year	9,050	9,672
After one year but within five years	23,863	30,771
After five years	196,054	198,194
	228,967	238,637

22.2 Operating lease commitments

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

	2023 £'000	2022 £'000
Group and Company		
Within one year	1,090	956
After one year but within five years	3,465	3,870
After five years	3,672	4,138
	8,227	8,964

23. Contingent liabilities

As described in note 7, grants awarded are brought into account when a constructive obligation exists for the Trustees to make the grant. The majority of grants are made without substantive conditions and so are recognised in their entirety even if the term of the grant extends for more than one year. However, a minority of grants are subject to substantive conditions which are within the Foundation's control such that the Foundation retains the discretion not to make future payments. As a constructive obligation for these payments does not exist, their value is not recognised as a liability in the balance sheet. The total value of these conditional payments at 31 March 2023 was £2,454,000.

Expenditure on charitable activity funded by contracted agreements is recognised on accruals basis in accordance with an estimate of the amount of work performed under the terms of the contract during the reporting period. As there is no constructive obligation for the balance of the amounts contracted for, their value is not recognised as a liability in the balance sheet. The total value of these amounts contracted for but not recognised at 31 March 2023 was £8,084,000 (2022: £2,890,000).

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 2023 the total amount of VAT that would be repayable was £106,000 (2022: £185,000).

24. Post balance sheet events

As described in note 10, on 25 May 2023 a subsidiary company simultaneously exchanged contracts on and completed the sale of a development property comprising land in Cambridge. The net proceeds of the sale excluding VAT and after deducting promoter's commission, the cost of purchase of a third party's equitable interest in the property, and sales commission was £17,798,000. A proportion of the gross consideration was received and a matching proportion of the promoter's commission was paid on completion with the remaining portions to be received and paid over the 24 months subsequent to the completion date.

25. Company limited by guarantee

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

Appendix

Appendix

This appendix relates to the section on our commitment to the environment on page 57. It provides an overview of the methodology used to report on our impact in line with Streamlined Energy and Carbon Reporting (SECR) guidance, as well as charts and tables displaying our energy usage.

Reporting methodology

The Foundation is committed to complying with all environmental legislation. The Foundation has met SECR requirements by disclosing purchased electricity, natural gas and fuels used in personal/hire cars for business use. This includes fuel for which the organisation reimburses its employees following claims for business mileage.

In accordance with the SECR guidance, which states that “the party responsible for the consumption of energy should take responsibility for reporting of it under this legislation”, all direct tenant consumption was excluded from this report.

Below is a detailed description of how data was collated:

- **Refrigerants:** The Foundation provided the refrigerant replacement records for the reporting period.
- **Electricity:** The Foundation used utility invoices and actual meter readings for Francis House. Consumption figures based on actual readings were provided for other assets.
- **Natural gas:** The Foundation used utility invoices and actual meter readings for Francis House. Consumption figures based on actual readings were provided for other assets.
- **Company vehicles:** The Foundation does not have any company vehicles.
- **Business travel:** The Foundation used the total expensed mileage for employee vehicles, along with records of flights, train, taxi, bus and hotel stays.

Appendix

Data analysis

The Foundation used the following data analysis techniques:

- Analysis of monthly consumption trends and year-on-year variances.
- Comparison of consumption between data sources.
- Investigation of anomalies to identify root cause.
- Communication with client and property managers to contextualise observed data trends.

Greenhouse gas emissions

The Foundation adopted an operational control approach and calculated the Scope 1 and 2 greenhouse gas (GHG) emissions. Partial Scope 3 GHG emissions are also included in this year's reporting. The Foundation has calculated emissions from the following energy sources:

- **Scope 1:** natural gas and refrigerants.
- **Scope 2:** purchased electricity.
- **Scope 3:** business travel (employee vehicles, flights, train, taxi, bus and hotel stays).

The methodology used to calculate emissions followed the guidance from the revised edition of the GHG Protocol Corporate Accounting and the Reporting Standard and the UK Government Guidance on SECR. The Foundation reports Scope 2 GHG emissions using location-based and market-based factors. Calculating market-based emissions allows companies to show the benefit of sourcing and using renewable energy, while using location-based emissions reflects the average emissions intensity of grids on which energy consumption occurs.

Location-based GHG emissions were calculated using conversion factors from the UK Government Department for Business, Energy & Industrial Strategy (BEIS) Conversion Factors for Company Reporting for the respective reporting periods. Supplier-specific factors were used for Scope 2 GHG emissions. There was no on-site renewable energy generation to account for in the period covered in this report.

The Foundation applied a standardised intensity ratio to allow easier comparison between yearly results, expressed as CO₂e emissions per net lettable floor area (sq. ft).

Appendix

Energy and GHG emissions

The Foundation's energy consumption is detailed in **Table 1** and **Graph 1**. The total energy consumption in 2022/23 was 1,616,274 kWh, which was 2% higher compared to the baseline. A 13% increase was observed in natural gas during the reporting period. This was due to an additional site with landlord-procured natural gas as compared to the previous year and more accurate data available on another site, which had previously relied on estimations. Electricity consumption decreased by 9% in 2022/23 as compared to the baseline.

As illustrated in **Graph 2**, natural gas remains the largest source of energy consumption for the Foundation, accounting for 57% of total consumption during the last year, while electricity represents the remaining 43%. Orchard Lisle and Iris Brook Houses have 88 gas boilers which contribute to the high proportion of natural gas emissions. An audit is planned to review natural gas usage and seek efficiency improvement opportunities.

The Foundation replaced 1.52 kg of refrigerants in 2022/23, as shown in **Table 2**. No refrigerant top-up or replacement was reported during this year.

Table 3 details how the Foundation has expanded the reporting scope for business travel during 2022/23 to include flights, rail, bus and taxi journeys, as well as hotel stays. The apparent increase in emissions versus the baseline year is because the only mode of transport reported in the baseline year was personal car usage. A total of 87,032 km was travelled using all modes of transport for business purposes during the reporting period, and the total number of hotel nights was 71.

As shown in **Table 4**, in 2022/23, the Foundation's total GHG emissions within the SECR boundaries accounted for 315 tCO₂e (location-based) and 236 tCO₂e (market-based). Scope 1 emissions increased by 14%, and Scope 2 emissions (location-based) showed a decrease of 17%. Scope 2 market-based emissions were reported for the first time in 2022/23, which reflected the impact of certified renewable energy purchases.

Scope 3 emissions totalled 11 tCO₂e in 2022/23. The significant increase compared to 2021/22 is due to the expansion of the reporting scope for business travel.

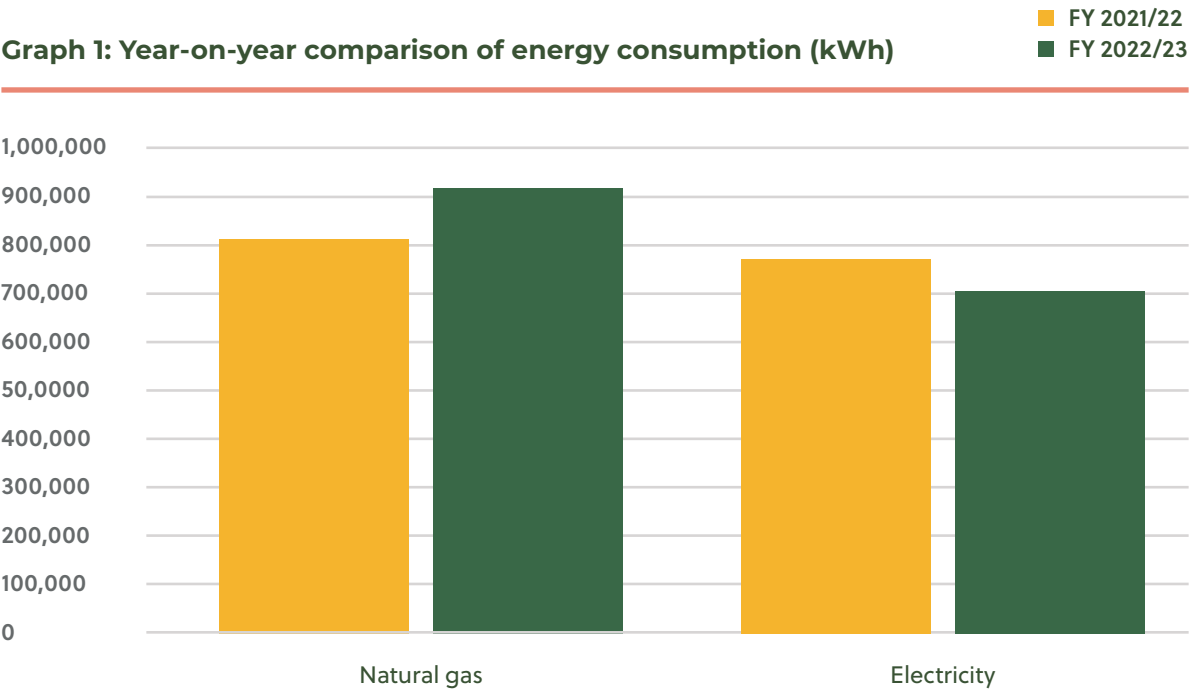
The intensity metric in **Table 5** allows for a standardised comparison of energy efficiency performance over time. The CO₂e emissions per net lettable floor area have increased by 1% compared to the baseline. This increase is minimal and predominantly due to the energy mix at one property newly included in scope, and to increased accuracy in reporting. The Foundation will continue reviewing its performance and implementing energy efficiency initiatives.

Appendix

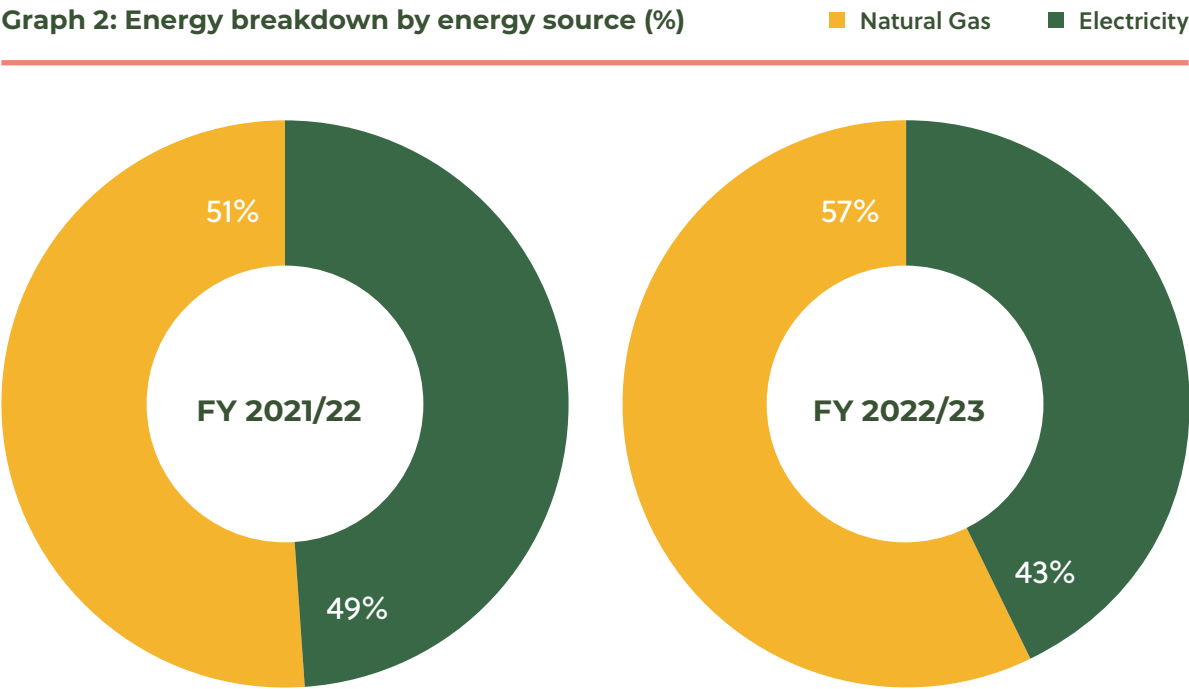
Table 1: Energy consumption (kWh)

Energy Source	FY 2021/22	FY 2022/23	% Change
Natural Gas	809,945	916,473	13%
Electricity	769,918	699,801	-9%
Total	1,579,863	1,616,274	2%

Graph 1: Year-on-year comparison of energy consumption (kWh)



Graph 2: Energy breakdown by energy source (%)



Appendix

Table 2: Refrigerant replacement (kg)

Refrigerant Replacement	FY 2021/22	FY 2022/23
Total	-	1.52

Table 3: Business travel

Business Travel	Unit	FY 2021/22	FY 2022/23
Flights	km	-	71,289
Rail	km	-	13,955
Bus	km	-	34
Taxi	km	-	1,120
Car	km	360	634
Hotel Stay	nights	-	71

Table 4: GHG emissions (tCO₂e)

Scope	Category	FY 2021/22	FY 2022/23	% Change
Scope 1	Refrigerants	0	1	-
Scope 1	Natural Gas	148	167	13%
Scope 2 (location-based)	Electricity	163	135	-17%
Scope 2 (market-based)	Electricity	Not reported	56	-
Scope 3	Business Travel	0.06*	11	18253%*
Total (location-based)		312	315	1%
Total (market-based)		Not reported	236	-

*Note that 2022/23 and 2021/22 data is not comparable - see Table 3

Table 5: Intensity metrics (kg CO₂e/ sq ft)

GHG Intensity	Unit	FY 2021/22	FY 2022/23	% Change
Floor Area Intensity (location-based)	kgCO ₂ e/sq ft	0.345	0.349	1%
Floor Area Intensity (market-based)	kgCO ₂ e/sq ft	not reported	0.261	0%

Appendix

We have developed a draft environmental, social and governance (ESG) strategy in 2022/23 to support the achievement of our objectives, with key performance indicators and case studies where applicable, tracked within our sustainability accounts. We have also created a sustainability focused minimum standards for refurbishment document to support our property managers to implement our ESG strategy across our leased assets. We intend to build upon this work and finalise our ESG strategy and carbon net zero pathway in 2023/24.

Energy efficiency actions

In line with our commitment to put sustainability at the heart of our operations, the Foundation has implemented several initiatives in 2022/23 to improve energy efficiency and reduce the associated GHG emissions at the following sites:

Health Foundry

- Replaced all 2D lighting with LED lights.
- Installed a hot tap to replace the kettle.

Orchard Lisle House and Iris Brook House

- Use only LED lights in bathrooms with showers.
- All communal areas are equipped with PIR light sensors.

Broader sustainable initiatives to incentivise behavioural change and decrease emissions also took place at these sites:

- All students were given advice and incentivised to save energy, recycle, and reuse their items through donations, via a handbook detailing good practice, emails, posters and verbal support given during accommodation inspections.
- Collaborated with King's College London on recycling activities and Sustainability Month.
- Provided students with Thames Water timers for their showers to reduce shower time and save water.
- Use only water-saving shower heads.

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