

BARTS CHARITY

England & Wales · Charity number 212563

Details

Other names	BARTS AND THE LONDON CHARITY AND RELATED CHARITIES, BARTS AND THE LONDON CHARITY TRUSTEE AND RELATED CHARITIES, ST BARTHOLOMEW'S AND THE ROYAL LONDON CHARITABLE FOUNDATION, BARTS CHARITY
Status	Registered
Legal form	Charitable company
Company number	07168381
Registered	1997-02-20
Register	View on the Charity Commission register

Contact

Address	Barts Charity Red Lion Buildings 12 Cock Lane London EC1A 9BU
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Email	fiona.bickley@bartscharity.org.uk
Website	www.bartscharity.org.uk

Activities

Objects: THE COMPANY'S OBJECTS ARE RESTRICTED SPECIFICALLY TO THOSE CHARITABLE PURPOSES STATED IN SECTIONS 220(3) AND 220(5) OF, AND PARAGRAPH 10(1) OF SCHEDULE 4 TO, THE NHS ACT, NAMELY FOR SUCH PURPOSES RELATING TO1. HOSPITAL SERVICES (INCLUDING RESEARCH),2. THE HEALTH SERVICE INCLUDING ANY PART OF THE HEALTH SERVICE ASSOCIATED WITH ANY HOSPITAL,3. THE NHS TRUST (INCLUDING THE PURPOSES OF ANY SPECIFIC HOSPITAL OR OTHER ESTABLISHMENT OR FACILITY AT OR FROM WHICH THE SERVICES ARE PROVIDED BY THE NHS TRUST)

Activities: Barts Charity brings brilliant ideas, ground-breaking research and transformational healthcare to life in East London. Together with our partners we make better healthcare possible, funding brilliant ideas and ground-breaking research to transform lives. We invest in inspiring people and projects that have the greatest impact on the health and lives of local people.

Classification

- **How:** Makes Grants To Organisations
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- Barking And Dagenham
- City Of London
- Hackney
- Newham
- Redbridge
- Tower Hamlets
- Waltham Forest

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£12,894,000	£28,925,000	£414,975,000	44
2024-03-31	£14,001,000	£44,554,000	£411,599,000	42
2023-03-31	£11,899,000	£52,549,000	£401,324,000	37
2022-03-31	£14,511,000	£34,560,000	£449,368,000	30
2021-03-31	£20,370,000	£31,157,000	£431,005,000	31

Trustees

Name	Role	Appointed
Davoud Amel-Azizpour		2026-04-01
Dr Catherine Godson		2019-10-01
Dr Richard Lewis		2019-04-01
Dr Ultan McDermott		2026-06-01
Frances Prenn		2026-01-01
Ian Hart		2019-04-01
Jean Murphy		2022-04-01
Professor Ian Jacobs		2025-03-01
Professor Sarah Purdy OBE		2025-01-01
Stephen Bonnard		2024-09-30

Linked charities

- VIOLET EULALIE HAMBLIN-THOMAS CHARITY (212563-1)
- THE ROYAL LONDON HOSPITAL SPECIAL TRUSTEES GENERAL PURPOSES TRUST FUND (212563-10)
- THE SIR ALAN PARKS RESEARCH FUND (THE ROYAL LONDON) (212563-11)
- CANCER RESEARCH FUND (212563-12)
- CARDIAC FUND (212563-13)
- THE RENAL RESEARCH FUND (212563-14)
- THE LONDON HOSPITAL (WHITECHAPEL) DEPARTMENT OF RADIOTHERAPY AND ONCOLOGY RESEARCH FUND (212563-15)
- HOSPITAL (TOWER HAMLETS) JEWISH FUND (212563-16)
- THE LEVY FAMILY TRUST FOR THE ROYAL LONDON HOSPITAL (212563-17)
- THE ROYAL LONDON HOSPITAL SPECIAL TRUSTEES COMMON INVESTMENT FUND (212563-18)
- H F BAILEY (ROYAL LONDON) CHARITY (212563-19)
- GEORGE AYLWEN RESEARCH BURSARY CHARITY (212563-2)
- H F BAILEY (NEWHAM) CHARITY (212563-20)
- H F BAILEY (EAST LONDON AND THE CITY) CHARITY (212563-21)
- H F BAILEY (CITY AND HACKNEY) CHARITY (212563-22)
- THE SECTION 11 TRUSTEES' GENERAL CHARITY (212563-23)
- BARTS CHARITY (212563-24)
- GEORGE PERCY SHUTER FUND (212563-3)
- THE JJ GUTHRIE BLANDFORD AND GEORGE SHUTER STAFF BENEFIT CHARITY (212563-4)
- THE CLOTHWORKERS' SCHOOL OF NURSING SCHOLARSHIPS CHARITY (212563-5)
- SPECIAL TRUSTEES FOR ST BARTHOLOMEW'S HOSPITAL BED ENDOWMENT CHARITY (212563-6)
- CANCER RESEARCH COMMITTEE CHARITY (212563-7)
- ST BARTHOLOMEW'S AND THE ROYAL LONDON COMMON INVESTMENT FUND (212563-8)
- BARTS AND THE LONDON CHARITY (212563-9)

BARTS CHARITY

England & Wales - Charity number 212563

Accounts



BARTS CHARITY

REGISTERED COMPANY NUMBER 7168381

ANNUAL ACCOUNTS FY24-25

Chair and Chief Executive's Introduction

The 2024/25 financial year was another year of strong performance, reflected both in the level of our grant-making and prudent management of our investment portfolio. We were delighted to award £21.7m in funding, split between our three partners: £5.0m to Barts Health NHS Trust (Barts Health), £16.6m to the Faculty of Medicine and Dentistry (FMD) at Queen Mary University of London (QMUL) and £0.1m to the School of Health and Medical Sciences at City St George's, University of London (formerly City University).

The value of our investment portfolio was £506m at the year end with available reserves significantly in excess of the minimum level required to meet our operational and funding commitments and preserve the real-terms value of the portfolio. We recognise that we are operating against a backdrop of potentially volatile markets and continued economic uncertainty. However as an endowment, we are able to take a longer view and we remain committed to our strategy of investing for the long term.

We continue to support a broad range of research and healthcare projects through a number of targeted funding schemes. Some key awards this year have included:

- £4.63 million to establish a new centre to tackle high rates of tuberculosis (TB) in east London and deliver "step-changes" in how TB is understood, diagnosed, and treated, helping patients not just in our local community but around the world.
- £0.65m to introduce a new low energy x-ray treatment (contact x-ray brachytherapy) for rectal cancer patients at Barts Health, that can provide a way to kill cancer cells and reduce the size of rectal tumours without the need for surgery.
- £0.65m to establish a nurse-led alcohol and drug liaison service at Newham Hospital to provide patients with support, treatment and help to access ongoing care for alcohol and drug misuse.
- £0.4m to study how short-term exposure to air pollution in London school playgrounds affects children's lung function and inflammation of the airway that can lead to asthma attacks and problems.

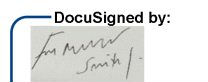
You can find out more about how we are making a difference to the health of people in East London in our impact report (available on our website, renewed in September). We could not have achieved so much in the last year without our highly talented and engaged staff, Board and advisers, partners and supporters. We feel very fortunate to have their support and would like to extend our thanks for all they do.

Stephen Bonnard, Chair of Trustees

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Fiona Miller Smith, CEO

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Trustees' Report

The Trustees present their report, incorporating the strategic report, and the audited financial statements for the year ending 31 March 2025. The introduction from the Chair and Chief Executive on page 1, and the Statement of Trustees' Responsibilities on pages 21 and 22 form part of this report.

The financial statements as at 31 March 2025 and for the year then ended have been prepared under the historical cost convention except for investments which are held at fair value in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), Charities Act 2011, and the Companies Act 2006.

Who we are and what we do

Vision

Life changing improvements to health for the people of East London.

Mission

A charity with its roots in East London, dedicated to supporting improvements to healthcare and transformative research for local health benefit.

We work in partnership with the NHS, local research institutes and others who can help us achieve our goals and maximise our impact.

Barts Charity Strategy 2022–2027 strategic objectives

We wanted our vision and mission to provide the strategic context for each area of our charitable activity and we have used them to frame five strategic objectives for 2022–2027.

Research

We fund high quality and innovative research that enhances our understanding of health and illness and has the potential to improve and/or save lives in East London.

Healthcare

We facilitate transformation to patient care and support for our dedicated NHS staff, primarily focusing our efforts at Barts Health.

Fundraising and communications

We are transforming our approach to fundraising to significantly grow revenue and enable us to achieve our ambitions for our mission.

We aim to inspire greater support by communicating about the people and projects we fund and the impact they make.

Endowment

We manage our endowment to ensure we take full advantage of potential opportunities to deliver our mission, now and in the future.

How we work

We set ourselves high standards for how we operate and aim to maximise the impact we make with our resources.

Our funding principles and focus

To achieve our funding and impact strategic objectives, we will focus our funding:

- where we can create transformational change
- where we can leverage further support for our funded projects
- on projects which cannot be covered by other funders or revenue sources

Our primary focus is on our funding being relevant to, and having an impact in, East London. We expect that much of the activity we support will also have a wider health benefit, both across the UK and potentially globally.

We adhere to robust funding processes to make sure our resources can improve healthcare and transformative research. We also strive to ensure that our funding processes and policies are inclusive and unbiased. We are a member of the Association of Medical Research Charities and can demonstrate high standards of governance around decision processes and monitoring involved in funding.

Our values

We are proud of the work we do. We have created a set of values that express who we are as a charity, the way we want to work and the culture that we want to live and breathe every day.

One Team

We work collaboratively as one team, supporting and respecting each other and embracing diverse experiences and perspectives.

Ambitious

We care passionately about Barts Charity's mission, empowering each other to constantly improve and achieve our best.

Open

We are honest and transparent, sharing information willingly and encouraging the giving and receiving of constructive feedback.

Accountable

We take pride in doing the right thing and acting with integrity. We take ownership of our actions and learn from our mistakes.

Review of 2024/25

In our 2024 Annual Report we set out our strategic targets for 2024/25. Here, we summarise the progress we've made against these:

Strategic aims FY2024/25	Progress made
Funding – Research/Healthcare delivery	
Progress the build of an advanced Clinical Research Facility at The Royal London Hospital and further develop plans for a Barts Breast Cancer Centre at St Bartholomew's Hospital	• Final building regulation approvals in process, contractor mobilisation and build start aiming for second half of 2025 • Operational set up of clinical trials research activity underway for Clinical Research Facility opening • Exploring alternative options to deliver a Breast Cancer Centre of excellence at Barts Health
Maintain a significant funding programme in research and healthcare.	• £21.7m granted to healthcare and research projects.
Maintain a potential pipeline of high-quality research and healthcare funding applications beyond this financial year.	• High quality pipeline of short and long term, as well as small and larger, opportunities for funding research and healthcare applications and initiatives developed.
Develop a refreshed Intellectual Property policy for Barts Charity funded activities and implement associated processes.	• Refreshed Intellectual Property policy for Barts Charity funded activities launched in autumn with associated processes.
Fundraising and communications	
Create ongoing, targeted major gift fundraising portfolio from Funding & Impact pipeline, including the Breast Cancer Centre subject to approval	• A range of projects has been identified for fundraising from the funding pipeline. • Transitioning to discussing major gifts as part of broader funding vision. • Common themes being identified to build pipelines around and involve senior volunteers. • Breast Cancer projects are still under consideration with Barts Health.
Strengthen fundraising operations to ensure that our data and systems work effectively across all areas of activity	• Progress has been made in some key areas including optimising data architecture to reduce manual work and minimise errors including in gift coding and data integration.

	• More effective segmentation is allowing for better data-driven decision making. • The charity's consent position has been updated and a re-consent procedure undertaken to ensure compliance with regulations.
Continue to build culture of philanthropy with partner institutions through collaboration with senior leadership, comms teams and staff	• Prioritising staff and patient engagement has raised the charity's visibility and strengthened ties with the community. • With support from BH Trust comms and through joint initiatives developed in partnership (such as My Thank You at Whipps Cross Hospital), we're seeing stronger relationships, greater awareness, and shared impact across Barts Charity and Barts Health.
Endowment	
Continue to implement revised asset allocation under our investment strategy, including developing responsible investing principles	• Progressing with strategic asset reallocation from public to private markets despite market delays. ESG and stewardship considerations are incorporated into the investment process.
Implement the direct property portfolio strategy	• The majority of the direct property portfolio has either been sold in 2024/25 or is listed for sale.
Develop a new reserves policy	• Deferred to 2025-26
How we work	
Invite tenders for Technology provider services and review the Charity's Information Governance framework	• Tender for new IT managed service provider deferred • Review of Information Governance framework completed • External Data Protection Officer appointed
Improve management of restricted funds including payment processes and potential consolidation of historic funds to promote spend down	• Spend down of restricted funds against funding awards is ongoing • Potential for consolidation of funds is kept under review • £3.6m of permanent endowment fund released for expenditure on Fellowship programme
Continue to foster a fair and supportive workplace culture, improving feedback	• Annual staff engagement survey delivered by external partner for first time - high engagement scores in staff surveys

mechanisms and working with external agencies for targeted expert reviews and HR support	• Externally led review of our recruitment process to make it more inclusive, objective and better evidenced • Creation of a cross-team Change Management Group to lead discussion on changes to process/systems • Benefits review leading to increased provision of annual leave and employer pension contribution
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We have been unable to achieve some of our key aims for 2024/25 for the following reasons:

- Working with Barts Health, we aimed to develop a landmark programme to transform their breast cancer services, including the potential build of a new Breast Cancer Centre at St Bartholomew's Hospital. Despite having a strong clinical case, the design and survey process for the building work required raised significant challenges around the feasibility and total cost of the capital project. Although the project as originally envisaged did not move forward, the funding provided by the Charity on the feasibility work helped bring certainty on the cost and risk profile for Barts Health and the Charity. It also helped accelerate some service improvements. The Charity remains committed to this important clinical area and will continue to work with Barts Health on alternative ways to improve breast cancer outcomes in East London.
- As a result of this decision, our Major Gift fundraising plans have had to pivot away from a major capital campaign and identify alternative fundraising propositions, which has had an impact upon our level of voluntary income.
- We had hoped that building work for the new Clinical Research Facility at The Royal London Hospital would have started during 2024/25, but compliance with the Building Safety Act 2022 has caused a delay into 2025/26.
- The slow pace of fundraising in private equity markets has delayed our portfolio's transition from public to private markets and meeting target strategic asset allocation in these classes.

Managing the endowment

The management of the endowment is designed to provide financing, alongside voluntary income, for our funding programme. The assets in the portfolio are selected based on the prospects of value accretion in the long run. A managed approach to risk is taken and the Trustees and management work with advisers to provide an appropriate balance of risk against a targeted return.

The Trustees have delegated investment decision-making to the Investment Committee. The Investment Committee appoints and monitors investment advisers to assist them in

managing both financial and property elements of the portfolio. It meets quarterly and reports back to the Trustee board after each meeting.

The Investment Committee has been working with Mercer as its financial investment adviser for four years. Based on a review of our investment beliefs, a revised investment strategy was formulated in 2022. The strategy aims to diversify the overall sources of risk and return. A number of investments were made in new funds during 2024/25 as part of the transition to the target allocation. The Investment Committee appointed Swiss Life Asset Managers as strategic property advisers in 2023 to advise on the property portfolio.

Strategic aims for 2025/26

Funding

- Progress the Clinical Research Facility at The Royal London Hospital and consider additional ways to support improved breast cancer outcomes for Barts health patients
- Maintain a significant funding programme in research and healthcare
- Maintain a potential pipeline of high-quality research and healthcare funding applications beyond this financial year
- Develop a new open-access dissemination policy and refresh a policy outlining the expected standard of conduct for those involved in funded activities and implement associated processes

Fundraising and communications

- Create an ongoing, targeted major gift fundraising portfolio and case(s) for support from Funding & Impact pipeline
- Further strengthen fundraising operations to ensure that our data and systems work effectively across all areas of activity
- Build on engagement of Barts Health staff and volunteers to enhance the charity's reach and visibility
- Grow supporter database through targeted lead generation activity including introduction of WiFi portal acquisition at all hospital sites and rollout of My Thank You.
- Develop website to better showcase the projects we fund and their impact

Endowment

- Continue to implement asset allocation under our investment strategy, including following responsible investing principles
- Develop a new Reserves Policy

How we work

- Commence planning for the 2027-32 strategy
- Consider how we resource and use technology, data management and data analysis including deployment of AI tools
- Replace current payroll service providers and pension providers
- Continue to foster a fair and supportive workplace culture, underpinned by robust governance

Commitment to Equity, Diversity and Inclusion (EDI)

We remain committed to EDI initiatives because we believe that they make us a stronger organisation. We believe that our commitment to EDI is best demonstrated through action. Our EDI Commitment, Priorities and Definitions are available in full on our website.

Barts Charity’s EDI commitment

We want everyone connected with Barts Charity to feel valued and respected. We will create and sustain a truly inclusive culture where everyone feels they can contribute. We know that this will take action and we must keep working at it.

We recognise that a diverse Barts Charity is not just the right thing to be but will also make us better at what we do. Embracing a breadth of perspectives and experiences will help us to make better decisions and be more effective and impactful in our activity.

We will be transparent about how we deliver on this commitment. We will publish our objectives and report our progress (or lack of it) so that our colleagues, supporters, beneficiaries and stakeholders can hold us to account.

Barts Charity’s EDI priorities

Culture	Governance	Data/Insight	Funding	Personnel
• To live out our values • To encourage and champion an inclusive and aware internal culture through actions and resources.	To create, update and keep under review our governance structures, policies and procedures to make sure that EDI is embedded into all of our activities.	To better capture, monitor and analyse data to develop evidence from which to learn and drive change.	To apply unbiased and inclusive funding processes and make sure the activities we fund are inclusive in their design and delivery.	To have diversity across our staff and non-executives who each feel able to realise their full potential and who better reflect the communities we work with and for.

During 2024/25 we have:

- Welcomed students from Tower Hamlets secondary schools for work experience.
- Created a framework to ensure better speaker and guest representation at our fundraising events
- Consulted with Barts Health EDI groups in development of collateral based on hospital sites to ensure that the staff and patient profile is reflected

- We have redesigned our staff recruitment process to reach people from more diverse backgrounds and remove bias in the assessment process
- Run our third annual personnel diversity survey
- Identified system architecture changes which will support better analysis of the diversity data we are collecting on our grant applicants
- Introduced an Expected Standard of Conduct Policy aimed at fostering a respectful, inclusive, safe and professional environment in which the grant activities we fund can be completed to a high standard
- Run a programme of awareness/learning sessions for staff on a variety of EDI issues

Annual personnel diversity survey

We ran our third annual diversity survey in spring 2025, looking at the diversity characteristics of our staff and non-executives. The survey is based on guidelines issued by the organisation Equality, Diversity & Inclusion in Science & Health (EDIS) which draw upon a wealth of studies and research data. The questions and response categories are designed to follow the 2021 census so that we can benchmark the results. These covered age, disability/long-term health condition/impairment, ethnic group, gender, sexual orientation, and religion/belief.

We had a high response rate of 89% (82 responses out of 92, comparing to 78% in 2023/24) with very low use of the 'prefer not to say' option. This suggests respondents felt comfortable confirming their personal details in the survey. For reasons of information governance, we do not store the responses, and so the survey is a snapshot of the Charity's personnel diversity at a single point in time. As a small organisation, it can be challenging to report data about diversity in case it compromises anonymity for those who report in very low numbers. Therefore, we do not publish the results in full.

The Charity remains most unrepresentative for people identifying as Black/African/Caribbean/Black British, especially amongst non-executives. There is also very low representation of people reporting a disability/long term health condition. About half of the staff have some form of caring responsibility.

We are very conscious of the importance of diversity and inclusion across our personnel and want to ensure that our recruitment processes are not acting as a block to wider representation. During 2024/25 we undertook a formal review of our recruitment process using an external EDI adviser, with the aim of encouraging a wider range of applicants and removing the potential for bias. The new process has been in place since January 2025 and we will monitor if it has the effect of increasing staff diversity over time.

2025/26 EDI plan

Our plans for 2025/26:

Action
Culture • Work experience programme with Tower Hamlets secondary school children • Continue to consider how the breadth of the East London population we serve is better reflected in the case studies we use to communicate about our funding • Consultation with BH EDI working groups on any significant propositions / materials with large public and staff visibility
Data/Insight • Run a fourth annual personnel diversity survey • Continue to collect diversity data for applicants and implement database changes required to improve analysis of applicant diversity survey results • Use applicant survey data for Scheme reviews accordingly and aim to ensure our funding processes are inclusive, fair, and free from bias • Use social media analytics to reach a more diverse digital audience
Funding • Continue to develop funding policies and processes that further support creating an inclusive and fair organisational culture where we fund • Develop a public statement of commitment to and activities associated with patient and public involvement and engagement in funding activities
Personnel • Implement the new inclusive recruitment process to reach people from more diverse backgrounds and remove potential for bias

The above actions involve all teams and will be incorporated into their delivery plans. These will be assessed mid-year (October) and year end (March), and we will report our progress against each action.

Finance review

Review of financial performance

Our financial strategy is to manage and grow our investment assets and voluntary income to support annual grant giving and operating activities for the long term. The net assets as of 31 March 2025 increased by £3m to £415m (2024: £412m).

In reviewing the performance of our investments, we consider the total return of the portfolio, both income and capital. By showing the total return, which combines both income generated by our assets and the associated capital gains/losses, as opposed to separating these out, we see the full picture of our finances.

We use this concept as a basis for addressing the two basic principles of our financial strategy:

- To provide for long-term stability and liquidity sufficient for the funding of the charity's annual grant-making and other operating activities.
- To largely maintain the value of the charity's portfolio in real terms so that it can make funding awards in the long term.

The Statement of Financial Activities shows that, during the financial year, the charity received income of £12.9m, (2024: £14m), of which £10.7m was unrestricted (2024: £10.9m). Gains on investment assets was £19.2m (2024: £39.1m). Though the charitable expenditure decreased over the same period to £19.2m (2024: £33.6m) the charity is on track to grant £150m over the five-year period 2022-27. The proportion of non-charitable activities spending relative to total expenditure increased to 17.96% (2024:10.5%). The increase in the ratio was primarily on account of the reduction in charitable expenditure during the year compared to the previous year.

As stated above, and as shown in the Statement of Financial Position, the charity's net assets were £415m (2024: £412m). The endowment funds, despite recording realised and unrealised gains during the year, decreased in value due to transfers to General funds. General funds have consequently increased as a result of the transfers. Restricted funds reduced in value partly because we used some for charitable expenditure.

In terms of assets and liabilities, the charity's fixed assets reflect office refurbishments.

Investment review

The value of the charity's investments decreased by £14m to £506m over the 12-month period to 31 March 2025 primarily due to withdrawal to fund charitable expenditure.

The majority of equity markets experienced positive returns over the 12-month period to 31 March 2025, with emerging market equities outperforming developed market equities. Returns within fixed income markets, however, were mixed. The second quarter of 2024 saw inflation rates largely soften towards central banks' targets for most developed market economies and in the third quarter central banks were prompted to loosen monetary policy amid the macroeconomic backdrop of cooling inflation, labour markets and slowing wage growth. However, uncertainty around the US election and tensions in the Middle East sparked temporary volatility in financial markets in August.

In the fourth quarter of 2024, developed market central banks continued to cut interest rates and market sentiment continued to be driven by the soft-landing narrative in the

US, despite uncertainty around policies under a new presidency. However, following the election, US equities outperformed, while emerging market equities and other regional markets faced pressure from tariff-related concerns. News of DeepSeek’s “cheap” artificial intelligence model, European politics and tariffs were the key themes driving markets in the first quarter of 2025. Global equities ended the first quarter of 2025 with negative returns, driven by US equities, and growth concerns weighed on risk assets.

The long-term target for the portfolio is an average total return of Consumer Price Index (CPI) +4.5% per year (net of fees) over a rolling three-year period and an annualised return in excess of the portfolio’s blended benchmark.

All figures are in % per annum	Return achieved	Target CPI+4.5 %	Target Blended Benchmark
3-year period to 31 March 2025	4.0%	10.0%	4.6%
3-year period to 31 March 2024	5.2%	11.5%	6.9%
Since inception to 31 March 2025	8.3%	7.1%	6.4%

The Charity performed in line with the broader market during the financial year with the portfolio returning 5.1%, net of fees, versus the blended benchmark return of 5.0%.

Though the long-term target for the portfolio is a total annualised return of CPI +4.5% over rolling three-year periods, the Investment Committee recognises that, given the high inflationary environment over recent years, this will be a challenging target to achieve over the shorter term.

Investment performance is monitored quarterly by our Investment Committee with the assistance of our investment advisors, Mercer, who provide advice and monitoring services for the financial portfolio.

Reserves

The Charity holds assets in funds, each type of which dictates how the funds may be disbursed:

Endowment funds: there are a number of segregated individual personal endowments which are usually created in the form of a trust that limits the use of both the original capital and any investment gains attached to them. There is also an aggregated **expendable endowment** fund – these funds, and gains arising from them, can be applied generally by the Trustees to deliver the Charity’s objectives. The value of the

aggregated expendable endowment, as at 31 March 2025, was £329.6m (2024: £385.6m).

Restricted funds are amounts given with a restriction agreed between the donor and the Charity that specifies the area of the Charity's work that will be supported. Barts Charity has a large number of these funds supporting the many areas of the Barts Health NHS Trust's work.

All other funds held by the Charity form the **general** funds. However, Trustees may choose (and have chosen) to set aside **designated** funds to make sure a particular objective is given prominence. Trustees may remove a designation if they choose.

Reserves policy

Given the nature of the Charity's activities and our grant-making strategy the Trustees have determined that the reserves policy, taken in conjunction with spending and long-term investment policies, is intended to deliver the following objectives:

- Provide for long-term stability and liquidity sufficient for the funding of the charity's annual grant-making and other operating activities, without jeopardising broader investment objectives.
- Maintain the value of the Charity's portfolio in real terms so that it can continue to make funding awards in the long term. The Trustees wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role for the long term.

For these objectives, the Trustees have determined that the value of reserves should be deemed to be the amount(s) held in the Charity's investment portfolio.

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity. As at 31 March 2025, this minimum reserve level adjusted annually for inflation is £401m (2024: £392m).

The level of total reserves as at 31 March 2025 was £506m (2024: £520m) therefore the Trustees consider that the Charity has sufficient funds to continue its charitable activities into the future.

If reserves go below or are projected to come within 5% of the minimum level, Trustees will consider the level of spending and grant-giving in light of the prevailing market conditions and outlook. It is not expected that the Charity would react to short term volatility. The reserve, spending and long-term investment policies are reviewed at least annually and adjusted if necessary. A review of the methodology underlying the Reserves Policy is being undertaken in FY 25/26.

Responsible investing

Barts Charity believes that it is right to consider environmental, social, and governance (ESG) factors in investment decisions, in order to identify material risks as well as to earn sustainable, long-term returns. The Charity also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. We believe that it is possible to invest with a positive impact without reducing investment returns. Areas of particular interest include improving societal health care outcomes.

As a result, ESG (including but not limited to climate change) and stewardship considerations are integrated in the investment process. This includes selecting new investment managers and monitoring the existing ones, and an ongoing review of the portfolio's ESG characteristics compared to relevant benchmarks and peers. During the year under review, Barts Charity also reviewed the voting and engagement activities of the listed equity managers. When we appoint new investment managers, the Charity believes it is important to consider the level of diversity, including (but not limited to) gender across the manager's investment team. The Charity has no direct investments in tobacco stocks. The Charity monitors exposure to tobacco through pooled funds, including passive index trackers as well as actively managed strategies, aiming to have less than 1% of equities in tobacco companies (i.e. approximately half or less vs the aggregated equity benchmark).

We have a strategic equity exposure achieved through investment in pooled equity funds. The Charity has made an allocation to a Sustainable Global Equity Fund. This aims to provide a positive tilt across a broad range of ESG factors, including reducing carbon emissions, relative to investment in a traditional global equity fund. We follow the principles set out in the Charity Commission's guidance (CC14) and ensure our investment decisions align with our ethical standards.

Going concern statement

The preparation of the accounts for the year ending 31 March 2025 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, scenario analysis and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out above. Our portfolio is sensitive to movements in investment values, but it still has sufficient liquidity to enable the charity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these assessments, the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Barts Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trustees consider that our charitable activities for the improvement of healthcare are all for the public benefit.

Fundraising policy IR

We are very grateful to our supporters, who contribute significantly to our work. They give generously in terms of donations and carrying out fundraising activities in our community.

We aim to fundraise in a way that is compelling, respectful and in-keeping with our values.

The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practice guidance. Our own practice and policies make sure that no individual, including vulnerable people, are put under undue pressure to make a donation. In the year to 31 March 2025, 1,641 people and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy statement in line with the UK General Data Protection Regulation (UK GDPR). This and our complaints policy are freely available on our website.

Risk management

Our Trustees have adopted a Risk Management Policy and regularly review the major risks to which Barts Charity is exposed. Risks are assessed by their likelihood and impact, and also their velocity (speed to impact). Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. The risks and mitigations are recorded in risk registers which are reviewed regularly by the senior management team and the Finance and Audit Committee.

The major strategic risks and principal mitigations on 31 March 2025 are set out below.

Risk	Actions to manage the risk
Funding Financial pressures, alongside changing strategic focus, for NHS and University research sector impacts partner ability to develop cases for support and, in the longer term, support sustainability.	Strong stakeholder and sector engagement to understand impact of pressures, how they affect funding programme and to maintain open dialogue and partnership with Barts Health and QMUL as new plans and strategies develop

Fundraising Economic pressures, with continued cost of living challenges and investment volatility – individuals/corporations may be less able or willing to give	• Introduce new philanthropy proposition and broaden senior volunteer base • Keep focus on supporters with a personal connection to the hospitals
Communications A more politicised environment around healthcare funding and cost pressures may cause us reputational risk by association.	• Regular communications with Barts Health NHS Trust senior team. • Close relations with Barts Health’s communications teams. • Regular dialogue with potential major donors.
Endowment Period of market volatility means that the endowment does not generate the target annual return and potentially results in a fall in value of the portfolio.	• Investments are spread across diverse asset classes, reducing risk and strengthening the portfolio against market fluctuations. • Part of the portfolio has been allocated to property, private debt, and fixed income that provide steady contractual income • Investments are made with a long-term view. The charity has a significant buffer above the minimum reserve level and can withstand periods of lower return without impacting the operations or funding.
How we work We suffer financial/reputational loss as a result of a cyber security incident/data breach.	• Additional cyber security safeguards have been put in place in partnership with our Technology partners. Penetration testing of technology infrastructure is carried out regularly. • Information Governance framework review completed and changes implemented. • Working on organisation-wide approach to adoption of AI tools

Structure, governance and management

Constitution

Barts Charity is a company limited by guarantee (registration number 07168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

The Board has assessed its governance against the Charity Commission's Governance Code for larger charities and is pleased to report high levels of compliance against the suggested standards. An area of continued focus for the Board is to ensure that the Charity is representative of its grantees and the communities it serves across both staff and non-executives.

Charitable purposes

Our charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as our Trustees think fit. In practice, we focus our support for improvement and innovation in healthcare on the Barts Health group of hospitals and FMD. We also support the School of Health & Medical Sciences at City St George's, University of London. We carefully consult with representatives of our grantee organisations to make sure they are aligned with our strategic priorities and to secure the greatest impact from our funding. But we retain our independence to act in the best interests of Barts Charity and the community we serve.

Non-executives and committees

Barts Charity acts through its Board of Directors (who are known as Trustees). As of 31 March 2025, there were 12 Trustees. Since then, three Trustees have reached the end of their terms. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in Notes 12 and 13 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Board, in accordance with the provisions of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total. Exceptionally, the Board may decide to extend this maximum term for a Trustee in appropriate circumstances.

The Board has established a series of committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Specialist committee members who aren't Trustees are appointed annually, renewable up to a total term of five years. All new Trustees and committee members have an induction programme which enables them to become familiar with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals that we work with.

The Board and each committee conduct an annual review of their performance in accordance with the Charity's Performance Review Policy against a checklist of questions. These cover matters such as objects, terms of reference, relationship with executive, documentation, conduct of meetings and skill set.

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call on a team of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications. They meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £650,000 and with the Board for requests over this amount.

In addition, the Charity Executive has established Everyday Impact and Advancing Healthcare Panels comprising Barts Health staff members to support our Everyday Impact Grant and Advancing Healthcare Small Grant funding schemes. The Panels provide real world experience and review of healthcare applications under these schemes which provide grants of up to £50,000. Final decision-making authority rests with the Executive for funding requests in these schemes.

Management arrangements

The Trustees delegate the management of the charity to the staff team led by the Chief Executive and the Senior Management Team (SMT). The Chief Executive has been in post since May 2016.

Staff remuneration

Staff remuneration is closely scrutinised to ensure that we can attract and retain the best talent, while keeping salaries aligned with the market. When we introduce a new role or undertake a mid-year pay review, we use a live salary database run by specialist reward consultants to reference the benchmark salary range for the role. The benchmark is compiled using a number of factors. These include comparable sectors, the nature and seniority of the role (job rank), our location, number of employees and turnover. We use the range from median to upper quartile mean.

We review all staff salaries every year taking into consideration inflation and data from comparable foundations and the wider third sector. We check the proposed increase against the benchmark for each role to ensure that annual pay awards stay in line with the market. Increases are applied from 1 April each year. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the SMT, which is approved by the Appointments & Remuneration Committee.

Pension

The Charity operates a non-contributory individual money-purchase scheme for all eligible members of staff, contributing the equivalent of 10% of pensionable salary to each employee's fund. Employees can additionally choose to make employee contributions to their pension as a deduction from their salary with a salary sacrifice option. The scheme is fully compliant with auto-enrolment regulations.

Reference and administrative details for Barts Charity

Registered and principal office

12 Cock Lane
London
EC1A 9BU

Company registered number: 07168381

Charity registered number: 212569

Non-executives - *includes changes up to date of signing*

Trustees

Andy Bruce, Chair (to 31 March 2025)
Steve Bonnard, Chair (from 1 April 2025; trustee from 30 September 2024)
Sally Flanagan (to 31 May 2025)
Professor Catherine Godson
Ian Hart, Deputy Chair
Dr Richard Lewis
Jean Murphy
Nimesh Patel
Prof Sarah Purdy (from 1 January 2025)
Dr Thomas Round (to 31 March 2025)
Dr Lorna Williamson OBE
Rt Hon Jacqui Smith (ex officio Trustee, Chair of Barts Health NHS Trust to 4 July 2024)
Prof Ian Jacobs (ex officio Trustee, Chair of Barts Health NHS Trust from 1 March 2025)

Appointments and Remuneration Committee

Andy Bruce, Chair (to 31 March 2025)
Steve Bonnard, Chair (from 1 April 2025)
Sally Flanagan (to 31 May 2025)
Ian Hart
Nimesh Patel

Finance and Audit Committee

Nimesh Patel, Chair
Ian Hart
Dr Richard Lewis
Mohammad Memon

Grants Committee

Dr Lorna Williamson (Chair)
Professor Mirela Delibegovic
Professor Catherine Godson
Professor Sarah Purdy OBE
Professor Kanchan Rege Thrasher
Dr Thomas Round (to 31 March 2025)
Dr Ultan McDermott

Investment Committee

Sally Flanagan, Chair (to 31 May 2025)
Steve Bonnard (from 30 September 2024)
Andy Bruce (to 31 March 2025)
Philip Glaze
Ian Hart (Chair from 1 June 2025)
Jean Murphy

Senior Management Team

Fiona Miller Smith, Chief Executive
Fiona Bickley, Chief Operating Officer
Victoria King, Director of Funding and Impact
Ilia Ralphps, Director of Fundraising (to 25 June 2025)
Prabhakar Sundaresan, Director of Finance and Resources

Advisers

Bank

National Westminster Bank plc
1 Princes Street
London
EC2R 8BP

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Legal Advisers

Broadfield UK LLP (formerly BDBPitmans LLP)
One Bartholomew Close
London
EC1A 7BL

Taylor Wessing LLP
5 New St Square
Holborn
London
EC4A 3TW

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

HR Benefits Advisers

Anderson Financial Management Ltd
Saville Court
11 Saville Place
Bristol
BS8 4EJ

Property Advisers

Swiss Life Asset Managers UK Ltd
55 Wells Street
London
W1T 3PT

Workman LLP
80 Cheapside
London
EC2V 6EE

Investment Advisers

Mercer
1 Tower Place
West Tower Place
EC3R 5BU

Global Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Insurance Brokers

Willis Towers Watson Ltd
51 Lime Street
London
EC3M 7DQ

Statement of Trustees' responsibilities

The charity trustees (who are also the directors of Barts Charity for the purposes of company law) are responsible for preparing a trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure,

of the charitable company for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information needed by the auditor in connection with preparing their report, of which the Auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees of Barts Charity on 10 July 2025 and signed on its behalf.

Signed by:

 A62ED2AEBC14414...

Stephen Bonnard
 Chair of Trustees

Date: 10 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARTS CHARITY

Opinion

We have audited the financial statements of Barts Charity ('the charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2025 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 21 and 22, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

DocuSigned by:

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Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 17/07/2025

Barts Charity

Statement of Financial Activities
(incorporating an income and expenditure account)
for the financial year ended 31 March 2025

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2025 Total funds £'000	2024 Total Funds £'000
Income and endowments from:						
Donations and legacies	2.1	1,024	2,177	-	3,201	5,033
Investments	2.2	9,693	-	-	9,693	8,968
Total income		10,717	2,177	-	12,894	14,001
Expenditure on:						
Raising funds	3.1	7,521	-	-	7,521	8,078
Charitable activities	3.1	20,999	401	4	21,404	36,476
Total expenditure		28,520	401	4	28,925	44,554
Net expenditure before gains/(losses) on investments						
		(17,803)	1,776	(4)	(16,031)	(30,553)
Gains on investment assets	7.2	187	-	19,040	19,227	39,058
Net (expenditure)/income		(17,616)	1,776	19,036	3,196	8,505
Transfers between funds	10	80,973	(2,476)	(78,497)	-	-
Gains on revaluation of heritage assets	6	-	-	180	180	1,770
Net movement in funds		63,357	(700)	(59,281)	3,376	10,275
Fund balances brought forward at 1 April 2024		3,967	12,605	395,027	411,599	401,324
Fund balances carried forward at 31 March 2025		67,324	11,905	335,746	414,975	411,599

All activities relate to continuing activities. The Notes on pages 31 to 52 form part of these financial statements.

Barts Charity**Statement of Financial Position
as at 31 March 2025**

Company registration number 07168381

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2025 Total funds £'000	2024 Total funds £'000
Fixed assets						
Tangible fixed assets	5a	60	-	-	60	99
Intangible fixed assets	5b	-	-	-	-	-
Heritage assets	6	-	-	17,489	17,489	17,313
Investments	7	176,318	11,905	318,257	506,480	519,929
Total fixed assets		176,378	11,905	335,746	524,029	537,341
Current assets						
Debtors	8.1	2,206	-	-	2,206	1,696
Cash at bank and in hand	8.2	268	-	-	268	77
Total current assets		2,474	-	-	2,474	1,773
Creditors: amounts falling due within one year	9	(111,528)	-	-	(111,528)	(127,515)
Net current liabilities		(109,054)	-	-	(109,054)	(125,742)
Total net assets		67,324	11,905	335,746	414,975	411,599
Funds						
Endowment funds	10.1	-	-	335,746	335,746	395,027
Restricted income funds	10.2	-	11,905	-	11,905	12,605
Unrestricted funds						
Designated funds	10.3	122	-	-	122	122
General funds	10.3	67,202	-	-	67,202	3,845
Total funds		67,324	11,905	335,746	414,975	411,599

Signed by:



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Steve Bonnard
Chair of Trustees

Signed by:



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Nimesh Patel
Chair of Finance and Audit Committee

Date: 10 July 2025

The Notes on pages 31 to 52 form part of these financial statements.

Barts Charity**Cash Flow Statement
for the year ended 31 March 2025**

	Note	2025 £'000	2024 £'000
Cash flows from operating activities:			
Net cash generated by / (used in) operating activities	11.1	21,049	(9,959)
Cash flows from investing activities:			
Dividends, interest and rents from investments		9,693	8,968
Payments to acquire investment assets		(129,333)	(41,223)
Receipts from sales of investment assets		108,811	44,346
Net withdrawals from/(receipts into) investments		(10,029)	(2,559)
Net cash (used in) / provided by investing activities		(20,858)	9,532
Change in cash and cash equivalents in the year		191	(427)
Cash and cash equivalents at the beginning of the year		77	504
Cash and cash equivalents at the end of the year	11.2	268	77

The Notes on pages 31 to 52 form part of these financial statements.

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts**

1. Accounting policies

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

It is a charitable company registered in England (company number 07168381, charity number 212563) and its registered office is 12 Cock Lane, London, EC1A 9BU.

The following accounting policies have been used consistently in dealing with items which are considered material to the charity's financial statements.

A. Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

These financial statements are presented in pounds sterling (GBP), as that is the currency in which the majority of the charity's transactions are denominated. The financial statements are presented to rounded to the nearest thousand pounds.

B. Going concern

The preparation of the accounts for year ended 31 March 2025 has been undertaken on the basis that Barts Charity is a going concern. The Charity currently meets day to day working capital requirements through its existing cash facilities. In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years.

This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and can meet its planned grant commitments without being a forced seller of assets.

Based on these assessments the Trustees have not identified any material uncertainties relating to going concern. The Trustees have therefore determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

C. Accounting estimates and judgements

In preparing the financial statements, the Trustees have made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. These estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts**

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desktop valuation in the years between. A full property valuation was completed for 2023/24 by Knight Frank LLP, Chartered Surveyors, (refer to Note 1, Section J). The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction, between market participants at the measurement date.

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds. The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and including the balance sheet date. This is then reviewed in light of valuations which become available post the balance sheet date up to the date the financial statements are approved.

c. Allocation of income, expenses and gains / losses to restricted and endowment funds

Expenses are charged on an actual basis for restricted and endowment funds.

Donation income is charged to restricted funds on an actual basis. Investment income is charged to the relevant restricted and unrestricted funds in relation to the endowments funds on a proportionate basis.

Gains and losses are allocated across all funds types on a proportionate basis on the value of the funds at the start of the year.

d. Valuation of accrued dividend income

Dividend income from the Charity's investments is accrued at the year-end, in line with historical and commercial expectations.

e. Heritage assets

Heritage Assets are not depreciated but are revalued every five years. The last valuation was completed by Gurr Johns in January 2024. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities.

D. Fund structure**a. Restricted funds**

These are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund.

b. Endowment funds**i. Permanent endowment funds**

These are funds where the capital is held in perpetuity, but the related income may be used for unrestricted or restricted purposes, as specified by the donor.

ii. Expendable endowment funds

These funds represent donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c(i) below).

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts**

c. Unrestricted funds

These funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

i. General

Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.

ii. Designated

The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes.

E. Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are accounted for as income when received.

Legacy income is recognised when three criteria are met: entitlement is established, receipt of the income is probable and it can be reliably measured. Where legacies have been notified to Barts Charity and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed, if material.

Rental income from investment properties is reported as operating leases and the lease incentives are amortised on a straight-line basis.

Dividend income from the Charity's investments is accrued in line with historical and commercial expectations.

F. Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of raising funds, charitable activities and support costs are charged to the relevant category or activity, according to the area to which the expenditure relates. Support costs incurred that relate to more than one cost category are apportioned, based on full time equivalent staff numbers in each area. Charitable activities include grants that have been approved during the year.

G. Grant commitments

Grant commitments are recognised when the following conditions have been fulfilled: (1) the receipt of necessary approvals for the grant from the Trustees, and (2) the communication of the approval to the grant recipient. Grants are discounted to reflect the time value of money, if this is considered material to the financial statements.

H. Fixed assets

Fixed assets (tangible or intangible) are capitalised when a separable asset can be identified with a value of £10,000 or more (exclusive of irrecoverable VAT), and where the estimated useful life of the asset (without the need for additional spend) can be estimated as three years or more.

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts**

indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward depreciation.

Depreciation is charged on a straight line basis to support costs over their estimated useful lives. Fixtures, fittings and equipment are depreciated over the shorter of five years or the remaining lease term for the office premises.

b. Intangible fixed assets

Intangible fixed assets are included in the Statement of Financial Position at cost less accumulated amortisation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward amortisation.

Amortisation is charged on a straight line basis to support costs over their estimated useful lives. IT software is considered to have a useful life of five years.

I. Heritage Assets

Heritage assets are capitalised and include: art collections, historic archives, sculptures, ceramic surgical instruments, uniforms, teaching materials, and other items.

They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate, in the second-hand retail market with items of a similar nature, age, condition and quality.

They are not depreciated but are revalued every five years, with the last valuation completed by Gurr Johns in January 2024.

Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration.

J. Investments

Quoted investments are stated at market value at the year-end date. Asset purchases and sales are recognised at the date of trade. Unquoted pooled financial investments are valued based on the number of units held and the price per unit provided by the custodian or fund manager.

These net asset valuations are calculated independently by third party administrators and are subject to annual audit. Private investments are held through funds managed by private investment groups. As there is no identifiable market price for private investment funds, these funds are included at the most recent valuations from the private investment groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the current editions of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards and the RICS UK National Supplement. The valuations were carried out by Knight Frank LLP, Chartered Surveyors, who have been instructed as our external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2024. They have reported their opinion of the aggregate of the values of Barts Charity's interest in the individual buildings. The Trustees are of the view that the fair value as at 31 March 2024 is not materially different from that as at 31 March 2025.

K. Realised and unrealised gains and losses on investment assets

Realised and unrealised gains and losses on investment assets are included in 'gains and losses on investment assets' within the Statement of Financial Activities.

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts**

L. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at their fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method, less any impairment.

Long term debtors are defined as fully recoverable amounts outstanding for more than 12 months at the balance sheet date.

M. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

N. Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a change in value.

O. Financial instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value, as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

P. Pension contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme are charged to the Statement of Financial Activities.

Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the NHS Pensions Website (www.nhsbsa.nhs.uk/nhs-pensions). The scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contributions one: the cost to an NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme. Applicable rates for employee contributions for the NHS Pension Scheme was 12.5% for 2024/25 (13.5% for 2023/24). Employer contributions were 14.38% for both 2024/25 and 2023/24.

Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme. For the year ended 31 March 2025, the rates of employer contribution for the Defined Contribution Scheme were 10% for SMT and 8% for other staff (unchanged from the year ended 31 March 2024). Employee contributions are voluntary.

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****2 Income****2.1 Income from donations and legacies****Year ended 31 March 2025**

	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2025 Total income £'000
Donations	563	1,337	-	1,900
Legacies	461	836	-	1,297
Trading income	-	4	-	4
Total 2025	1,024	2,177	-	3,201

In addition to the legacy income recognised above, Barts Charity is aware of legacies totalling approximately £237k (£405k in 2023/24) which do not meet the SORP recognition criteria at the year end, but are expected to become receivable in future years.

Year ended 31 March 2024

	Unrestricted Income £'000	Restricted Income £'000	Endowment Income £'000	2024 Total income £'000
Donations	483	1,609	-	2,092
Legacies	1,483	687	-	2,170
Government grants	-	771	-	771
Total 2024	1,966	3,067	-	5,033

Government grants received during the year relates to income received from the Medical Research Council in support of our Fellowship Programme. All conditions of the grants have been fulfilled. The income has been fully spent in the year.

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****2.2 Income from investments****Year ended 31 March 2025**

	Unrestricted Income £'000	Restricted Income £'000	Endowment Income £'000	2025 Total Income £'000
Investment properties	2,886	-	-	2,886
Investments listed on stock exchanges	3,491	-	-	3,491
Private investments	2,930	-	-	2,930
Interest on cash held as part of the investment portfolio	386	-	-	386
Total 2025	9,693	-	-	9,693

Year ended 31 March 2024

	Unrestricted Income £'000	Restricted Income £'000	Endowment Income £'000	2024 Total Income £'000
Investment properties	3,220	-	-	3,220
Investments listed on stock exchanges	2,976	-	-	2,976
Private investments	2,521	-	-	2,521
Interest on cash held as part of the investment portfolio	251	-	-	251
Total 2024	8,968	-	-	8,968

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****3 Expenditure****3.1 Total expenditure**

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	Total expenditure 2025 £'000
Direct expenditure				
Grants – Research	-	17,333	-	17,333
Grants – Service delivery	-	4,867	-	4,867
Grants written back – Research	-	(1,480)	-	(1,480)
Grants written back – Service delivery	-	(1,525)	-	(1,525)
Costs of raising funds				
Financial and property investment	4,364	-	-	4,364
Fundraising	240	-	-	240
Total direct expenditure	4,604	19,195	-	23,799
Staff and support costs				
Salaries, social security and pension costs	1,015	863	1,480	3,358
Other staff and related costs	41	17	71	129
Marketing and communications	-	-	167	167
Legal, accounting and IT	-	52	527	579
Office costs	-	-	558	558
Grant administration	-	13	-	13
Loss on disposal of heritage assets	-	4	-	4
Irrecoverable VAT	171	7	140	318
Subtotal staff and other costs	1,227	956	2,943	5,126
Allocation of staff and overheads	1,690	1,253	(2,943)	-
Total	7,521	21,404	-	28,925

	Unrestricted expenditure £'000	Restricted expenditure £'000	Endowment expenditure £'000	2025 Total expenditure £'000
Costs of raising funds	7,521	-	-	7,521
Charitable expenditure	20,999	401	4	21,404
Total 2025	28,520	401	4	28,925

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****3.1 Total expenditure (continued)****Year ended 31 March 2024**

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	Total expenditure 2024 £'000
Direct expenditure				
Grants – Research	-	13,116	-	13,116
Grants – Service delivery	-	20,845	-	20,845
Grants written back – Research	-	(294)	-	(294)
Non-grant charitable activity	-	(7)	-	(7)
Costs of raising funds				
Financial and property investment	4,905	-	-	4,905
Fundraising	300	-	-	300
Total direct expenditure	5,205	33,660	-	38,865
Staff and support costs				
Salaries, social security and pension costs	920	699	1,225	2,844
Other staff and related costs	36	4	177	217
Marketing and communications	-	-	191	191
Legal, accounting and IT	-	-	421	421
Office costs	-	-	554	554
Grant administration	-	60	-	60
Loss on disposal of operational fixed assets	-	-	-	-
Loss on disposal of heritage assets	-	1,057	-	1,057
Irrecoverable VAT	345	-	-	345
Subtotal staff and other costs	1,301	1,820	2,568	5,689
Allocation of staff and overheads	1,572	996	(2,568)	-
Total	8,078	36,476	-	44,554

	Unrestricted expenditure £'000	Restricted expenditure £'000	Endowment expenditure £'000	2024 Total expenditure £'000
Costs of raising funds	8,078	-	-	8,078
Charitable expenditure	29,876	5,543	1,057	36,476
Total 2024	37,954	5,543	1,057	44,554

Although Barts Charity maintains regular contact with grant-holders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****3.2 Direct charitable expenditure by institution**

	2025 Total £'000	2024 Total £'000
Barts Health NHS Trust	5,010	21,218
Faculty of Medicine & Dentistry at Queen Mary University London	16,615	11,698
School of Health and Medical Sciences at City St George's, University of London	86	478
Grant funded activity	21,711	33,394
Direct other spending	489	560
Writebacks	(3,005)	(294)
Total direct charitable expenditure	19,195	33,660

4 Employees**4.1 Analysis of staff costs**

	2025 Total £'000	2024 Total £'000
Salaries and wages	2,753	2,362
Social security costs	365	274
Other pension costs	240	208
Total	3,358	2,844
Average number of full-time equivalents	44	42
Average head count	46	43

Staff costs include termination payments of £78,274 to 5 employees (£Nil to zero employees in 2023/24). Of the above, termination payments to key management personnel totalled £Nil to zero employees in 2024/25 (£Nil to zero employees in 2023/24).

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****4.2 Higher paid employees**

The following number of employees received emoluments falling within the ranges indicated:

	Number of employees		Value of pension contributions		Number of staff in receipt of pension contributions	
	2025	2024	2025 £'000	2024 £'000	2025	2024
£60,000 to £70,000	4	5	20	24	4	5
£70,001 to £80,000	5	1	29	6	5	1
£80,001 to £90,000	-	1	-	6	-	1
£90,001 to £100,000	-	-	-	-	-	-
£100,001 to £110,000	1	2	15	30	1	2
£110,001 to £120,000	1	2	16	23	1	2
£120,001 to £130,000	1	-	12	-	1	-
£130,001 to £140,000	1	-	13	-	1	-
£180,001 to £190,000	-	1	-	19	-	1
£210,001 to £220,000	1	-	21	-	1	-

Key management personnel (the senior management team of the charity) received aggregate employee benefits of £867,625 in 2024/25 (£777,922 in 2023/24).

5 Operational fixed assets**5a. Tangible fixed assets**

	Office equipment £'000
At cost	
As at 1 April 2024	166
Additions	-
Disposals	-

Balance at 31 March 2025	166
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Depreciation:	
As at 1 April 2024	67
Charge for the year	39
Disposals in the year	-

Balance at 31 March 2025	106
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Net book value at:	
31 March 2025	60

31 March 2024	99
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5b. Intangible assets

	Software £'000
At cost	
As at 1 April 2024	214
Additions	-
Disposals	-

Balance at 31 March 2025	214
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Amortisation:	
As at 1 April 2024	214
Charge for the year	-
Disposals in the year	-

Balance at 31 March 2025	214
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Net book value at:	
31 March 2025	-

31 March 2024	-
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Barts Charity

Financial statements for the year ended 31 March 2025

Notes to the accounts

6 Heritage assets

	2025 £'000	2024 £'000	2023	2022	2021
Valuation at start of the year	17,313	16,600	16,600	16,600	16,600
Additions – purchases	-	-	-	-	-
Additions – donations	180	-	-	-	-
Disposals	(4)	(1,057)	-	-	-
Impairment	-	-	-	-	-
Revaluation	-	1,770	-	-	-
	<u>17,489</u>	<u>17,313</u>	<u>16,600</u>	<u>16,600</u>	<u>16,600</u>
Valuation at end of year	17,489	17,313	16,600	16,600	16,600
Type of heritage assets:					
Antique furniture	792	796	1,253	1,253	1,253
Paintings, prints and drawings	11,020	10,840	8,792	8,792	8,792
Books and manuscripts	2,669	2,669	3,003	3,003	3,003
Other	3,008	3,008	3,552	3,552	3,552
	<u>17,489</u>	<u>17,313</u>	<u>16,600</u>	<u>16,600</u>	<u>16,600</u>
Total	17,489	17,313	16,600	16,600	16,600

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £4m and £3.5m respectively (£4m and £3.5m in 2023/24). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in January 2024.

All heritage assets at 31 March 2025 are included within the endowment fund (31 March 2024: all heritage assets are included within the endowment fund).

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****7 Investments****7.1 Analysis of fixed asset investments**

	Property	Financial	2025	2024
	£'000	£'000	Total	Total
Fixed asset investments			£'000	£'000
Market value at 1 April	62,900	457,029	519,929	500,689
Less: Disposal at cost	(25,190)	(83,621)	(108,811)	(44,346)
Add: Acquisitions at cost	-	129,333	129,333	41,223
Net (loss) / gain on revaluation or disposal of investment assets	3,875	(47,875)	(44,000)	19,804
Net cash receipts / (withdrawals) into / (from) portfolio	-	10,029	10,029	2,559
Total	41,585	464,895	506,480	519,929
			2025	2024
			Total	Total
Market value at 31 March:			£'000	£'000
Investment properties			41,585	62,900
Investments listed on stock exchanges			340,776	362,894
Private investments			107,535	87,201
Short term investments			16,584	6,934
Total			506,480	519,929

Short term investments are held within the investment portfolio, predominantly to fund private investment capital calls and are shown separately in the table above, to distinguish from other investments.

Financial investments held at 31 March 2025 include 14 unit trust funds, representing 76% of the total value, and 38 separate private investments (in 2023/24 16 unit trust funds representing 81% and 39 separate private investments).

At the year end, Barts Charity had undrawn commitments to private equity funds of £69m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £108m reported above represents the valuations of the funds at 31 March 2025, as provided by relevant fund managers and/or as computed by our global custodian. However, it is not possible for the Trustees to liquidate these investments prior to the future return of capital.

Barts Charity

Financial statements for the year ended 31 March 2025

Notes to the accounts

7.2 Analysis of gains and losses on revaluation and disposal of investment assets

Year ended 31 March 2025

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2025 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	166	-	16,924	17,090
(Losses)/Gains on revaluation and disposal of property investments	21	-	2,116	2,137
Subtotal: gains and losses	187	-	19,040	19,227
Other currency gains	-	-	-	-
Total	187	-	19,040	19,227

Year ended 31 March 2024

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2024 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	3,195	-	42,123	45,318
(Losses)/Gains on revaluation and disposal of property investments	(442)	-	(5,818)	(6,260)
Subtotal: gains and losses	2,753	-	36,305	39,058
Other currency gains	-	-	-	-
Total	2,753	-	36,305	39,058

An analysis of gross income arising from the property assets is set out in Note 2.2.

Barts Charity

Financial statements for the year ended 31 March 2025
Notes to the accounts

8	Current assets		
8.1	Analysis of debtors	2025	2024
		£'000	£'000
	Trade debtors	630	444
	Prepayments	190	205
	Accrued income	1,310	1,036
	Other debtors	76	11
	Total	2,206	1,696

All debtors at 31 March 2025 relate to unrestricted funds (31 March 2024: all debtors relate to unrestricted funds).

Accrued income largely relates to income on financial investments and amortisation of a rent free period for related leases (see Note 1, Section E).

Included within accrued income is an amount of £0.1m which relates to rent amortisation due to be released after more than one year (31 March 2024: £0.3m).

8.2	Cash at the bank and in hand	2025	2024
		£'000	£'000
	Cash in UK clearing bank accounts	268	77

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****9 Creditors due in one year**

	2025	2024
	£'000	£'000
Amounts falling due within one year as at 31 March:		
Trade creditors	188	67
Other creditors	258	115
Taxation and social security	120	108
Grant accruals	110,134	126,321
Accruals and deferred income	828	904
Total	111,528	127,515

As our grant awards do not give us an unconditional right to defer disbursements, all grant creditors are shown as due within one year. However, based on past experience, the grants are active for longer than one year.

Deferred income represents rent billed to tenants in advance for the first quarter of the following financial year.

	2025	2024
	£'000	£'000
Deferred income brought forward at 1 April	541	670
Income deferred during the year	1,869	2,738
Income released during the year	(2,112)	(2,867)
Deferred income carried forward at 31 March	298	541

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****10 Funds****10.1 Funds – Year ended 31 March 2025**

	Balance as at 1 April 2024 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (Losses) £'000	Balance as at 31 March 2025 £'000
Endowment funds						
Aylwen Bursaries	3,497	-	-	(3,497)	-	-
Edward Hewlett	2,872	-	-	-	140	3,012
Hannington	1,132	-	-	-	55	1,187
Hamblen Thomas	353	-	-	-	17	370
MacCready Mann	348	-	-	-	17	365
Levy Family	300	-	-	-	15	315
MAEL Jones	279	-	-	-	14	293
Funds < £200k	564	-	-	-	27	591
Expendable endowments	385,682	-	(4)	(75,000)	18,935	329,613
Total endowment funds	395,027	-	(4)	(78,497)	19,220	335,746
Restricted funds						
Margaret Centre	951	16	(50)	-	-	917
Gastroenterology	645	-	-	-	-	645
IBD Research	905	-	(274)	-	-	631
Funds < £500k	10,104	2,161	(77)	(2,476)	-	9,712
Total restricted funds	12,605	2,177	(401)	(2,476)	-	11,905
Unrestricted funds						
Designated funds						
Cardiac funds	122	-	-	-	-	122
Funds < £100k	-	-	10	(10)	-	-
Total designated funds	122	-	10	(10)	-	122
General funds	3,845	10,717	(28,530)	80,983	187	67,202
Total unrestricted funds	3,967	10,717	(28,520)	80,973	187	67,324
Total funds	411,599	12,894	(28,925)	-	19,407	414,975

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****10.2 Funds – Year ended 31 March 2024**

	Balance as at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (Losses) £'000	Balance as at 31 March 2024 £'000
Endowment funds						
Aylwen Bursaries	3,175	-	-	-	322	3,497
Edward Hewlett	2,607	-	-	-	265	2,872
Hannington	1,027	-	-	-	105	1,132
Hamblen Thomas	320	-	-	-	33	353
MacCready Mann	315	-	-	-	33	348
Levy Family	273	-	-	-	27	300
MAEL Jones	253	-	-	-	26	279
Funds < £200k	512	-	-	-	52	564
Expendable endowments	349,527	-	(1,057)	-	37,212	385,682
Total endowment funds	358,009	-	(1,057)	-	38,075	395,027
Restricted funds						
Cardiac	2,117	96	(1,869)	-	-	344
Margaret Centre	993	14	(56)	-	-	951
Gastroenterology	645	-	-	-	-	645
IBD Research	821	-	84	-	-	905
St Barts Hospital	574	251	(500)	-	-	325
Funds <£500k	10,617	2,706	(3,202)	(686)	-	9,435
Total restricted funds	15,767	3,067	(5,543)	(686)	-	12,605
Unrestricted funds						
Designated funds						
Cardiac funds	122	-	-	-	-	122
Funds < £100k	244	-	(210)	(34)	-	-
Total designated funds	366	-	(210)	(34)	-	122
General funds	27,182	10,934	(37,744)	720	2,753	3,845
Total unrestricted funds	27,548	10,934	(37,954)	686	2,753	3,967
Total funds	401,324	14,001	(44,554)	-	40,828	411,599

Barts Charity

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10.3 Funds - additional

Endowment funds

Note 1, Section D provides further details of the permanent endowment fund structure. There were no other income, expenditure or transfers in 2024/25. Expenses have not been charged to the permanent endowment funds. Due to the historic nature of these, there is no certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Restricted funds

Note 1, Section D provides further details of the restricted fund structure. There was no allocation of investment income or expenses to the funds in 2024/25, given that they are funded from readily available cash. The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. This work is ongoing.

Details of significant restricted funds

<u>Name of fund</u>	<u>Nature and purpose of fund</u>
Cardiac	Treatment of and research into cardiac disease
Margaret Centre	Provision of palliative care at the Margaret Centre (Whipps Cross Hospital)
Gastroenterology	Gastroenterology unit (Whipps Cross Hospital)
IBD Research	Research into Crohns' disease

Details of significant designated funds

<u>Name of fund</u>	<u>Nature and purpose of fund</u>
Cardiac	Investigation and treatment of heart diseases including the advancement of scientific and medical education and research

Expenditure will be made from a restricted or designated fund when a grant award is made that meets the criteria of the relevant restriction or designation.

Transfers between funds

Transfers between funds represent:

- a release of expendable endowment funds to general funds as allowed by the terms of the expendable endowment;
- a release of permanent endowment funds to restricted funds as approved by the Charity Commission;
- transfers between restricted, general and designated funds to utilise grant writebacks on restricted or designated funds, against other awarded grants which meet the restrictions or designations;
- transfers from general funds to restricted funds to cover overspends on restricted funds; and
- the reversal of prior year transfers of general funds to restricted funds to cover overspends on restricted funds where subsequent restricted income has been received.

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****10.4 Prior year distribution of net assets**

	Unrestricted £'000	Restricted £'000	Endowment £'000	2024 Total £'000
Tangible assets	99	-	-	99
Intangible assets	-	-	-	-
Heritage assets	-	-	17,313	17,313
Investments	129,610	12,605	377,714	519,929
Total fixed assets	129,709	12,605	395,027	537,341
Debtors	1,696	-	-	1,696
Cash at bank and in hand	77	-	-	77
Total current assets	1,773	-	-	1,773
Creditors: amounts falling due within one year	(127,515)	-	-	(127,515)
Net current liabilities	(125,742)	-	-	(125,742)
Total net assets	3,967	12,605	395,027	411,599

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****11 Notes to the cash flow statement****11.1 Net cash used in operating activities**

	2025 £'000	2024 £'000
Net (expenditure) / income for the year	3,376	10,275
Adjustments for:		
Losses/(Gains) on revaluation and disposal of investment assets	44,000	(19,804)
Losses/(Gains) on revaluation and disposal of heritage assets	(180)	(1,770)
Investment income	(9,693)	(8,968)
Depreciation charges	39	102
Loss on disposal of heritage assets	4	1,057
Change in debtors	(510)	645
Change in creditors	(15,987)	8,504
	<u>21,049</u>	<u>(9,959)</u>
Cash outflow from operating activities	21,049	(9,959)

11.2 Analysis of changes in cash and cash equivalents

	2024 £'000	Movement £'000	2025 £'000
Cash in hand and at the bank	77	191	268
	<u>77</u>	<u>191</u>	<u>268</u>

12 Trustee transactions

	2025 £	No	2024 £	No
Trustee travel, subsistence and hospitality expenses	2,088	2	5,656	11
	<u>2,088</u>	<u>2</u>	<u>5,656</u>	<u>11</u>

Premiums for Trustee indemnity insurance were paid by the Charity on the part of Trustees totalling £11,194 (2023/24: £11,194).

13 Related party transactions

The total amount of related party donations made, without conditions, was £7,767 (2023/24: £7,260).

The total amount of related party donations made with conditions was £Nil (2023/24: £2,536).

During the year Barts Charity made revenue and capital grants (net of writebacks) to Barts Health NHS Trust of £3.1m (2023/24: £21.2m).

Barts Charity**Financial statements for the year ended 31 March 2025****Notes to the accounts****14 Operating leases****14.1 Operating lease income**

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

	2025	2024
	£'000	£'000
Not later than one year	881	2,010
Later than one year and not later than five years	566	1,696
Later than five years	-	24
	1,447	3,730

14.2 Operating lease commitments

Barts Charity was committed to making the following payments under non-cancellable operating leases:

	2025	2024
	£'000	£'000
Not later than one year	245	245
Later than one year and not later than five years	124	367
	369	612

15 Net (expenditure) / income for the year

	2025	2024
	£'000	£'000
This is stated after charging:		
Auditors' remuneration – audit fees	63	71
Auditors' remuneration – non-audit fees	3	-
Amortisation	-	58
Depreciation	39	44
Operating lease payments	246	244

BARTS CHARITY

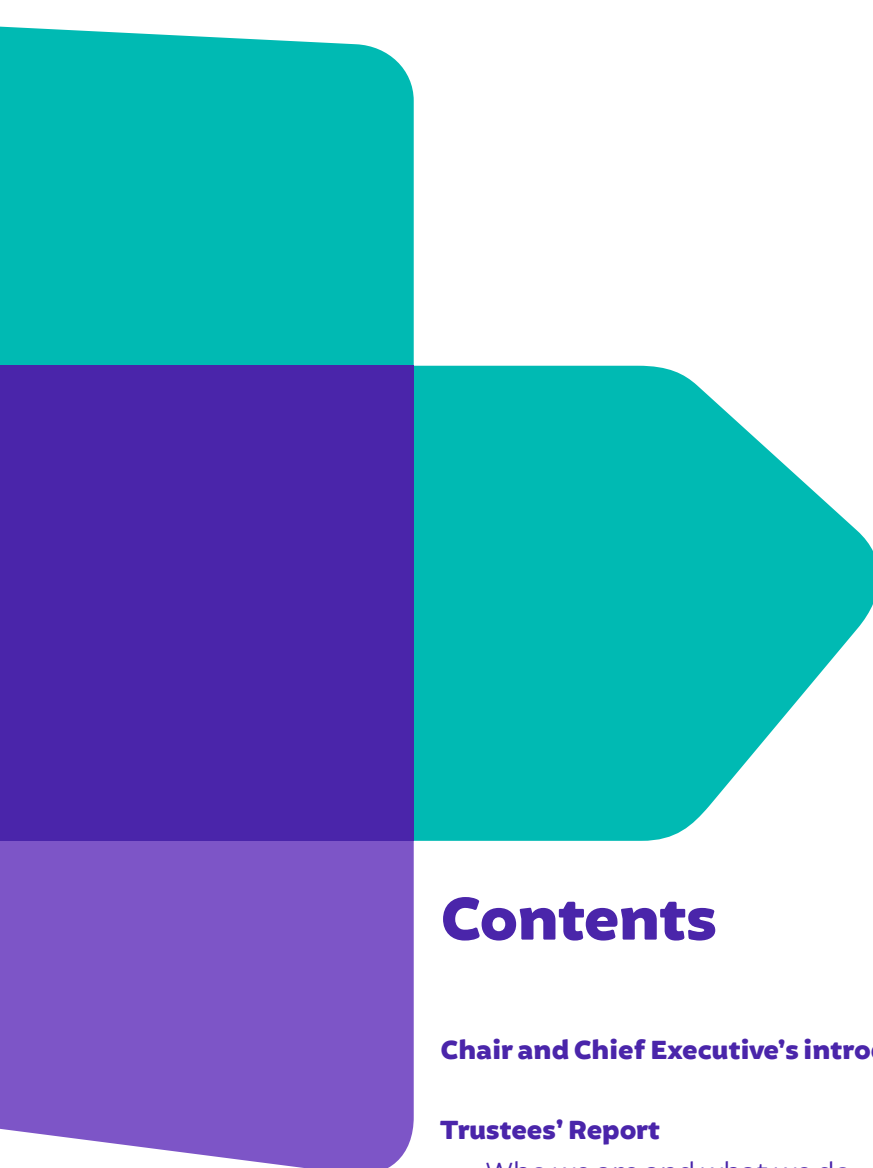
England & Wales - Charity number 212563

Accounts

Annual report and accounts

2023–2024





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Chair and Chief Executive's introduction

The 2023/24 financial year was another year of strong performance, reflected both in the level of our grant-making and prudent management of our investment portfolio.

We were delighted to award £33.1m in funding, split between our three partners: £21.2m to Barts Health NHS Trust (Barts Health), £11.4m to the Faculty of Medicine and Dentistry (FMD) at Queen Mary University of London (QMUL) and £0.5m to the School of Health and Psychological Sciences at City, University of London (now City St George's).

Our investment portfolio has grown to £520m with available reserves significantly in excess of the minimum level required to meet our operational and funding commitments and preserve the real-terms value of the portfolio.

We continue to support a broad range of research and healthcare projects through a number of targeted funding schemes. Our largest awards this year have included:

- Precision Medicine Academy – funding for the creation of eight Academic Clinical posts, four for medics and four for nurses and allied health professionals
- Establishing an epigenomics research hub – a collaboration between geneticists and AI and machine learning experts exploring whether it is possible to diagnose a range of diseases early through detecting chemical 'tags' on DNA using a simple blood test
- Critical care digital transformation – a system of bespoke electronic record keeping across critical care units and operating theatres to provide more accessible patient data to multi-disciplinary staff, removing the need for manual data input and allowing information and data to be used to support innovation in care
- three new state-of-the-art surgical robots, one at each of St Bartholomew's, The Royal London and Whipps Cross Hospitals
- a Barts Health Staff Recognition Programme to promote staff wellbeing

In addition, our funding schemes for medical research, healthcare delivery and Everyday Impact have supported projects as diverse as research to protect blood vessels from cardiovascular

disease; implementing a new patient pathway for unaccompanied asylum-seeking children in Northeast London; and providing phone charging stations in emergency departments. Thanks to our Clinical Research Training Fellowships, health professionals are funded to take a formal break from clinical training or clinical work in order to undertake health-related research. We were delighted that having broadened the eligibility criteria for these Fellowships to provide greater equity of access to our funding, we saw a broader range of applicants than ever before, including GPs for the first time.

Our fundraising has also seen a successful year. In 2023, we celebrated the 900th anniversary of St Bartholomew's Hospital. It was a year of celebration of the history of one of the world's oldest medical institutions. It included events on a large scale like the special service in St Paul's Cathedral and reception in the Guildhall in May, to the smaller and more personal fundraising events led by former staff and patients. At the heart of all the celebrations was a focus on the people who work and have worked in the Hospital to deliver great care to those who need it most. During FY2022/23 we announced our support for the creation of a brand-new Clinical Research Facility at The Royal London Hospital. In the last year, each of The Wolfson Foundation and The Charles Wolfson Charitable Foundation has pledged £1m to this important project, which aims to give the people of East London greater access to potentially life-changing treatments.

You can find out more about how we are making a difference to the health of people in East London in our impact report (available on our website). We could not have achieved so much in the last year without our highly talented and engaged staff, Board and advisers, partners and supporters. We feel very fortunate to have their support and would like to extend our thanks for all they do.

Andy Bruce
Chair of Trustees

Fiona Miller Smith
CEO

Trustees' Report

The Trustees present their report, incorporating the strategic report, and the audited financial statements for the year ending 31 March 2024. The introduction from the Chair and Chief Executive on page 1, and the Statement of Trustees' Responsibilities on page 18 form part of this report.

The financial statements as at 31 March 2024 and for the year then ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – (second edition effective 1 January 2019) (Charities SORP (FRS 102)), Charities Act 2011, and the Companies Act 2006.

Who we are and what we do

Vision

Life changing improvements to health for the people of East London.

Mission

A charity with its roots in East London, dedicated to supporting improvements to healthcare and transformative research for local health benefit.

We work in partnership with the NHS, local research institutes and others who can help us achieve our goals and maximise our impact.

Barts Charity 2022–2027 strategic objectives

We wanted our vision and mission to provide the strategic context for each area of our charitable activity and we have used them to frame five strategic objectives for 2022–2027.

Research

We fund high quality and innovative research that enhances our understanding of health and illness and has the potential to improve and/or save lives in East London.

Healthcare

We facilitate transformation to patient care and support for our dedicated NHS staff, primarily focusing our efforts at Barts Health.

Fundraising and communications

We are transforming our approach to fundraising to significantly grow revenue and enable us to achieve our ambitions for our mission.

We aim to inspire greater support by communicating about the people and projects we fund and the impact they make.

Endowment

We manage our endowment to ensure we take full advantage of potential opportunities to deliver our mission, now and in the future.

How we work

We set ourselves high standards for how we operate and aim to maximise the impact we make with our resources.



Our funding principles and focus

To achieve our funding and impact strategic objectives, we will focus our funding:

- where we can create transformational change
- where we can leverage further support for our funded projects
- on projects which cannot be covered by other funders or revenue sources

Our primary focus is on our funding being relevant to, and having an impact in, East London. We expect that much of the activity we support will also have a wider health benefit, both across the UK and potentially globally.

We adhere to robust funding processes to make sure our resources can improve healthcare and transformative research. We also strive to ensure that our funding processes and policies are inclusive and unbiased. We are a member of the Association of Medical Research Charities and can demonstrate high standards of governance around decision processes and monitoring involved in funding.

Our values

We are proud of the work we do. We have created a set of values that express who we are as a charity, the way we want to work and the culture that we want to live and breathe every day.

One Team

We work collaboratively as one team, supporting and respecting each other and embracing diverse experiences and perspectives.

Ambitious

We care passionately about Barts Charity’s mission, empowering each other to constantly improve and achieve our best.

Open

We are honest and transparent, sharing information willingly and encouraging the giving and receiving of constructive feedback.

Accountable

We take pride in doing the right thing and acting with integrity. We take ownership of our actions and learn from our mistakes.

Review of 2023/24

In our 2023 Annual Report we set out our strategic targets for 2023/24. Here, we summarise the progress we’ve made against these:

Strategic aims	Progress made
Funding – Research/Healthcare delivery	
Progress the Clinical Research Facility at The Royal London Hospital and develop plans for a Barts Breast Cancer Centre at St Bartholomew’s Hospital, as part of the Barts 900 Campaign.	• Contractor agreed for build of Clinical Research Facility, with aim to start build in 2024. • Operational set up of clinical trials research activity underway for Clinical Research Facility opening. • Further design and development of clinical and building cases for Breast Cancer Centre, including pledging £2.8m for additional design fees.
Maintain a significant funding programme in research and healthcare, outside of the Barts 900 Campaign.	• >£30m granted to healthcare and research projects outside of the Barts 900 projects (Clinical Research Facility and Breast Cancer Centre).

Maintain a potential pipeline of high-quality research and healthcare funding applications.	• High quality pipeline of short and long term as well as small and larger opportunities for funding research and healthcare applications and initiatives developed.
Fundraising and communications	
Invest in our fundraising infrastructure to make sure we have the right resources in place to deliver our strategy for the Barts 900 Campaign. Identify all lead gifts for the Clinical Research Facility and build a pipeline for the next stage of the campaign.	• 13 major gifts secured for the Clinical Research Facility totalling >£2.4m. • Partnership with Barts Health and FMD strengthened through joint delivery of new funding partnerships for Clinical Research Facility. • Pipeline for Breast Cancer Centre developed to deliver fundraising target, in readiness for project approval.
Amplify our message for our Public Fundraising strategy which will build a broad and sustained base of support from community donors. Develop in memory, in celebration and legacy offerings.	• New umbrella fundraising proposition developed and rolled out into hospitals via leaflets, vinyls and digital screens and built into all public fundraising materials. • In Memory plans have expanded and include tribute fund stewardship and promotion. • Mid-value and legacy fundraising developed and embedded.
Further develop our partnership with the City of London Corporation to increase support from key city institutions.	• 900th anniversary celebration event hosted by City of London Corporation at the Guildhall and St. Paul's Cathedral and attended by 1500 guests including Barts Health staff, former staff and city representatives. • 3 key events hosted at the Mansion House during the anniversary year by two successive Lord Mayors. • Barts 900 Campaign supported financially by 19 livery companies.
Identify a successor campaign to the Barts 900 Campaign.	• Delays to the Breast Cancer Centre project have meant that identification of a successor campaign was postponed.
Endowment	
Continue to implement revised asset allocation under our investment strategy, including developing responsible investing principles.	• Continuing to progress strategic reallocation of assets from public to private markets. ESG considerations and stewardship considerations are integrated in the investment process.
Develop a risk register for financial investment operations.	• Risk Register for investment operations created. The Register is reviewed quarterly by Investment Committee and annually by Finance & Audit Committee.

Develop a real estate investment strategy.	• Strategy for real estate portfolio developed and agreed. Implementation has commenced and is in progress.
How we work	
Improve cyber security and information governance, achieving Cyber Essentials Plus accreditation.	• Achieved Cyber Essentials plus accreditation. Set up a robust cyber security package for ongoing cyber-risk monitoring.
Consolidate and rationalise a proportion of our restricted funds.	• Spending down restricted funds against funding awards is ongoing. An options analysis for more top-down review is planned for 2024/25.
Engage with staff to prioritise People & Culture projects (e.g. refresh of learning & development programme) and deliver them making more use of cross-team working groups led by non-SMT members.	• High levels of staff engagement through staff representation group, Staff Voice. • Some cross-team projects led by non-SMT members have taken place – feedback being sought as to how we can replicate these models going forward.

Challenges

There have been a number of challenges across the year, and these have helped to inform some of our aims for 2024/25:

- Plans for the Barts Breast Cancer Centre have taken longer to finalise than both we and Barts Health had anticipated. Finalisation of the project plans has extended beyond the Barts 900 Campaign year, making proactive fundraising for the project difficult during 2023/24.
- The direct property portfolio is concentrated in Central London, primarily consisting of office spaces. This is a concentration risk and increases the likelihood of tenancy voids. Diversification of the real estate portfolio has been agreed as a priority in the investment strategy.
- The Marketing & Communications team was reorganised under the leadership of the Chief Operating Officer, involving a new operating model and recruitment to new roles. This has now been successfully achieved but there were some pressure points during the rebuilding period.
- Analysis of the first year of diversity data obtained through our grants application and monitoring processes showed some issues in data architecture which made analysis more challenging than anticipated.

Managing the endowment

The management of the endowment is designed to provide financing, alongside voluntary income, for our funding programme. The assets in the portfolio are selected based on the prospects of value accretion in the long run. A managed approach to risk is taken and the Trustees and management work with a number of advisers to provide an appropriate balance of risk against a targeted return.

The Trustees have delegated investment decision-making to the Investment Committee. The Investment Committee appoints and monitors investment advisers to assist them in managing both financial and property elements of the portfolio. It meets quarterly and reports back to the Trustee board after each meeting.

The Investment Committee has been working with Mercer as its financial investment adviser for more than three years. Based on a review of our investment beliefs, a new investment strategy was formulated in 2022. The strategy aims to further diversify the overall sources of risk and return. A number of investments were made in new funds during 2023/24 as part of the transition to the target allocation. The Investment Committee appointed Swiss Life Asset Managers as strategic property advisers in April 2023 to advise on direct and indirect property holdings.

Strategic aims for 2024/25

Funding

- Progress the Clinical Research Facility at The Royal London Hospital and further develop plans for a Barts Breast Cancer Centre at St Bartholomew's Hospital
- Maintain a significant funding programme in research and healthcare.
- Maintain a potential pipeline of high-quality research and healthcare funding applications beyond this financial year.
- Develop a refreshed Intellectual Property policy for Barts Charity funded activities and implement associated processes.

Fundraising and communications

- Create ongoing, targeted major gift fundraising portfolio from Funding & Impact pipeline, including the Breast Cancer Centre subject to approval
- Strengthen fundraising operations to ensure that our data and systems work effectively across all areas of activity
- Continue to build culture of philanthropy with partner institutions through collaboration with senior leadership, comms teams and staff

Endowment

- Continue to implement revised asset allocation under our investment strategy, including following responsible investing principles.
- Implement the direct property portfolio strategy.
- Develop a new Reserves Policy.

How we work

- Invite tenders for Technology provider services and review the Charity's Information Governance framework.
- Improve management of restricted funds including payment processes and potential consolidation of historic funds to promote spend down.
- Continue to foster a fair and supportive workplace culture, improving feedback mechanisms and working with external agencies for targeted expert reviews and HR support.

Commitment to Equity, Diversity and Inclusion (EDI)

We believe that our commitment to EDI is best demonstrated through action. Our EDI Commitment, Priorities and Definitions are available in full on our [website](#).

Barts Charity's EDI commitment

We want everyone connected with Barts Charity to feel valued and respected. We will create and sustain a truly inclusive culture where everyone feels they can contribute. We know that this will take action and we must keep working at it.

We recognise that a diverse Barts Charity is not just the right thing to be but will also make us better at what we do. Embracing a breadth of perspectives and experiences will help us to make better decisions and be more effective and impactful in our activity.

We will be transparent about how we deliver on this commitment. We will publish our objectives and report our progress (or lack of it) so that our colleagues, supporters, beneficiaries and stakeholders can hold us to account.

Barts Charity's EDI priorities

Culture

- To live out our values.
- To encourage and champion an inclusive and aware internal culture through actions and resources.

Governance

- To create, update and keep under review our governance structures, policies and procedures to make sure that EDI is embedded into all of our activities.

Data/insight

- To better capture, monitor and analyse data to develop evidence from which to learn and drive change.

Funding

- To apply unbiased and inclusive funding processes and make sure the activities we fund are inclusive in their design and delivery.

Personnel

- To have diversity across our staff and non-executives who each feel able to realise their full potential and who better reflect the communities we work with and for.

During 2023/24 we have:

- Collected the first year of data about diversity of grant applicants and grant holders as a baseline data set so that we can begin to explore whether our funding processes are inclusive, fair, and free from bias.
- Updated website imagery and photo library to ensure our visuals better represent people from ethnically diverse backgrounds, reflecting our local population.
- Implemented a new social media management platform which provides better analytics about our audience demographics, which will provide baseline data to inform how we can diversify our digital audience.
- Introduced a Menopause Policy and Guidelines.
- Trained two staff to become Mental Health First Aiders and provided all-staff training.
- Welcomed students from Tower Hamlets secondary schools for work experience.

Annual personnel diversity survey

We ran our second annual diversity survey in autumn 2023, looking at the diversity characteristics of our staff and non-executives. The survey is based on guidelines issued by the organisation Equality, Diversity & Inclusion in Science & Health (EDIS) which draw upon a wealth of studies and research data. The questions and response categories are designed to follow the 2021 census so that we can benchmark the results. These covered age, disability/long-term health condition/impairment, ethnic group, gender, sexual orientation, and religion/belief.

We had a response rate of 78% (64 responses out of 86, comparing to 81% in 2022) with very low use of the 'prefer not to say' option. This suggests respondents felt comfortable confirming their personal details in the survey. For reasons of information governance, we do not store the responses, and so the survey is a snapshot of the Charity's personnel diversity at a single point in time. As a small organisation, it can be challenging to report data about diversity in case it compromises anonymity for those who report in minority groups. Therefore, we do not publish the results in full.

Although this year's survey showed some improvement in ethnic diversity compared to last year's, the Charity remains most unrepresentative for people identifying as Black/ African/Caribbean/ Black British. There is also very low representation of people reporting a disability/long term health condition.

We are very conscious of the importance of diversity and inclusion across our personnel and want to ensure that our recruitment processes are not acting as a block to wider representation. We will undertake a formal review of our recruitment process using an external EDI adviser during this year (see below).



2024/25 EDI plan

Our plans for 2024/2025:

ACTION
Culture • Work experience programme with Tower Hamlets secondary school children (4 students). • Review our external events to ensure there is better speaker and guest representation. • Consider how the breadth of the East London population we serve is better reflected in the case studies we use to communicate about our funding. • Closer liaison with Barts Health Comms Team and EDI groups in development of collateral based on hospital sites to ensure that the staff and patient profile is reflected.
Data/Insight • Analyse the second year of data about diversity of grant applicants and grant holders in autumn 2024 so that we can begin to explore whether our funding processes are inclusive, fair, and free from bias. • Use social media analytics to reach a more diverse digital audience. • Run a third annual personnel diversity survey, comparing results to the previous year and potential benchmarks.
Funding • Continue to develop funding policies and processes that further support creating an inclusive and fair organisational culture where we fund. • Develop a public statement of commitment to and activities associated with patient and public involvement and engagement in funding activities.
Personnel • Undertake an externally facilitated formal review of our recruitment process to reach people from more diverse backgrounds and remove bias.

The above actions involve all teams and will be incorporated into their delivery plans. These will be assessed mid-year (October) and year end (March), and we will report our progress against each action.

Finance Review

Review of financial performance

Our financial strategy is to manage and grow our investment assets and voluntary income to support annual grant giving and operating activities for the long term. The net assets as of 31 March 2024 increased by £10.3m to £412m (2023: £401m).

In reviewing the performance of our investments, we consider the total return of the portfolio, both income and capital. By showing the total return, which combines both income generated by our assets and the associated capital gains/losses, as opposed to separating these out, we see the full picture of our finances.

We use this concept as a basis for addressing the two basic principles of our financial strategy:

- To provide for long-term stability and liquidity sufficient for the funding of the charity's annual grant-making and other operating activities.
- To maintain the value of the charity's portfolio in real terms so that it can make funding awards in the long term.

The Statement of Financial Activities (on page 24) shows that, during the financial year, the charity received income of £14.0m, (2023: £11.9m), of which £10.9m was unrestricted (2023: £10.2m). Though the charitable expenditure decreased over the same period to £36.5m (2023: £45.4m) the charity is on track to grant £150m over the five-year period 2022–27. The proportion of non-charitable activities spending relative to total expenditure increased to 10.5% (2023: 8.5%). The increase in the ratio was primarily on account of the reduction in charitable expenditure during the year compared to the previous year.

Two prior year reclassifications have been made in the financial statements for the year: cash with our global custodians, Northern Trust, has been reclassified as 'investments' (from 'cash at bank and in hand' in prior year) and all grant creditors are now reflected as amounts falling due within one year.

As stated above, and as shown in the Statement of Financial Position, the charity's net assets were £412m (2023: £401m). The endowment funds increased in value due to realised and unrealised gains. Restricted funds reduced in value partly because we used some for charitable expenditure and partly in line with the charity's wish to consolidate and close a number of low value funds.

In terms of assets and liabilities, the charity's fixed assets reflect office refurbishments and capitalised software.

Investment review

The value of the charity's investments increased by £19m to £520m over the 12-month period to 31 March 2024.

The majority of equity markets experienced strong, positive returns over the 12-month period to 31 March 2024, led by the US equity market and, in particular, a number of large US technology companies. Returns within fixed income markets, however, were more mixed. The second quarter of 2023 saw the orderly resolution of some high-profile bank failures in the US, declining inflation and increased geopolitical tensions. During the third quarter of 2023, headline inflation continued to slow, core inflation fell in most regions and inflation expectations continued to decline. Developed market central bank actions were mixed, with some deciding to pause hiking interest rates, and others continuing to increase policy rates.

The fourth quarter of 2023 began with low expectations, owing to high long-term interest rates and renewed geopolitical tensions in the Middle East. However, slowing inflation in the US and other regions raised hopes that interest rates may have peaked, thereby boosting investor confidence towards the end of 2023. Positive investor sentiment continued during the first quarter of 2024, buoyed by resilient economic data and expectations of interest rate cuts later in the year.

The long-term target for the portfolio is an average total return of Consumer Price Index (CPI) +4.5% per year (net of fees) over a rolling three-year period and an annualised return in excess of the portfolio's blended benchmark.

The Charity performed well relative to the broader market during the financial year with the portfolio returning 8.2%, net of fees.

Though the long-term target for the portfolio is a total annualised return of CPI +4.5% over rolling three-year periods, the Investment Committee recognises that, given the current high inflationary environment, this will be a challenging target to achieve over the shorter term.

All figures are in % per annum	Return achieved	Target CPI+4.5%	Target Blended Benchmark
3-year period to 31 March 2024	5.2	11.5	6.9
3-year period to 31 March 2023	8.0	10.6	10.0
Since inception to 31 March 2024	8.5	7.5	6.5

Investment performance is monitored quarterly by our Investment Committee with the assistance of our investment advisors, Mercer, who provide advice and monitoring services for the financial portfolio.

Reserves

The Charity holds assets in funds, each type of which dictates how the funds may be disbursed:

Endowment funds: there are a number of segregated individual personal endowments which are usually created in the form of a trust that limits the use of both the original capital and any investment gains attached to them. There is also an aggregated **expendable endowment** fund – these funds, and gains arising from them, can be applied generally by the Trustees to deliver the Charity's objectives. The value of the aggregated expendable endowment, as at 31 March 2024, was £385.6m (2023: £349.5m).

Restricted funds are amounts given with a restriction agreed between the donor and the Charity that specifies the area of the Charity's work that will be supported. Barts Charity has a large number of these funds supporting the many areas of Barts Health NHS Trust's work.

All other funds held by the Charity form the **general** funds. However, Trustees may choose (and have chosen) to set aside **designated** funds to make sure a particular objective is given prominence. Trustees may remove a designation if they choose.

Reserves policy

Given the nature of the Charity's activities and our grant-making strategy the Trustees have determined that the reserves policy, taken in conjunction with spending and long-term investment policies, is intended to deliver the following objectives:

- Provide for long-term stability and liquidity sufficient for the funding of the charity's annual grant-making and other operating activities, without jeopardising broader investment objectives.
- Maintain the value of the Charity's portfolio in real terms so that it can continue to make funding awards in the long term. The Trustees wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role for the long term.

For these objectives, the Trustees have determined that the value of reserves should be deemed to be the amount(s) held in the Charity's investment portfolio.

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity. As at 31 March 2024, this minimum reserve level is £392m (2023: £378m).

The level of total reserves as at 31 March 2024 was £520m (2023: £501m) therefore the Trustees consider that the Charity has sufficient funds to continue its charitable activities into the future.

If reserves go below or are projected to come within 5% of the minimum level, Trustees will consider the level of spending and grant-giving in light of the prevailing market conditions and outlook. It is not expected that the Charity would react to short term volatility. The reserve, spending and long-term investment policies are reviewed at least annually and adjusted if necessary.

Responsible investing

Barts Charity believes that it is right to consider environmental, social, and governance (ESG) factors in investment decisions, in order to identify material risks as well as to earn sustainable, long-term returns. The Charity also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. We believe that it is possible to invest with a positive impact without reducing investment returns. Areas of particular interest include improving societal health care outcomes.

As a result, ESG (including but not limited to climate change) and stewardship considerations are integrated in the investment process. This includes selecting new investment managers and monitoring the existing ones, and an ongoing review of the portfolio's ESG characteristics compared to relevant benchmarks and peers. During the year under review, Barts Charity also reviewed the voting and engagement activities of the listed equity managers. When we appoint new investment managers, the Charity believes it is important to consider the level of diversity, including (but not limited to) gender across the manager's investment team. The Charity has no direct investments in tobacco stocks. The Charity monitors exposure to tobacco through pooled funds, including passive index trackers as well as actively managed strategies, aiming to have less than 1% of equities in tobacco companies (i.e. approximately half or less vs the aggregated equity benchmark).

We have a strategic equity exposure achieved through investment in pooled equity funds. The Charity has made an allocation to a Sustainable Global Equity Fund. This aims to provide a positive tilt across a broad range of ESG factors, including reducing carbon emissions, relative to investment in a traditional global equity fund. We follow the principles set out in the Charity Commission's guidance document CC14 and ensure our investment decisions align with our ethical standards.

Going concern statement

The preparation of the accounts for the year ending 31 March 2024 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, scenario analysis and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the

Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out above. Our portfolio is sensitive to movements in investment values, but it still has sufficient liquidity to enable the charity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these assessments, the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Barts Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trustees consider that our charitable activities for the improvement of healthcare are all for the public benefit.

Fundraising policy

We are very grateful to our supporters, who contribute significantly to our work. They give generously in terms of donations and carrying out fundraising activities in our community.

We aim to fundraise in a way that is compelling, respectful and in-keeping with our values.

The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practice guidance. Our own practice and policies make sure that no individual, including vulnerable people, are put under undue pressure to make a donation. In the year to 31 March 2024, more than 1,200 people and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy statement in line with the UK General Data Protection Regulation (UK GDPR). This and our complaints policy are freely available on our website.

Risk Management

Our Trustees have adopted a Risk Management Policy and regularly review the major risks to which Barts Charity is exposed. Risks are assessed by their likelihood and impact, and also their velocity (speed to impact). Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. The risks and mitigations are recorded in risk registers which are reviewed regularly by the senior management team and the Finance and Audit Committee.

The major strategic risks and principal mitigations on 31 March 2024 are set out below.

Risk	Actions to manage the risk
Funding Impact of inflation on significant capital projects under development.	• Include contingency in costs surrounding capital builds and potential inflationary increases in costs both before and after tender. • Expert review of significant capital projects under development. Charity representation on relevant project and design boards to ensure we have early sight on arising risks.
Fundraising Economic environment and a number of competing healthcare capital appeals make it harder to achieve our fundraising targets.	• Investment in campaign strategy, team and resources to optimise chances of meeting targets. • Healthy pipeline of major donors means we are on course to meet target.
Fundraising and communications A more politicised environment around healthcare funding and cost pressures may cause us reputational risk by association.	• Regular communications with Barts Health NHS Trust senior team. • Close relations with Barts Health's communications teams. • Regular dialogue with potential major donors.
Endowment Period of inflation means that the endowment does not generate the target annual return and potentially results in a fall in value of the portfolio.	• Asset allocation includes assets which are inflation-resilient, such as property and equities (including listed infrastructure). • Allocations have been made to asset classes with focus on contractual income, such as property, private debt and growth fixed income. • Investments are made with a long-term view. The charity has a significant buffer above the minimum reserve level and can withstand periods of lower return without impacting the operations or funding.
How we work We suffer financial/reputational loss as a result of a cyber security incident/data breach.	• Additional IT security has been put in place in partnership with our IT partners. • During the year, we obtained Cyber Essentials Plus status.

Structure, Governance & Management

Constitution

Barts Charity is a company limited by guarantee (registration number 07168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

The Board has assessed its governance against the Charity Commission's Governance Code for larger charities and is pleased to report high levels of compliance against the suggested standards. An area of continued focus for the Board is to ensure that the Charity is representative of its grantees and the communities it serves across both staff and non-executives.

Charitable purposes

Our charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as our Trustees think fit. In practice, we focus our support for improvement and innovation in healthcare on the Barts Health group of hospitals and FMD. We also support School of Health and Psychological Sciences at City, University of London. We carefully consult with representatives of our grantee organisations to make sure they are aligned with our strategic priorities and to secure the greatest impact from our funding. But we retain our independence to act in the best interests of Barts Charity and the community we serve.

Non-executives and committees

Barts Charity acts through its Board of Directors (who are known as Trustees). As of 31 March 2024, there were 11 Trustees. Since then, one Trustee has stepped down. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in Notes 12 and 13 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Board, in accordance with the provisions

of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total. Exceptionally, the Board may decide to extend this maximum term for a Trustee in appropriate circumstances.

The Board has established a series of committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Specialist committee members who aren't Trustees are appointed annually, renewable up to a total term of five years. All new Trustees and committee members have an induction programme which enables them to become familiar with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals that we work with.

The Board and each committee conduct an annual review of their performance in accordance with the Charity's Performance Review Policy against a checklist of questions. These cover matters such as objects, terms of reference, relationship with executive, documentation, conduct of meetings and skill set.

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call on a team of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications. They meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £650,000 and with the Board for requests over this amount. In addition, the Charity Executive has established Everyday Impact and Advancing Healthcare Panels comprising Barts Health staff members to support our Everyday Impact Grant and Advancing Healthcare Small Grant funding schemes. The Panels provide real world experience and review of healthcare applications under these schemes which provide grants of up to £50,000. Final decision-making authority rests with the Executive for funding requests.

Management arrangements

The Trustees delegate the management of the charity to the staff team led by the Chief Executive and the Senior Management Team (SMT). The Chief Executive has been in place since May 2016.

Staff remuneration

Staff remuneration is closely scrutinised to ensure that we can attract and retain the best talent, while keeping salaries aligned with the market. When we introduce a new role or undertake a mid-year pay review, we use a live salary database run by specialist reward consultants to reference the benchmark salary range for the role. The benchmark is compiled using a number of factors. These include comparable sectors, the nature and seniority of the role (job rank), our location, number of employees and turnover. We use the range from median to upper quartile mean.

We review all staff salaries every year taking into consideration inflation and data from comparable foundations and the wider third sector. We check the proposed increase against the benchmark for each role to ensure that annual pay awards stay in line with the market. Increases are applied from 1 April each year. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the SMT, which is approved by the Appointments and Remuneration Committee.

Pension

The Charity operates a non-contributory individual money-purchase scheme for all eligible members of staff, contributing the equivalent of 8% of pensionable salary to each employee's fund (10% for SMT members). Employees can additionally choose to make employee contributions to their pension as a deduction from their salary. The scheme is fully compliant with auto-enrolment regulations.

Reference and administrative details for Barts Charity

Registered and principal office

12 Cock Lane
London
EC1A 9BU

Company registered number: 07168381

Charity registered number: 212569

Non-executives – *includes changes up to date of signing*

Trustees

Andy Bruce, Chair
Sally Flanagan
Professor Catherine Godson
Ian Hart, Deputy Chair
Professor Dame Parveen Kumar (to 31 May 2024)
Dr Richard Lewis
Jean Murphy
Nimesh Patel
Dr Thomas Round
Adam Sharples (ex officio Trustee, Acting Chair of Barts Health NHS Trust from 5 July 2024)
Rt Hon Jacqui Smith (ex officio Trustee, Chair of Barts Health NHS Trust to 5 July 2024)
Dr Lorna Williamson OBE

Board Adviser

Moira Gitsham (communications)
(to 30 September 2023)

Appointments and Remuneration Committee

Andy Bruce, Chair
Sally Flanagan
Ian Hart
Nimesh Patel (from 1 November 2023)

Finance and Audit Committee

Nimesh Patel, Chair
Ian Hart
Dr Richard Lewis
Mohammad Memon

Grants Committee

Dr Lorna Williamson OBE (Chair)
Professor Mirela Delibegovic
Professor Adrian Dixon (to 30 September 2023)
Professor Catherine Godson
Professor Sarah Purdy OBE
Professor Kanchan Rege Thrasher
Dr Thomas Round
Dr Ultan McDermott

Investment Committee

Sally Flanagan, Chair
 Andy Bruce
 Philip Glaze
 Ian Hart
 Jean Murphy

Senior Management Team

Fiona Miller Smith, Chief Executive
 Fiona Bickley, Chief Operating Officer
 Victoria King, Director of Funding and Impact
 Ilia Ralphs, Director of Fundraising
 Prabhakar Sundaresan, Director of Finance and Resources

Advisors

Bank

National Westminster Bank plc
 1 Princes Street
 London
 EC2R 8BP

Auditor

Moore Kingston Smith LLP
 9 Appold Street
 London
 EC2A 2AP

Legal Advisors

BDB Pitmans LLP
 50 Broadway
 Westminster
 London
 SW1H 0BL

Taylor Wessing LLP
 5 New St Square
 Holborn
 London
 EC4A 3TW

Hogan Lovells International LLP
 Atlantic House
 Holborn Viaduct
 London
 EC1A 2FG

HR Benefits Advisors

Anderson Financial Management Ltd
 Saville Court
 11 Saville Place
 Bristol
 BS8 4EJ

Property Advisors

Swiss Life Asset Managers UK Ltd
 55 Wells Street
 London
 W1T 3PT

Workman LLP
 80 Cheapside
 London
 EC2V 6EE

Investment Advisor

Mercer
 1 Tower Place
 West Tower Place
 EC3R 5BU

Global Custodian

The Northern Trust Company
 50 Bank Street
 Canary Wharf
 London
 E14 5NT

Insurance Broker

Willis Towers Watson Ltd
 51 Lime Street
 London
 EC3M 7DQ

Statement Of Trustees' Responsibilities

The charity trustees (who are also the directors of Barts Charity for the purposes of company law) are responsible for preparing a trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information needed by the auditor in connection with preparing their report, of which the Auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees of Barts Charity on 4 July 2024 and signed on its behalf.

Andy Bruce

Chair

Date: 4 July 2024

Independent auditor's report to the members of Barts Charity

Opinion

We have audited the financial statements of Barts Charity ('the charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 March 2024 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions related to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these

requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report

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

Luke Holt (Senior Statutory Auditor)

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

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 9 July 2024

Statement of Financial Activities

(incorporating an income and expenditure account)

for the financial year ended 31 March 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total funds £'000	2023 Total funds £'000
Income and endowments from:						
Donations and legacies	2.1	1,966	3,067	-	5,033	2,717
Investments	2.2	8,968	-	-	8,968	9,182
Total income		10,934	3,067	-	14,001	11,899
Expenditure on:						
Raising funds	3.1	8,078	-	-	8,078	7,156
Charitable activities	3.1	29,876	5,543	1,057	36,476	45,393
Total expenditure		37,954	5,543	1,057	44,554	52,549
Net expenditure before gains/(losses) on investments		(27,020)	(2,476)	(1,057)	(30,553)	(40,650)
Gains/(Losses) on investment assets	7.2	2,753	-	36,305	39,058	(7,394)
Net (expenditure)/income		(24,267)	(2,476)	35,248	8,505	(48,044)
Transfers between funds	10	686	(686)	-	-	-
Gains on revaluation of heritage assets	6	-	-	1,770	1,770	-
Net movement in funds		(23,581)	(3,162)	37,018	10,275	(48,044)
Fund balances brought forward at 1 April 2023		27,548	15,767	358,009	401,324	449,368
Fund balances carried forward at 31 March 2024		3,967	12,605	395,027	411,599	401,324

All activities relate to continuing activities. The Notes on pages 25 to 43 form part of these financial statements.

Statement of Financial Position

as at 31 March 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total funds £'000	2023 As Reclassified Total funds £'000
Fixed assets						
Tangible fixed assets	5a	99	-	-	99	143
Intangible fixed assets	5b	-	-	-	-	58
Heritage assets	6	-	-	17,313	17,313	16,600
Investments	7	129,610	12,605	377,714	519,929	500,689
Total fixed assets		129,209	12,605	395,027	537,341	517,490
Current assets						
Debtors	8.1	1,696	-	-	1,696	2,341
Cash at bank and in hand	8.2	77	-	-	77	504
Total current assets		1,773	-	-	1,773	2,845
Creditors: amounts falling due within one year	9	(127,515)	-	-	(127,515)	(119,011)
Net current liabilities		(125,742)	-	-	(125,742)	(116,166)
Total net assets		3,967	12,605	395,027	411,599	401,324
Funds						
Endowment funds	10.1	-	-	395,027	395,027	358,009
Restricted income funds	10.2	-	12,605	-	12,605	15,767
Unrestricted funds						
Designated funds	10.3	122	-	-	122	366
General funds	10.3	3,845	-	-	3,845	27,182
Total funds		3,967	12,605	395,027	411,599	401,324

Company registration number 07168381.

The Notes on page 25 to 43 form part of these financial statements.

Andy Bruce
Chair of Trustees

Nimesh Patel
Chair of Finance and Audit Committee

Date: 4 July 2024

Cash Flow Statement

for the year ended 31 March 2024

	Note	2024 £'000	2023 As Reclassified £'000
Cash flows from operating activities:			
Net cash used in operating activities	11.1	(9,959)	(13,626)
Cash flows from investing activities:			
Dividends, interest and rents from investments		8,968	9,182
Payments to acquire tangible fixed assets		-	(166)
Payments to acquire investment assets		(41,223)	(177,367)
Receipts from sales of investment assets		44,346	178,900
Net withdrawals from/(receipts into) investments		(2,559)	2,590
Net cash provided by investing activities		9,532	13,139
Change in cash and cash equivalents in the year		(427)	(487)
Cash and cash equivalents at the beginning of the year		504	991
Cash and cash equivalents at the end of the year	11.2	77	504

The Notes on page 25 to 43 form part of these financial statements.

Financial statements

for the year ended 31 March 2024

Notes to the accounts

1 Accounting policies

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

It is a charitable company registered in England (company number 07168381, charity number 212563) and its registered office is 12 Cock Lane, London, EC1A 9BU.

The following accounting policies have been used consistently in dealing with items which are considered material to the charity's financial statements.

A. Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (2nd edition): Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

These financial statements are presented in pounds sterling (GBP), as that is the currency in which the majority of the charity's transactions are denominated. The financial statements are presented to rounded to the nearest thousand pounds.

B. Going concern

The preparation of the accounts for year ended 31 March 2024 has been undertaken on the basis that Barts Charity is a going concern. The Charity currently meets day to day working capital requirements through its existing cash facilities. In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years.

This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and can meet its planned grant commitments without being a forced seller of assets.

Based on these assessments the Trustees have not identified any material uncertainties relating to going concern. The Trustees have therefore determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

C. Accounting estimates and judgements

In preparing the financial statements, the Trustees have made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. These estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desktop valuation in the years between. A full property valuation was completed for 2023/24 by Knight Frank LLP, Chartered Surveyors, (refer to Note 1, Section J). The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction, between market participants at the measurement date.

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds. The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and

including the balance sheet date. This is then reviewed in light of valuations which become available post the balance sheet date up to the date the financial statements are approved.

c. Allocation of income, expenses and gains / losses to restricted and endowment funds

Expenses are charged on an actual basis for restricted and endowment funds.

Donation income is charged to restricted funds on an actual basis. Investment income is charged to the relevant restricted and unrestricted funds in relation to the endowments funds on a proportionate basis.

Gains and losses are allocated across all funds types on a proportionate basis on the value of the funds at the start of the year.

d. Valuation of accrued dividend income

Dividend income from the Charity's investments is accrued at the year-end, in line with historical and commercial expectations.

e. Heritage assets

Heritage Assets are not depreciated but are revalued every five years. The last valuation was completed by Gurr Johns in January 2024. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities.

D. Fund structure

a. Restricted funds

These are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund.

b. Endowment funds

(i) Permanent endowment funds

These are funds where the capital is held in perpetuity, but the related income may be used for unrestricted or restricted purposes, as specified by the donor.

(ii) Expendable endowment:

These funds represent donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c(i) below).

c. Unrestricted funds

These funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

i. General

Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.

ii. Designated

The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes.

E. Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Donations are accounted for as income when received.

Legacy income is recognised when three criteria are met: entitlement is established, receipt of the income is probable and it can be reliably measured. Where legacies have been notified to Barts Charity and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed, if material.

Rental income from investment properties is reported as operating leases and the lease incentives are amortised on a straight-line basis.

Dividend income from the Charity's investments is accrued in line with historical and commercial expectations.

F. Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of raising funds, charitable activities and support costs are charged to the relevant category or activity, according to the area to which the expenditure relates. Support costs incurred that relate to more than one cost category are apportioned, based on full time equivalent staff numbers in each area. Charitable activities include grants that have been approved during the year.

G. Grant commitments

Grant commitments are recognised when the following conditions have been fulfilled: (1) the receipt of necessary approvals for the grant from the Trustees, and (2) the communication of the approval to the grant recipient. Grants are discounted to reflect the time value of money, if this is considered material to the financial statements.

H. Fixed assets

Fixed assets (tangible or intangible) are capitalised when a separable asset can be identified with a value of £10,000 or more (exclusive of irrecoverable VAT), and where the estimated useful life of the asset (without the need for additional spend) can be estimated as three years or more.

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward depreciation.

Depreciation is charged on a straight line basis to support costs over their estimated useful lives. Fixtures, fittings and equipment are depreciated over the shorter of five years or the remaining lease term for the office premises.

b. Intangible fixed assets

Intangible fixed assets are included in the Statement of Financial Position at cost less accumulated amortisation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward amortisation.

Amortisation is charged on a straight line basis to support costs over their estimated useful lives. IT software is considered to have a useful life of five years.

I. Heritage Assets

Heritage assets are capitalised and include: art collections, historic archives, sculptures, ceramic surgical instruments, uniforms, teaching materials, and other items.

They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate,

in the second-hand retail market with items of a similar nature, age, condition and quality.

They are not depreciated but are revalued every five years, with the last valuation completed by Gurr Johns in January 2024.

Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration.

J. Investments

Quoted investments are stated at market value at the year-end date. Asset purchases and sales are recognised at the date of trade. Unquoted pooled financial investments are valued based on the number of units held and the price per unit provided by the custodian or fund manager.

These net asset valuations are calculated independently by third party administrators and are subject to annual audit. Private investments are held through funds managed by private investment groups. As there is no identifiable market price for private investment funds, these funds are included at the most recent valuations from the private investment groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the current editions of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards and the RICS UK National Supplement. The valuations were carried out by Knight Frank LLP, Chartered Surveyors, who have been instructed as our external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2024. They have reported their opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

K. Realised and unrealised gains and losses on investment assets

Realised and unrealised gains and losses on investment assets are included in 'gains and losses on investment assets' within the Statement of Financial Activities.

L. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at their fair value, net of transaction costs, and are measured subsequently

at amortised cost, using the effective interest method, less any impairment.

Long term debtors are defined as fully recoverable amounts outstanding for more than 12 months at the balance sheet date.

M. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

N. Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a change in value.

O. Financial instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value, as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

P. Pension contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme are charged to the Statement of Financial Activities.

Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the NHS Pensions Website (www.nhsbsa.nhs.uk/nhs-pensions). The scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contributions one: the cost to an NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme. Applicable rates for employee contributions for the NHS Pension Scheme were 13.5% for both 2023/24 and 2022/23. Employer contributions were 14.38% for both 2023/24 and 2022/23.

Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme. For the year ended 31 March 2024, the rates of employer contribution for the Defined Contribution Scheme were 10% for SMT and 8% for other staff (unchanged from the year ended 31 March 2023). Employee contributions are voluntary.

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2. Income

2.1. Income from donations and legacies

Year ended 31 March 2024	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2024 Total income £'000
Donations	483	1,609	-	2,092
Legacies	1,483	687	-	2,170
Government grants	-	771	-	771
Total 2024	1,966	3,067	-	5,033

Government grants received during the year relates to income received from the Medical Research Council in support of our Fellowship Programme. All conditions of the grants have been fulfilled. The income has been fully spent in the year.

In addition to the legacy income recognised above, Barts Charity is aware of legacies totalling approximately £405k which do not meet the SORP recognition criteria at the year end, but are expected to become receivable in future years.

Year ended 31 March 2023	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2023 Total income £'000
Donations	433	777	-	1,210
Legacies	631	876	-	1,507
Total 2023	1,064	1,653	-	2,717

2.2. Income from investments

Year ended 31 March 2024	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2024 Total income £'000
Investment properties	3,220	-	-	3,220
Investments listed on stock exchanges	2,976	-	-	2,976
Private investments	2,521	-	-	2,521
Interest on cash held as part of the investment portfolio	251	-	-	251
Total 2024	8,968	-	-	8,968

Year ended 31 March 2023	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2023 Total income £'000
Investment properties	3,602	-	-	3,602
Investments listed on stock exchanges	4,146	-	-	4,146
Private investments	1,273	-	-	1,273
Interest on cash held as part of the investment portfolio	161	-	-	161
Total 2023	9,182	-	-	9,182

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3. Expenditure

3.1. Total expenditure

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2024 Total expenditure £'000
Direct expenditure				
Grants – Research	-	13,116	-	13,116
Grants – Service delivery	-	20,845	-	20,845
Grants written back – Research	-	(294)	-	(294)
Non-grant charitable expenditure	-	(7)	-	(7)
Costs of generating income				
Financial and property investment	4,905	-	-	4,905
Fundraising	300	-	-	300
Total direct expenditure	5,205	33,660	-	38,865
Staff and support costs				
Salaries, social security and pension costs	920	699	1,225	2,844
Other staff and related costs	36	4	177	217
Marketing and communications	-	-	191	191
Legal, accounting and IT	-	-	421	421
Office costs	-	-	554	554
Grant administration	-	60	-	60
Loss on disposal of operational fixed assets	-	-	-	-
Loss on disposal of heritage assets	-	1,057	-	1,057
Irrecoverable VAT	345	-	-	345
Subtotal staff and other costs	1,301	1,820	2,568	5,689
Allocation of staff and overheads	1,572	996	(2,568)	-
Total	8,078	36,476	-	44,554

	Unrestricted expenditure £'000	Restricted expenditure £'000	Endowment expenditure £'000	2024 Total expenditure £'000
Costs of raising funds	8,078	-	-	8,078
Charitable expenditure	29,876	5,543	1,057	36,476
Total 2024	37,954	5,543	1,057	44,554

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	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2023 Total expenditure £'000
Direct expenditure				
Grants – Research	–	31,124	–	31,124
Grants – Service delivery	–	11,581	–	11,581
Grants written back – Research	–	(303)	–	(303)
Non-grant charitable activity	–	1,206	–	1,206
Costs of generating income				
Financial and property investment	4,196	–	–	4,196
Fundraising	369	–	–	369
Total direct expenditure	4,565	43,608	–	48,173
Staff and support costs				
Salaries, social security and pension costs	770	630	1,138	2,538
Other staff and related costs	35	3	264	302
Marketing and communications	–	–	210	210
Legal, accounting and IT	–	–	498	498
Office costs	–	–	571	571
Grant administration	–	20	–	20
Loss on disposal of operational fixed assets	–	–	19	19
Irrecoverable VAT	218	–	–	218
Subtotal staff and other costs	1,023	653	2,700	4,376
Allocation of staff and overheads	1,568	1,132	(2,700)	–
Total	7,156	45,393	–	52,549
	Unrestricted expenditure £'000	Restricted expenditure £'000	Endowment expenditure £'000	2023 Total expenditure £'000
Costs of raising funds	7,156	–	–	7,156
Charitable expenditure	27,340	18,053	–	45,393
Total 2023	34,496	18,053	–	52,549

Although Barts Charity maintains regular contact with grant-holders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

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3.2. Direct charitable expenditure by institution

	2024 Total £'000	2023 Total £'000
Barts Health NHS Trust	21,218	32,190
Faculty of Medicine & Dentistry at Queen Mary University London	11,404	9,340
School of Health and Psychological Sciences at City, University of London	478	335
Grant funded activity	33,100	41,865
Direct other spending	560	1,743
Total grants awarded	33,660	43,608

4. Employees

4.1. Analysis of staff costs

	2024 Total £'000	2023 Total £'000
Salaries and wages	2,362	2,105
Social security costs	274	261
Other pension costs	208	172
Total	2,844	2,538

Average monthly number of full-time equivalents	42	37
Average head count	43	38

Staff costs include termination payments of £Nil to zero employees (£28,523 to two employees in 2022/23). Of the above, termination payments to key management personnel totalled £Nil to zero employees in 2023/24 (£21,328 to one employee in 2022/23).

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4.2. Higher paid employees

The following number of employees received emoluments falling within the ranges indicated:

	2024	2023	2024 £'000	2023 £'000	2024	2023
	Number of employees		Value of pension contributions		Number of staff in receipt of pension contributions	
£60,000 to £70,000	5	4	24	21	5	4
£70,001 to £80,000	1	-	6	-	1	-
£80,001 to £90,000	1	1	6	11	1	1
£90,001 to £100,000	-	1	-	14	-	1
£100,001 to £110,000	2	2	30	21	2	2
£110,001 to £120,000	2	-	23	-	2	-
£170,001 to £180,000	-	1	-	17	-	1
£180,001 to £190,000	1	-	19	-	1	-

Key management personnel (the senior management team of the charity) received aggregate employee benefits of £777,922 in 2023/24 (£841,454 in 2022/23).

5. Operational fixed assets

5a. Tangible operational fixed assets

At Cost	Office equipment £'000
As at 1 April 2023	166
Additions	-
Disposals	-
Balance at 31 March 2024	166

Depreciation:

As at 1 April 2023	23
Charge for the year	44
Disposals in the year	-
Balance at 31 March 2024	67

Net book value at:

31 March 2024	99
31 March 2023	143

5b. Intangible operational fixed assets

At Cost	Software £'000
As at 1 April 2023	214
Additions	-
Disposals	-
Balance at 31 March 2024	214

Amortisation:

As at 1 April 2023	156
Charge for the year	58
Disposals in the year	-
Balance at 31 March 2024	214

Net book value at:

31 March 2024	-
31 March 2023	58

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6. Heritage assets

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Valuation at start of the year	16,600	16,600	16,600	16,600	16,600
Additions – purchases	-	-	-	-	-
Additions – donations	-	-	-	-	-
Disposals	(1,057)	-	-	-	-
Impairment	-	-	-	-	-
Revaluation	1,770	-	-	-	-
Valuation at end of year	17,313	16,600	16,600	16,600	16,600

Type of heritage assets:

Antique furniture	796	1,253	1,253	1,253	1,253
Paintings, prints and drawings	10,840	8,792	8,792	8,792	8,792
Books and manuscripts	2,669	3,003	3,003	3,003	3,003
Other	3,008	3,552	3,552	3,552	3,552
Total	17,313	16,600	16,600	16,600	16,600

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £4m and £3.5m respectively (£3m and £2.6m in 2022/23). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in January 2024.

All heritage assets at 31 March 2024 are included within the endowment fund (31 March 2023: all heritage assets are included within the endowment fund).

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7. Investments

7.1. Analysis of fixed asset investments

	Property £'000	Financial £'000	2024 Total £'000	2023 As Reclassified Total £'000
Fixed asset investments				
Market value at 1 April 2023	71,560	429,129	500,689	522,607
Less: Disposals proceeds	(1,610)	(42,736)	(44,346)	(178,900)
Add: Acquisitions at cost	-	41,223	41,223	177,367
Net (loss)/gain on investments	(7,050)	26,854	19,804	(17,795)
Net receipts into/(withdrawals from) investments	-	2,559	2,559	(2,590)
Total	62,900	457,029	519,929	500,689

	2024 Total £'000	2023 As Reclassified Total £'000
Market value at 31 March:		
Investment properties	62,900	71,560
Investments listed on stock exchanges	362,894	344,943
Private investments	87,201	79,917
Short term investments	6,934	4,269
Total	519,929	496,746

Short term investments are held within the investment portfolio, predominantly to fund private investment capital calls and are shown separately in the table above, to distinguish from other investments.

Financial investments held at 31 March 2024 include 16 unit trust funds, representing 81% of the total value, and 39 separate private investments (in 2022/23 16 unit trust funds representing 81% and 35 separate private investments).

At the year end, Barts Charity had undrawn commitments to private equity funds of £80.3m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £87.2m reported above represents the valuations of the funds at 31 March 2024, as provided by relevant fund managers and/or as computed by our global custodian. However, it is not possible for the Trustees to liquidate these investments prior to the future return of capital.

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7.2. Analysis of gains and losses on revaluation and disposal of investment assets

Year ended 31 March 2024	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Total £'000	2024 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	3,195	-	42,123	45,318
(Losses)/Gains on revaluation and disposal of property investments	(442)	-	(5,818)	(6,260)
Subtotal: gains and losses	2,753	-	36,305	39,058
Other currency gains	-	-	-	-
Total	2,753	-	36,305	39,058

Year ended 31 March 2023	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Total £'000	2024 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	(474)	-	(2,596)	(3,070)
(Losses)/Gains on revaluation and disposal of property investments	(705)	-	(3,860)	(4,565)
Subtotal: gains and losses	(1,179)	-	(6,456)	(7,635)
Other currency gains	37	-	204	241
Total	(1,142)	-	(6,252)	(7,394)

An analysis of gross income arising from the property assets is set out in Note 2.2.

8. Current assets

8.1. Analysis of debtors

	2024 £'000	2023 £'000
Trade debtors	444	1,204
Prepayments	205	63
Accrued income	1,036	1,035
Other debtors	11	39
Total	1,696	2,341

All debtors at 31 March 2024 relate to unrestricted funds (31 March 2023: all debtors relate to unrestricted funds).

Accrued income largely relates to income on financial investments and amortisation of a rent free period for related leases (see Note 1, Section E).

Included within accrued income is an amount of £0.3m which relates to rent amortisation due to be released after more than one year (31 March 2023: £0.7m).

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8.2. Cash at the bank and in hand

	2024 £'000	2023 As Reclassified £'000
Cash in UK clearing bank accounts	77	504

9. Creditors due in one year

	2024 £'000	2023 As Reclassified £'000
Amounts falling due within one year as at 31 March:		
Trade creditors	67	35
Other creditors	115	210
Taxation and social security	108	101
Grant accruals	126,321	116,189
Accruals and deferred income	904	2,476
Total	127,515	119,011

As our grant awards do not give us an unconditional right to defer disbursements, all grant creditors are shown as due within one year. However, based on past experience, the grants are active for longer than one year.

Deferred income represents rent billed to tenants in advance for the first quarter of the following financial year.

	2024 £'000	2023 £'000
Deferred income brought forward	670	578
Released	(2,867)	(2,777)
Deferred	2,738	2,869
Deferred income at 31 March	541	670

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10. Funds

10.1. Funds – Year ended 31 March 2024

	Balance as at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (losses) £'000	Balance as at 31 March 2024 £'000
Endowment funds						
Aylwen Bursaries	3,175	-	-	-	322	3,497
Edward Hewlett	2,607	-	-	-	265	2,872
Hannington	1,027	-	-	-	105	1,132
Hamblen Thomas	320	-	-	-	33	353
MacCredady Mann	315	-	-	-	33	348
Levy Family	273	-	-	-	27	300
MAEL Jones	253	-	-	-	26	279
Funds < £200k	512	-	-	-	52	564
Expendable endowments	349,527	-	(1,057)	-	37,212	385,682
Total endowment funds	358,009	-	(1,057)	-	38,075	395,027
Restricted funds						
Cardiac	2,117	96	(1,869)	-	-	344
Margaret Centre	993	14	(56)	-	-	951
Gastroenterology	645	-	-	-	-	645
IBD Research	821	-	84	-	-	905
St Barts Hospital	574	251	(500)	-	-	325
Funds <£500k	10,617	2,706	(3,202)	(686)	-	9,435
Total restricted funds	15,767	3,067	(5,543)	(686)	-	12,605
Unrestricted funds						
Designated funds						
Cardiac funds	122	-	-	-	-	122
Funds < £100k	244	-	(210)	(34)	-	-
Total designated funds	366	-	(210)	(34)	-	122
General funds	27,182	10,934	(37,744)	720	2,753	3,845
Total unrestricted funds	27,548	10,934	(37,954)	686	2,753	3,967
Total funds	401,324	14,001	(44,554)	-	40,828	411,599

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10.2 Funds – Year ended 31 March 2023

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (losses) £'000	Balance as at 31 March 2023 £'000
Endowment funds						
Aylwen Bursaries	3,230	-	-	-	(55)	3,175
Edward Hewlett	2,653	-	-	-	(46)	2,607
Hannington	1,045	-	-	-	(18)	1,027
Hamblen Thomas	326	-	-	-	(6)	320
MacCredady Mann	321	-	-	-	(6)	315
Levy Family	278	-	-	-	(5)	273
MAEL Jones	257	-	-	-	(4)	253
Funds < £200k	521	-	-	-	(9)	512
Expendable endowments	355,630	-	-	-	(6,103)	349,527
Total endowment funds	364,261	-	-	-	(6,252)	358,009
Restricted funds						
Cardiac	2,358	170	(411)	-	-	2,117
Margaret Centre	1,044	17	(68)	-	-	993
Covid-19 response	586	-	(586)	-	-	-
Gastroenterology	645	-	-	-	-	645
East London Foundation Trust General Fund	1,012	23	(1,035)	-	-	-
IBD Research	1,123	-	(302)	-	-	821
Trauma	733	58	-	(350)	-	441
Funds < £500k	8,629	1,385	(15,651)	16,387	-	10,750
Total restricted funds	16,130	1,653	(18,053)	16,037	-	15,767
Unrestricted funds						
Designated funds						
Cardiac funds	122	-	-	-	-	122
Whipps Cross General fund	128	-	(49)	-	-	79
Funds < £100k	184	-	(19)	-	-	165
Total designated funds	434	-	(68)	-	-	366
General funds	68,543	10,246	(34,428)	(16,037)	(1,142)	27,182
Total unrestricted funds	68,977	10,246	(34,496)	(16,037)	(1,142)	27,548
Total funds	449,368	11,899	(52,549)	-	(7,394)	401,324

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10.3 Funds (additional)

Endowment funds

Note 1, Section D provides further details of the endowment fund structure. There were no other income, expenditure or transfers in 2023/24. Expenses have not been charged to the endowment funds. Due to the historic nature of these, there is no certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Restricted funds

Note 1, Section D provides further details of the restricted fund structure. There was no allocation of investment income or expenses to the funds in 2023/24, given that they are funded from readily available cash. The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. This work is ongoing.

Details of significant funds

Name of fund	Nature and purpose of fund
Cardiac	Treatment of and research into cardiac disease
Margaret Centre	Provision of palliative care at the Margaret Centre (Whipps Cross Hospital)
St Barts Hospital	Any purposes within St Bartholomew's Hospital
Gastroenterology	Gastroenterology unit (Whipps Cross Hospital)
IBD Research	Research into Crohns' disease

Transfers between funds

Transfers between funds represent:

- transfers from general funds to restricted funds to cover overspends on restricted funds; and
- the reversal of prior year transfers of general funds to restricted funds to cover overspends on restricted funds where subsequent restricted income has been received.

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10.4 Prior year distribution of net assets

	Unrestricted funds As Reclassified £'000	Restricted funds £'000	Endowment funds £'000	2023 Total funds As Reclassified £'000
Tangible assets	143	-	-	143
Intangible assets	58	-	-	58
Heritage assets	-	-	16,600	16,600
Investments	143,513	15,767	341,409	500,689
Total fixed assets	143,714	15,767	358,009	517,490
Debtors	2,341	-	-	2,341
Cash at bank and in hand	504	-	-	504
Total current assets	2,845	-	-	2,845
Creditors: amounts falling due within one year	(119,011)	-	-	(119,011)
Net current liabilities	(116,166)	-	-	(116,166)
Total net assets	27,548	15,767	358,009	401,324

11. Notes to the cash flow statement

11.1 Net cash used in operating activities

	2024 £'000	2023 £'000
Net (expenditure) / income for the year	8,505	(48,044)
Adjustments for:		
Losses/(Gains) on revaluation and disposal of investment assets	(19,804)	17,795
Investment income	(8,968)	(9,182)
Depreciation charges	102	106
Loss on disposal of fixed assets	-	19
Loss on disposal of heritage assets	1,057	-
Change in debtors	645	829
Change in creditors	8,504	24,851
Cash outflow from operating activities	(9,959)	(13,626)

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11.2 Analysis of changes in cash and cash equivalents

	2023 As Reclassified £'000	Movement £'000	2024 £'000
Cash in hand and at the bank	504	(427)	77

12. Trustee transactions

		2024		2023 As Restated
	£	No	£	No
Trustee travel, subsistence and hospitality expenses	5,656	11	4,434	14

Premiums for Trustee indemnity insurance were paid by the Charity on the part of Trustees totalling £11,194 (2022/23: £9,017).

13. Related party donations

The total amount of related party donations made, without conditions, was £7,260 (2022/23: £4,680).

The total amount of related party donations made with conditions was £2,356 (2022/23: £Nil).

During the year Barts Charity made revenue and capital grants to Barts Health NHS Trust of £21.2m (2022/23: £32.2m).

14. Operating leases

14.1 Operating lease income

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

	2024 £'000	2023 £'000
Not later than one year	2,010	3,204
Later than one year and not later than five years	1,696	3,903
Later than five years	24	413
Total	3,730	7,520

14.2 Operating lease commitments

Barts Charity was committed to making the following payments under non-cancellable operating leases:

	2024 £'000	2023 £'000
Not later than one year	245	244
Later than one year and not later than five years	367	123
Total	612	367

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15. Net (expenditure) / income for the year

	2024 £'000	2023 £'000
This is stated after charging:		
Auditors' remuneration – audit fees	71	58
Auditors' remuneration – non-audit fees	-	4
Amortisation	58	63
Depreciation	44	43
Loss on disposal of fixed assets	-	29
Operating lease payments	244	244

16. Prior year reclassifications

The following reclassifications have been made in the statements relating to the year ended 31 March 2023:

- All grant creditors are now shown as due in less than one year. Previously the grant creditors were split between those due in less than one year and those due in more than one year. The individual categories within creditors have been reclassified as appropriate.
- The short term investments held with our global custodian have been included within investments. They were previously classified as cash.
- Trustees expenses have been restated to exclude expenses relating to non-trustee panel members and advisors.

There has been no impact on the net assets or the surplus / deficit for the year as a result of the above changes.

Reconciliation of Balance Sheet and Reserves at 31 March 2023

	Note	2023 As previously stated £'000	Prior year adjustment £'000	2023 As restated £'000
Tangible assets	5a	143	-	143
Intangible assets	5b	58	-	58
Heritage assets	6	16,600	-	16,600
Investments	7	496,746	3,943	500,689
Total fixed assets		513,547	3,943	517,490
Debtors	8.1	2,341	-	2,341
Cash at bank and in hand	8.2	4,447	(3,943)	504
Total current assets		6,788	-	2,845
Creditors: amounts falling due within one year	9	(26,387)	(92,624)	(119,011)
Net current liabilities		(19,599)	-	(116,166)
Creditors: amounts falling due in more than one year		(92,624)	92,624	-
Total net assets		401,324	-	401,324

Barts Charity

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Registered company no. 07168381



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Registered with
**FUNDRAISING
REGULATOR**



BARTS CHARITY

England & Wales - Charity number 212563

Accounts



annual report and accounts 2022–2023

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Chair and Chief Executive's introduction

The 2022/23 financial year was a record-breaking one for us. We were delighted to award £43.6m in funding, the largest we've ever given in a single year. This is a great start to our 2022–2027 five-year strategy in which we're aiming to commit at least £150m in funding.

We split funding between our three partners: £32.7m to Barts Health NHS Trust (Barts Health), £9.4m to the Faculty of Medicine and Dentistry (FMD) at Queen Mary University of London (QMUL) and £0.3m to the School of Health and Psychological Sciences at City, University of London. We also awarded £1.2 million to East London NHS Foundation Trust.

What's gratifying is the range of research and healthcare projects we've supported. Through our multi-million-pound targeted transformational programme, we've funded:

- the Academic Centre for Healthy Ageing based at Whipps Cross Hospital, looking at ways to extend healthy living and to treat frailty.
- the digital transformation of dental services at The Royal London Dental Hospital at Barts Health and the Institute of Dentistry at QMUL.
- a highly secure database for Barts Health patient data to be used in research to discover which treatments work best for patients.
- the Psychological Support Service to support the mental health and wellbeing of staff at Barts Health.

We've also approved plans to build a brand-new Clinical Research Facility on the 15th floor of The Royal London Hospital. This will bring vital clinical trials research closer to the people of East London. Costing £14m, this is the single largest project we have ever supported.

But it's not just the high-value awards that make us proud. We refined our existing funding schemes which cover research fellowships for healthcare professionals, research projects and healthcare innovation. We also introduced a new Everyday Impact scheme which allows staff at Barts Health hospitals to apply for funding for relatively small changes that can have a big impact on patient care, experience and wellbeing.

The first Everyday Impact awards included:

- providing bereavement bags designed to carry the belongings of those who have died
- equipment to help dieticians create better nutrition plans for cancer patients
- facilities to speed up rehabilitation for intensive care patients
- a number of ward and waiting room refurbishments.

You can find out more about how we are making a difference to the health of people in East London in our Impact Report.

It's also been an important year for our fundraising. In 2023, St Bartholomew's Hospital is celebrating the remarkable milestone of 900 years since it was founded. To honour this extraordinary anniversary, we've joined with Barts Health and Barts Heritage to create the [Barts 900 Campaign](#).

Our focus is on two important health projects that will help to transform treatment for patients in East London. As mentioned, plans have been jointly approved by us and Barts Health for a Clinical Research Facility at The Royal London Hospital. Proposals are also underway for a state-of-the-art Breast Cancer Centre at St Bartholomew's Hospital.

We've been preparing for this, our most ambitious fundraising programme to date, for most of this year. So, since Foundation Day in March 2023, the Barts 900 Campaign, which will fund the two health projects, has been in full swing. We look forward to reporting on its success in next year's report.

We could not have achieved so much in the last year without our highly talented and engaged staff, Board and advisers, partners and supporters. We feel very fortunate to have their support and would like to extend our thanks for all they do.

Andy Bruce
Chair of Trustees

Fiona Miller Smith
CEO

Trustees’ Report

The Trustees present their report and the audited financial statements for the year ending 31 March 2023. The introduction from the Chair and Chief Executive on page 1, and the Statement of Trustees’ Responsibilities on page 18 form part of this Trustees’ report.

The financial statements as at 31 March 2023 and for the year then ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – (second edition effective 1 January 2019) (Charities SORP (FRS 102), and the Companies Act 2006.

Who we are and what we do

Vision

Life changing improvements to health for the people of East London.

Mission

A charity with its roots in East London, dedicated to supporting improvements to healthcare and transformative research for local health benefit.

We work in partnership with the NHS, local research institutes and others who can help us achieve our goals and maximise our impact.

Barts Charity 2022–2027 strategic objectives

We wanted our vision and mission to provide the strategic context for each area of our charitable activity and we have used them to frame five strategic objectives for 2022–2027.

Research

We fund high quality and innovative research that enhances our understanding of health and illness and has the potential to improve and/or save lives in East London.

Healthcare

We facilitate transformation to patient care and support for our dedicated NHS staff, primarily focusing our efforts at Barts Health.

Fundraising and communications

We are transforming our approach to fundraising to significantly grow revenue and enable us to achieve our ambitions for our mission.

We aim to inspire greater support by communicating about the people and projects we fund and the impact they make.

Endowment

We manage our endowment to ensure we take full advantage of potential opportunities to deliver our mission, now and in the future.

How we work

We set ourselves high standards for how we operate and aim to maximise the impact we make with our resources.

Our funding principles and focus

To achieve our funding and impact strategic objectives, we will focus our funding:

- where we can create transformational change
- where we can leverage further support for our funded projects
- on projects which cannot be covered by other funders or revenue sources

Our primary focus is on our funding being relevant to, and having an impact in, East London. We expect that much of the activity we support will continue to have wider health benefit, both across the UK and globally.

We adhere to robust funding processes to make sure our resources can improve healthcare and transformative research. We also make sure that our funding processes and policies are inclusive and unbiased. We are a member of the Association of Medical Research Charities and can demonstrate high standards of governance around decision processes and monitoring involved in funding.

Our values

We are proud of the work we do. We have created a set of values that express who we are as a charity, the way we want to work and the culture that we want to live and breathe every day.

One Team

We work collaboratively as one team, supporting and respecting each other and embracing diverse experiences and perspectives.

Ambitious

We care passionately about Barts Charity’s mission, empowering each other to constantly improve and achieve our best.

Open

We are honest and transparent, sharing information willingly and encouraging the giving and receiving of constructive feedback.

Accountable

We take pride in doing the right thing and acting with integrity. We take ownership of our actions and learn from our mistakes.

Review of 2022/23

In our 2022 Annual Report we set out our strategic targets for 2022/23. Here, we summarise the progress we’ve made against these:

Target	Progress
Funding – Research/Healthcare delivery	
Work with Barts Health and FMD, our Grants Committee and Board to progress development of the Barts 900 Campaign project applications (Barts Breast Cancer Centre at St Bartholomew’s Hospital and Clinical Research Facility at The Royal London Hospital).	• Plans for Clinical Research Facility, £14m, approved January 2023. • Continuing to progress plans for Barts Breast Cancer Centre at St Bartholomew’s Hospital.
Refresh all funding schemes; design and launch a new Everyday Impact scheme to support ideas where a relatively straightforward and easy-to-implement change could have a big impact on the care, experience and wellbeing of patients and their families, friends, and carers in hospitals across Barts Health.	• Refreshed schemes including updating their names, remit and eligibility criteria to better reflect their purpose and/or align with the 2022 –2027 strategy. • Launched the Everyday Impact funding scheme. Created New Advisory Panel for scheme comprising of representatives from each hospital and cross Barts Health staff.

Target	Progress
Refine impact, outcomes and assessment framework to align with the new Charity strategy and to support activity to communicate the difference Barts Charity funding makes.	• Refined the Monitoring and Evaluation Framework to collect information, data and insights about funded grants to support the evaluation of our strategy and communicate the impact of Barts Charity funding.
Review grant terms and conditions to ensure compliance with best practice.	• Refreshed grant terms and conditions which were launched in June 2022.
Fundraising and communications	
Fundraising for the Barts 900 Campaign (with a target of £30m).	• Fundraising focused on the Clinical Research Facility. The team are in the advanced stages of funding conversations with several significant funders.
Implementation of a public fundraising strategy.	• Agreed a three-year strategy in January 2023 and starting to implement it. • Launched the public fundraising element of the Barts 900 Campaign. • Expanded our challenge event portfolio.
Completion of a brand review and creation of a new website.	• Launched our new website and branding in February 2023. • Introducing our new signage in hospitals.
Endowment	
Implementation of revised asset allocation under investment strategy, including development of responsible investing principles.	• Progressing the process of strategically reallocating assets from public to private markets.
How we work	
Complete office refurbishment to improve flexibility of use and increase collaboration spaces.	• Completed summer 2022.
Complete a review of our Employee Value Proposition and create our first People and Culture strategy.	• Finalised our People and Culture strategy in December 2022. • Ongoing engagement with staff about workstream priorities.
Optimise IT provision and support, including increasing in-house IT and data capability.	• Systems Manager appointed to role in March 2023 to focus on technology, information governance and cyber security.

Challenges

There have been a number of challenges across the year, and these have helped to inform some of our aims for 2023/24. These have included:

- Our record level of charitable expenditure placed additional review and processing requirements onto our Funding and Impact and Finance teams. We achieved this without recruiting additional staff in those teams.
- Rolling out new funding schemes under the 2022–27 strategy while winding down legacy schemes in parallel placed additional pressures on our funding operations.
- Creating a new Public Fundraising team from October 2022 meant there was more demand placed on internal support roles, especially Marketing and Communications (M&C). A reorganisation of the M&C team commenced in April 2023 and aims to achieve better cross-team working with the Public Fundraising, Funding and Impact and Major Gifts teams. As this will take six months to fully implement, more M&C work is being outsourced than would normally be the case.
- Over the year, our average headcount of team members has grown from 30 to 38 and the number of mid-level line managers has increased. This has put pressure on HR and has meant we’ve needed to support managers to consistently put policies into practice, especially performance reviews. We are not planning for similar growth this year.

Managing the endowment

The management of our endowment is designed to provide financing, alongside voluntary income, for our funding programme. The assets in the portfolio are selected with the objective of increasing their value over time and achieving a financial return. A managed approach to risk is taken and the Trustees and management work with a number of advisors to provide an appropriate balance of risk against a targeted return.

The Trustees have delegated investment decision-making to the Investment Committee. The Investment Committee appoints and monitors investment advisors to assist them in managing both financial and property elements of the portfolio. It meets quarterly and reports back to the Trustee board after each meeting.

Since April 2021, the Investment Committee has been working with Mercer as its financial investment advisor. During 2021/22, we undertook a strategic review of our investment beliefs and, as a result, set a new investment strategy for the next five to seven years. This aims to further diversify the overall sources of risk and return. We made a number of investments in new funds during 2022/23 as part of the transition to the target allocation.

From April 2023, we have been working with Swiss Life Asset Managers as our strategic property advisors to advise on our direct and indirect property holdings. Until March 2023, the Charity was advised by Gryphon Property Partners.

Our aims for 2023/24

Funding

- Progress the Clinical Research Facility at The Royal London Hospital and develop plans for a Breast Cancer Centre at St Bartholomew’s Hospital, as part of the Barts 900 Campaign.
- Maintain a significant funding programme in research and healthcare, outside of the Barts 900 Campaign.
- Maintain a potential pipeline of high-quality research and healthcare funding applications.

Fundraising and communications

- Invest in our fundraising infrastructure to make sure we have the right resources in place to deliver our strategy for the Barts 900 Campaign. Identify all lead gifts for the Clinical Research Facility and build a pipeline for the next stage of the campaign.
- Amplify our message for our Public Fundraising strategy which will build a broad and sustained base of support from community donors. Develop in memory, in celebration and legacy offerings.
- Further develop our partnership with the City of London Corporation to increase support from key city institutions.
- Identify a successor campaign to the Barts 900 Campaign.

Endowment

- Continue to implement revised asset allocation under our investment strategy, including developing responsible investing principles.
- Develop a risk register for financial investment operations.
- Develop a property investment strategy.

How we work

- Improve cyber security and information governance, achieving Cyber Essentials Plus accreditation.
- Consolidate and rationalise a proportion of our restricted funds.
- Engage with staff to prioritise People & Culture projects (e.g. refresh of learning & development programme) and deliver them making more use of cross-team working groups led by non-SMT members.

Commitment to Equity, Diversity and Inclusion (EDI)

We believe that our commitment to EDI is best demonstrated through action. Our EDI Commitment, Priorities and Definitions are available in full on our [website](#).

Barts Charity’s EDI commitment

We want everyone connected with Barts Charity to feel valued and respected. We will create and sustain a truly inclusive culture where everyone feels they can contribute. We know that this will take action and we must keep working at it.

We recognise that a diverse Barts Charity is not just the right thing to be but will also make us better at what we do. Embracing a breadth of perspectives and experiences will help us to make better decisions and be more effective and impactful in our activity.

We will be transparent about how we deliver on this commitment. We will publish our objectives and report our progress (or lack of it) so that our colleagues, supporters, beneficiaries and stakeholders can hold us to account.

Barts Charity’s EDI priorities

Culture

- To live out our values.
- To encourage and champion an inclusive and aware internal culture through actions and resources.

Governance

- To create, update and keep under review our governance structures, policies and procedures to make sure that EDI is embedded into all of our activities.

Data/insight

- To better capture, monitor and analyse data to develop evidence from which to learn and drive change.

Funding

- To apply unbiased and inclusive funding processes and make sure the activities we fund are inclusive in their design and delivery.

Personnel

- To have diversity across our staff and non-executives who each feel able to realise their full potential and who better reflect the communities we work with and for.

During 2022/23 we have:

- Implemented our first annual survey to collect data about the diversity of our staff and non-executives. This covers our Scientific Review Panel, Fellowship Panel, Everyday Impact Panel, Committee Members, Board Advisers, Trustees and employees.
- Implemented processes to collect data about diversity of grant applicants and grant holders to allow us to explore whether our funding processes are inclusive, fair and free from bias.
- Become a signatory of the Declaration on Research Assessment principles and applied these to our funding processes.
- Made sure the terms and conditions of our grants and policies support the creation an inclusive and fair organisational culture at the places we fund. For example, the conduct of grant activities, grant holders and grant personnel and the introduction of paid sick and maternity leave for PhD students on Barts Charity grants.
- Undertaken a review of our HR policies to identify unfairness, inconsistency and apply inclusive language.
- Ensured that our new website meets accessibility standards, and that our imagery reflects patients and supporters.
- Undertaken and implemented recommendations from an accessibility audit as part of our office refurbishment.

First annual personnel diversity survey

- We ran a diversity survey across the summer and autumn of 2022 with our staff and non-executives. It was the first survey we've conducted on diversity. We wanted to test the response and establish some baseline data. We used questions based on the 2020 census to provide benchmarks. These covered age, disability/long-term health condition/impairment, ethnic group, gender, sexual orientation, and religion/belief.
- We had a response rate of 81% (68 responses out of 84) with very low use of the 'prefer not to say' option. This suggests respondents felt comfortable confirming their personal details in the survey. As a small organisation, it can be challenging to report data about diversity in case it compromises anonymity.
- The areas in which staff and non-executives showed as least representative compared to the England and Wales reported census results were disability/long term health condition and ethnicity. The proportion of staff and non-executives identifying as Asian/Asian British exceeds the reported England and Wales census figures, but representation from people identifying as Black/African/Caribbean/Black British is lower.
- Now that we have established the methodology and baseline data, we will run a single personnel diversity survey in September 2023 across both staff and non-executives. This will give us the opportunity to see if there have been any changes compared to last year. We will also consider whether the data for London is a more appropriate benchmark than that for England and Wales and will look to mine the census data further to help us do this.
- We are very conscious of the importance of diversity and inclusion across our personnel. Every time we recruit someone, we consider how best to appeal to a wide candidate pool and minimise bias. We aim to undertake a formal review in this regard this year (see below).



2023/24 EDI plan

Our plans for 2023/24 are as follows:

ACTION
Culture • Work experience programme with Tower Hamlets secondary school children (June 2023). • Review our external events to make sure they are more inclusive and have greater representation from our community. • Consider how we can use our social media platforms to reach a broader range of people and communities. • Introduce a menopause policy and guidelines. • Introduce Mental Health First Aiders and provide awareness training for staff and managers.
Data/Insight • Analyse the first year of our data about diversity for grant applicants and grant holders in autumn 2023 so that we can begin to explore whether our funding processes are inclusive, fair and free from bias. • Run a second annual personnel diversity survey, comparing results to the previous year and potential benchmarks.
Funding • Develop funding policies and processes that further support creating an inclusive and fair organisational culture where we fund. • Include patient and public involvement and engagement as a criterion in funding assessment (by committees/panels and peer reviewers).
Personnel • Undertake a formal review of our recruitment process to reach people from more diverse backgrounds and remove bias.

The above actions involve all teams and will be incorporated into their delivery plans. These will be assessed mid-year (October) and year end (March), and we will report our progress against each action.

Finance Review

Review of financial performance

Our financial strategy is to manage and grow our investment assets and voluntary income to support annual grant giving and operating activities for the long term. Though the net assets as of 31 March 2023 decreased by £48m to £401m (2022: £449m), the level of reserves we maintain is amply in excess of our minimum reserves requirement.

In reviewing the performance of our investments, we consider the total return of the portfolio, both income and capital. By showing the total return, which combines both income generated by our assets and the associated capital gains/losses, as opposed to separating these out, we see the full picture of our finances.

We use this concept as a basis for addressing the two basic principles of our financial strategy:

- To provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant-making and other operating activities.
- To maintain the value of the Charity's portfolio in real terms so that it can make funding awards in the long term.

The Statement of Financial Activities (on page 22) shows that, during the financial year, the Charity received income of £11.9m, (2022: £14.5m), of which £10.2m was unrestricted (2022: £12.2m). Total expenditure increased over the same period to £52.5m (2022: £34.6m) in line with the Charity's aspiration to grant £150m over a five-year period. The proportion of charitable activities spending to total expenditure increased marginally (86%, 2022: 83%).

As stated above, and as shown in the Statement of Financial Position, the Charity's net assets were £401m (2022: £449m). The endowment funds decreased in value due to unrealised losses. Restricted funds reduced in value partly because we used some for charitable expenditure and partly in line with the Charity's wish to consolidate and close the large number of low value funds. The remaining deficit-reduced general funds.

In terms of assets and liabilities, the Charity's level of operational fixed assets reflects additions relating to office refurbishments, write down of old office equipment and depreciation of capitalised software.

Investment review

The value of the Charity's investments decreased by £19m to £497m, reflecting the challenging market conditions over the 12-month period to 31 March 2023.

The majority of the 12-month period coincided with one of the worst years for equity and bond markets. The second and third quarter of 2022 saw a continuation of the broad macro trends seen since the beginning of 2022. Surging commodity prices, to some degree the result of the ongoing conflict in Ukraine and associated sanctions against Russia, alongside the enormous monetary and fiscal stimulus of the last two years, led to new multi-decade inflation records.

In the fourth quarter of 2022, developed market central banks continued tightening monetary policy but at a slowing pace, with signs of inflation on a downward trend from high levels. The first quarter of 2023 started with optimism over declining inflation and a hope of an end to monetary tightening. However, some high-profile bank failures unsettled markets, before calm returned towards the end of the quarter.

The long-term target for the portfolio is an average total return of Consumer Price Index (CPI)+4.5% per year (net of fees) over rolling three-year periods and an annualised return in excess of the portfolio's blended benchmark.

The Charity performed well relative to the broader market during the financial year with the portfolio returning -1.7%, net of fees.

Though the long-term target for the portfolio is a total annualised return of CPI +4.5% over rolling three-year periods, the Investment Committee recognises that, given the current high inflationary environment, this will be a challenging target to achieve over the shorter term.

Investment performance is monitored quarterly by our Investment Committee with the assistance of our investment advisors, Mercer, who provide advice and monitoring services for the financial portfolio.

During the year under review, the Investment Committee conducted a review of the property advisors and decided to replace Gryphon Property Partners with Swiss Life Asset Managers, with effect from 1 April 2023.

All figures are in % per annum	Return achieved	Target CPI+4.5%	Target Blended Benchmark
3-year period to 31 March 2023	8.0	10.6	10.0
3-year period to 31 March 2022	7.0	7.7	7.8
Since inception to 31 March 2023	8.4	7.5	6.2

Reserves

The Charity holds assets in funds, each type of which dictates how the funds may be disbursed:

Endowment funds: there are a number of segregated individual personal endowments which are usually created in the form of a will trust that limits the use of both the original capital and any investment gains attached to them. There is also an aggregated expendable endowment fund – these funds, and gains arising from them, can be applied generally by the Trustees to deliver the Charity’s objectives. The value of the aggregated expendable endowment, as at 31 March 2023, was £349.5m (2022: £355.6m).

Restricted funds are amounts given with a restriction agreed between the donor and the Charity that specifies the area of the Charity’s work that will be supported. Barts Charity has a large number of these funds supporting the many areas of the Barts Health NHS Trust’s work.

All other funds held by the Charity form the **general** funds. However, Trustees may choose (and have chosen) to set aside **designated** funds to make sure a particular objective is given prominence. Trustees may remove a designation if they choose.

Reserves policy

Given the nature of the Charity’s activities and our grant-making strategy the Trustees have determined that the reserves policy, taken in conjunction with spending and long-term investment policies, is intended to deliver the following objectives:

- Provide for long-term stability and liquidity sufficient for the funding of the charity’s annual grant-making and other operating activities, without jeopardising broader investment objectives.
- Maintain the value of the Charity’s portfolio in real terms so that it can continue to make funding awards in the long term. The Trustees wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role for the long term.

For these objectives, the Trustees have determined that the value of reserves should be deemed to be the amount(s) held in the Charity’s investment portfolio.

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity. For 2022/23, this minimum reserve level is £378m (2021/22: £347m).

The level of total reserves as at 31 March 2023 was £497m (2021/22: £516m) therefore the Trustees consider that the Charity has sufficient funds to meet its purposes over its anticipated operating future.

If reserves go below or are projected to come within 5% of the minimum level, Trustees will consider the level of spending and grant-giving in light of the prevailing market conditions and outlook. It is not expected that the Charity would react to short term volatility. The reserve, spending and long-term investment policies are reviewed at least annually and adjusted if necessary.

Responsible investing

Barts Charity believes that it is right to consider environmental, social, and governance (ESG) factors in investment decisions, in order to identify material risks as well as to earn sustainable, long-term returns. The Charity also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. We believe that it is possible to invest with a positive impact without reducing investment returns. Areas of particular interest include improving societal health care outcomes.

As a result, ESG (including but not limited to climate change) and stewardship considerations are integrated in the investment process. This includes selecting new investment managers and monitoring the existing ones, and an ongoing review of the portfolio’s ESG characteristics compared to relevant benchmarks and peers. When we appoint new investment managers, the Charity believes it is important to consider the level of diversity, including (but not limited to) gender across the manager’s investment team. The Charity has no direct investments in tobacco stocks. The Charity monitors exposure to tobacco through pooled funds, including passive index trackers as well as actively managed strategies, aiming to have less than 1% of equities in tobacco companies (i.e. approximately half or less vs the aggregated equity benchmark).

We have a strategic equity exposure achieved through investment in pooled equity funds. The Charity has made an allocation to a Sustainable Global Equity Fund. This aims to provide a positive tilt across a broad range of ESG factors, including reducing carbon emissions, relative to investment in a traditional global equity fund.

Going concern statement

The preparation of the accounts for the year ending 31 March 2023 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, scenario analysis and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out above. Our portfolio is sensitive to movements in investment values, but it still has sufficient liquidity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these

assessments, the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission’s general guidance on public benefit when reviewing Barts Charity’s aims and objectives and in planning future activities and setting the grant-making policy for the year. The Trustees consider that our charitable activities for the improvement of healthcare are all for the public benefit.

Fundraising policy

We are very grateful to our supporters, who contribute significantly to our work. They give generously in terms of donations and carrying out fundraising activities in our community.

We aim to fundraise in a way that is compelling, respectful and in-keeping with our values.

The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practice guidance. Our own practice and policies make sure that no individual, including vulnerable people, are put under undue pressure to make a donation. In the year to 31 March 2023, more than 1,200 people and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy statement in line with the UK General Data Protection Regulation (UK GDPR). This and our complaints policy are freely available on our website.

In 2022/23, we received 18 legacies and six donations from individuals over £5,000. Organisations which made donations over £5,000 include:

- Bank of Montreal
- Monday Charitable Trust
- Charles S French Charitable Trust
- CSL Behring UK
- SC Cousins Scaffolding Ltd
- Douglas Allen Foundation
- Terumo
- Global Kidney Foundation
- Rosetrees Trust
- Kilby Jones LLP

Risk Management

Our Trustees have adopted a Risk Management Policy and regularly review the major risks to which Barts Charity is exposed. Risks are assessed by their likelihood and impact, and also their velocity (speed to impact). Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. The risks and mitigations are recorded in a risk register which is reviewed regularly by the senior management team and submitted quarterly to the Finance and Audit Committee for consideration.

The major strategic risks and principal mitigations on 31 March 2023 are set out below.

Risk	Actions to manage the risk
Funding Impact of inflation on significant capital projects under development.	• Include contingency in costs surrounding capital builds and potential inflationary increases in costs between design and point of tender. • Expert review of significant capital projects under development. Charity representation on relevant project and design boards to ensure we have early sight on arising risks.
Fundraising Economic environment and a number of competing healthcare capital appeals make it harder to achieve our Barts 900 Campaign fundraising target.	• Investment in campaign strategy, team and resources to optimise chances of meeting targets. • Healthy pipeline of major donors means we are on course to meet target.
Fundraising and communications A more politicised environment around healthcare funding and cost pressures may cause us reputational risk by association.	• Regular communications between with Barts Health NHS Trust senior team. • Close relations with Barts Health's communications teams. • Regular dialogue with potential major donors.
Endowment Period of stagflation means that endowment asset allocation does not generate our target annual return and potentially results in a real term fall in value.	• Asset allocation includes assets which tend to be more inflation-resilient, such as property and equities (including listed infrastructure). • Allocations to asset classes with greater focus on contractual income, such as property, private debt and growth fixed income. • Make investments for the long term and have a significant buffer above a minimum reserve level so that the Charity can withstand periods of lower return without having an impact on our operations or funding.
How we work We suffer financial/reputational loss as a result of a cyber security incident/ data breach.	• Additional IT security has been put in place in partnership with our IT partners. • During the year, we obtained Cyber Essentials status, a UK government-backed accreditation scheme, and began working towards Cyber Essentials Plus.

Structure, Governance & Management

Constitution

Barts Charity is a company limited by guarantee (registration number 07168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

The Board has assessed its governance against the Charity Commission's Governance Code for larger charities and is pleased to report high levels of compliance against the suggested standards. An area of continued focus for the Board is to ensure that the Charity is representative of its grantees and the communities it serves across both staff and non-executives.

Charitable purposes

Our charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as our Trustees think fit. In practice, we focus our support for improvement and innovation in healthcare on the Barts Health group of hospitals and FMD. We also support School of Health and Psychological Sciences at City, University of London. We carefully consult with representatives of our grantee organisations to make sure they are aligned with our strategic priorities and to secure the greatest impact from our funding. But we retain our independence to act in the best interests of Barts Charity and the community we serve.

Non-executives and committees

Barts Charity acts through its Board of Directors (who are known as Trustees). As of 31 March 2023, there were 12 Trustees. Since then, one Trustee has resigned and another has been appointed. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in Notes 13 and 14 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Board, in accordance with the provisions of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total. Exceptionally, the Board may decide to extend this maximum term for a Trustee in appropriate circumstances.

The Board has established a series of committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Board Advisers are appointed for a term of two years renewable to five in total. Specialist committee members who aren't Trustees are appointed annually, renewable up to a total term of five years. All new Trustees and committee members have an induction programme. During this they become familiar with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals that we work with.

The Board and each committee conduct an annual review of their performance in accordance with the Charity's Performance Review Policy against a checklist of questions. These cover matters such as objects, terms of reference, relationship with executive, documentation, conduct of meetings and skill set.

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call on a team of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications. They meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £650,000 and with the Board for requests over this amount.

Management arrangements

The Trustees delegate the management of the charity to the staff team led by the Chief Executive and the Senior Management Team (SMT). The Chief Executive has been in place since May 2016.

Staff remuneration

Staff remuneration is closely scrutinised to ensure that we can attract and retain the best talent, while keeping salaries aligned with the market. We use a live salary database run by specialist reward consultants to create and monitor the benchmark salary range for each role, taking into account a number of factors. This includes comparable sectors, the nature and seniority of the role, our location, number of employees and turnover.

We review all staff salaries every year inflation and data from comparable foundations, the Association of Medical Research Charities, the Association of Charitable Foundations and the wider third sector. Increases are applied from 1 April each year. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the SMT, which is approved by the Appointments and Remuneration Committee.

Pension

The Charity operates a non-contributory individual money-purchase scheme for all eligible members of staff, contributing the equivalent of 8% of pensionable salary to each employee's fund (10% for SMT members). Employees can additionally choose to make employee contributions to their pension as a deduction from their salary. The scheme is fully compliant with auto-enrolment regulations.

Regulatory

Registered and principal office

12 Cock Lane
London
EC1A 9BU

Company registered number: 07168381

Charity registered number: 212569

Non-executives – includes changes up to date of signing (3 August 2023)

Trustees

Andy Bruce, Chair
Vijay Bharadia (to April 2022)
Claire Brown (to March 2023)
Sally Flanagan
Professor Catherine Godson
Ian Hart, Deputy Chair
Professor Dame Parveen Kumar
Dr Richard Lewis
Jean Murphy
Nimesh Patel (from January 2023)
Professor David Rampton (to September 2022)
Dr Thomas Round
Rt Hon Jacqui Smith (ex officio Trustee, Chair of Barts Health NHS Trust)
Dr Lorna Williamson OBE

Board Adviser

Moirra Gitsham (communications)

Appointments and Remuneration Committee

Andy Bruce, Chair
Sally Flanagan
Ian Hart

Finance and Audit Committee

Claire Brown, Chair (to March 2023)
Nimesh Patel, Chair (from April 2023)
Vijay Bharadia (to April 2022)
Ian Hart
Dr Richard Lewis
Mohammad Memon

Grants Committee

Dr Lorna Williamson (Chair)
Professor Mirela Delibegovic (from September 2022)
Professor Adrian Dixon
Professor Catherine Godson
Dr Richard Lewis (to April 2022)
Professor Sarah Purdy OBE (from January 2023)
Professor David Rampton (to September 2022)
Professor Kanchan Rege Thrasher (from September 2022)
Dr Thomas Round
Dr Ultan McDermott (from June 2022)

Investment Committee

Sally Flanagan, Chair
Andy Bruce
Philip Glaze
Ian Hart
Jean Murphy

Senior Management Team

Fiona Miller Smith, Chief Executive
Fiona Bickley, Chief Operating Officer
Hannah Daws, Director of Marketing and Communications (to March 2023)
Steve Harris, Chief Finance Officer (to April 2022)
Victoria King, Director of Funding and Impact
David Lyon, Interim Finance Director (April to September 2022)
Ilia Ralphs, Director of Fundraising
Prabhakar Sundaresan, Director of Finance and Resources (from September 2022)

Advisors

Bank

National Westminster Bank plc
1 Princes Street
London
EC2R 8BP

Auditor

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 OPA

Legal Advisors

BDB Pitmans LLP
50 Broadway
Westminster
London
SW1H OBL

Taylor Wessing LLP
5 New St Square
Holborn
London
EC4A 3TW

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

HR Benefits Advisors

Anderson Financial Management Ltd
Saville Court
11 Saville Place
Bristol
BS8 4EJ

Property Advisors

Swiss Life Asset Managers UK Ltd (from April 2023)
55 Wells Street
London
W1T 3PT

Gryphon Property Partners (to March 2023)
12 Austin Friars
London
EC2N 2HE

Workman LLP
80 Cheapside
London
EC2V 6EE

Investment Advisor

Mercer
1 Tower Place
West Tower Place
EC3R 5BU

Global Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London
E14 5NT

Insurance Broker

Willis Towers Watson Ltd
51 Lime Street
London
EC3M 7DQ

Statement Of Trustees’ Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Financial statements are published on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Charity's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees of Barts Charity on 6 July 2023 and signed on its behalf.

Andy Bruce
Chair
Date: 3 August 2023

Independent auditor’s report to the members of Barts Charity

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Barts Charity (“the Charitable Company”) for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the 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; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or 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:

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on our understanding of the Charitable Company and the sector in which it operates, we considered the extent to which non-compliance might have a material effect on the Charitable Company's financial statements. As part of our discussions with management, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes.

Where possible, we obtained and reviewed corroborating documentation. Appropriate audit procedures included the review of the Charitable Company's documentation of risks and associated mitigating actions, review of Trustee Board, Finance & Audit Committee and Investment Committee meeting minutes, and enquiries regarding any matters identified as a Serious Incident reportable to the Charity Commission.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. In doing so, we had regard to the Charitable Company's own assessment of the risks that irregularities may occur either as a result of fraud or error and held discussions to consider whether there was any knowledge of actual, suspected or alleged fraud. We held a discussion among the engagement team as to how and where fraud might occur in the financial statements. We also considered financial performance and key drivers for any identified performance targets, and considered the consequent risk that the financial statements may be fraudulently misstated.

We completed the following procedures:

- performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or grant commitments;
- assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuation of unlisted financial investments and investment properties, the valuation of heritage assets, specific aspects of income recognition, the calculation of current and non-current grant commitment liabilities and the cost allocation methodology.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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.

Fiona Condron, Senior Statutory Auditor

For and on behalf of BDO LLP, statutory auditor London, UK

Date: 7 August 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Financial Activities

(incorporating an income and expenditure account)

for the financial year ended 31 March 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total funds £'000	2022 Total funds £'000
Income						
Voluntary income	2.1	1,064	1,653	-	2,717	3,043
Investment income	2.2	9,182	-	-	9,182	11,468
Total income		10,246	1,653	-	11,899	14,511
Expenditure						
Total costs of raising funds	3.1	7,156	-	-	7,156	5,707
Charitable activities	3.1	27,340	18,053	-	45,393	28,853
Total expenditure		34,496	18,053	-	52,549	34,560
Net expenditure before revaluation of investments		(24,250)	(16,400)	-	(40,650)	(20,049)
(Losses)/Gains on revaluation and disposal of investment assets	7.2	(1,142)	-	(6,252)	(7,394)	38,412
Net (expenditure)/income		(25,392)	(16,400)	(6,252)	(48,044)	18,363
Transfers between funds	11	(16,037)	16,037	-	-	-
Net movement in funds		(41,429)	(363)	(6,252)	(48,044)	18,363
Fund balances brought forward at 1 April 2022		68,977	16,130	364,261	449,368	431,005
Fund balances carried forward at 31 March 2023		27,548	15,767	358,009	401,324	449,368

All activities relate to continuing activities. The Notes on page 25 to 43 form part of these financial statements.

Statement of Financial Position

as at 31 March 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2023 Total funds £'000	2022 Total funds £'000
Fixed assets						
Tangible operational fixed assets	5a	143	-	-	143	40
Intangible operational fixed assets	5b	58	-	-	58	121
Heritage assets	6	-	-	16,600	16,600	16,600
Investments	7	139,570	15,767	341,409	496,746	516,074
Total fixed assets		139,771	15,767	358,009	513,547	532,835
Current assets						
Debtors	8.1	2,341	-	-	2,341	3,170
Cash at bank and in hand	8.2	4,447	-	-	4,447	7,524
Total current assets		6,788	-	-	6,788	10,694
Creditors: amounts falling due within one year	9	(26,387)	-	-	(26,387)	(20,568)
Net current liabilities		(19,599)	-	-	(19,599)	(9,874)
Creditors: amounts falling due after more than one year	10	(92,624)	-	-	(92,624)	(73,592)
Total net assets		27,548	15,767	358,009	401,324	449,368
Funds						
Endowment funds	11.1	-	-	358,009	358,009	364,261
Income funds						
Restricted funds	11.2	-	15,767	-	15,767	16,130
Unrestricted funds						
Designated funds	11.3	366	-	-	366	434
General funds	11.3	27,182	-	-	27,182	68,543
Total funds		27,548	15,767	358,009	401,324	449,368

Company registration number 07168381.

The Notes on page 25 to 43 form part of these financial statements.

Andy Bruce
Chair of Trustees

Nimesh Patel
Chair of Finance and Audit Committee

Date: 3 August 2023

Cash Flow Statement

for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities:			
Net cash used in operating activities	12.1	(13,626)	(23,212)
Cash flows from investing activities:			
Dividends, interest and rents from investments		9,182	11,468
Payments to acquire tangible fixed assets		(166)	-
Payments to acquire investment assets		(177,367)	(59,839)
Receipts from sales of investment assets		178,900	60,180
Net cash provided by investing activities		10,549	11,809
Change in cash and cash equivalents in the year		(3,077)	(11,403)
Cash and cash equivalents at the beginning of the year		7,524	18,927
Cash and cash equivalents at the end of the year	12.2	4,447	7,524

The Notes on page 25 to 43 form part of these financial statements.

Financial statements

for the year ended 31 March 2023

Notes to the accounts

1 Accounting policies

Barts Charity is a private company limited by guarantee. It is a charitable company registered in England (company number 07168381, charity number 212563) and its registered address is 12 Cock Lane, London, EC1A 9BU. These financial statements are presented in pounds sterling (GBP), as that is the currency in which the majority of the charity's transactions are denominated and are the financial statements for the year ended 31 March 2023 rounded to the nearest thousand pounds.

A. Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (2nd edition): Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standards 102 applicable in the UK and Republic of Ireland (FRS102), and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

B. Going concern

The preparation of the accounts for 2022/23 has been undertaken on the basis that Barts Charity is a going concern. The Charity currently meets day to day working capital requirements through its existing cash facilities. In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years.

This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and can meet its planned grant commitments without being a forced seller of assets.

Based on these assessments the Trustees have not identified any material uncertainties relating to going concern. The Trustees have therefore determined the Charity to be a going concern

and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

C. Accounting judgements and estimates

In preparing the financial statements, the Trustees have made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. These estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desktop valuation in the years between. A full property valuation was completed for 2022/23 by Knight Frank LLP, Chartered Surveyors, (refer to Note 1, Section I). The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction, between market participants at the measurement date.

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds. The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and including the balance sheet date. This is then reviewed in light of valuations which become available post the balance sheet date up to accounts signature.

c. Grant creditors settled over a multi-year time period

Many grant commitments will be settled over multiple financial years and so the short and long-term grant creditor balances represent the best estimate of the expected cash outflows, as at the balance sheet date. This is based on historical

drawdown levels and the status of existing grants. The time value of money is considered annually and adjusted in the accounts if material.

d. Allocation of income, expense and gain/loss to restricted and endowment funds

In preparing the financial statements, judgements and estimates have been made in relation to the extent of allocation to the restricted and endowment funds.

e. Valuation of accrued dividend income

Dividend income from the Charity's investments is accrued at the year-end, in line with historical and commercial expectations.

f. Heritage assets

Heritage Assets are not depreciated but are revalued every five years, with the last valuation completed by Gurr John's International, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Please refer to Note 6 for further details.

D. Fund structure

a. Restricted funds are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund, as set out in Note 11.2.

b. Endowment funds include the following:

- (i) Permanent endowment funds: capital is held in perpetuity, but the related income may be used for unrestricted or restricted purposes, as specified by the donor.
- (ii) Expendable endowment: donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c(i) below).

c. Unrestricted funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

- (i) General

Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.

- (ii) Designated

The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes (refer to Note 11.3).

E. Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacy, income is recognised when three criteria are met: entitlement is established, receipt of the income is probable and it can be reliably measured. Where legacies have been notified to Barts Charity and the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed, if material.

Rental income from investment properties is reported as operating leases and the lease incentives are amortised on a straight-line basis.

Dividend income from the Charity's investments is accrued at the year-end, in line with historical and commercial expectations.

F. Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of generating funds (including fundraising), charitable activities and support costs are charged to the relevant category or activity, according to the area to which the expenditure relates. Support and governance costs incurred that relate to more than one cost category are apportioned, based on full time equivalent staff numbers in each area. Charitable activities include grants that have been approved during the year.

G. Grant commitments

Grant commitments are recognised when the following conditions have been fulfilled : (1) the receipt of necessary approvals for the grant from the Trustees, and (2) the communication of the approval to the grant recipient. Grants are discounted to reflect the time value of money, if this is considered material to the financial statements.

H. Fixed assets

Operational fixed assets (tangible or intangible) are capitalised when a separable asset can be identified with a value of £10,000 or more (inclusive of irrecoverable VAT), and where the estimated useful life of the asset (without the need for additional spend) can be estimated as three years or more.

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward depreciation. Depreciation is charged on a straight line basis to support costs over their estimated useful lives (fixtures, fittings and equipment – five years).

b. Intangible fixed assets

Intangible fixed assets are included in the Statement of Financial Position at cost less accumulated amortisation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward amortisation. Amortisation is charged on a straight line basis to support costs over their estimated useful lives (IT software – three years).

c. Heritage assets

Heritage assets are capitalised and include: art collections, historic archives, sculptures, ceramic surgical instruments, uniforms, teaching materials, and other items. They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate, in the second-hand retail market with items of a similar nature, age, condition and quality. They are not depreciated but are revalued every five years, with the last valuation completed by Gurr John's International, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration. See Note 6 for further details.

I. Investments

Quoted investments are stated at market value at the year-end date. Asset purchases and sales are recognised at the date of trade. Unquoted pooled financial investments are valued based on the number of units held and the price per unit provided by the custodian or fund manager.

These net asset valuations are calculated independently by third party administrators and are subject to annual audit. Private investments are held through funds managed by private

investment groups. As there is no identifiable market price for private investment funds, these funds are included at the most recent valuations from the private investment groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the current editions of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards and the RICS UK National Supplement. The valuations were carried out by Knight Frank LLP, Chartered Surveyors, who have been instructed as our external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2023. They have reported their opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

J. Realised and unrealised gains and losses

Realised and unrealised gains and losses on investment assets are included in gains and losses on investment assets' within the Statement of Financial Activities.

K. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at their fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method, less any impairment.

Long term debtors are defined as fully recoverable amounts outstanding for more than 12 months at the balance sheet date.

L. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

M. Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a change in value.

N. Financial Instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value, as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

O. Pensions contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme are charged to the Statement of Financial Activities.

Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the [NHS Pensions Website](#). The scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contributions one: the cost to an NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme. Applicable rates for employee contributions for the NHS Pension Scheme were 13.5% for both 2022/23 and 2021/22. Employer contributions were 14.38% for both 2022/23 and 2021/22.

Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme. For 2022/23, the rates of employer contribution for the Defined Contribution Scheme were 10% for SMT and 8% for other staff (unchanged from 2021/22). Employee contributions are voluntary.

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2. Income

2.1. Voluntary income

	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2023 Total income £'000
Donations	433	777	-	1,210
Legacies	631	876	-	1,507
Total 2023	1,064	1,653	-	2,717

	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2022 Total income £'000
Donations	145	1,503	-	1,648
Legacies	581	814	-	1,395
Total 2022	726	2,317	-	3,043

2.2. Investment income

	2023 £'000	2022 £'000
Investment properties	3,602	3,846
Investments listed on stock exchanges	4,146	5,880
Private investments	1,273	1,741
Interest on cash held as part of the investment portfolio	161	1
Total	9,182	11,468

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3. Expenditure

3.1. Total expenditure

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2023 Total expenditure £'000
Direct expenditure				
Grants – Research	-	31,124	-	31,124
Grants – Service delivery	-	11,581	-	11,581
Grants written back – Research	-	(303)	-	(303)
Non-grant charitable expenditure	-	1,206	-	1,206
Costs of generating income				
Financial and property investment	4,196	-	-	4,196
Fundraising	369	-	-	369
Total direct expenditure	4,565	43,608	-	48,173
Staff and support costs				
Salaries, social security and pension costs	770	630	1,138	2,538
Other staff and related costs	35	3	264	302
Marketing and communications	-	-	210	210
Legal, accounting and IT	-	-	498	498
Office costs	-	-	571	571
Grant administration	-	20	-	20
Loss on disposal of operational fixed assets	-	-	19	19
Irrecoverable VAT	218	-	-	218
Subtotal staff and other costs	1,023	653	2,700	4,376
Allocation of staff and overheads	1,568	1,132	(2,700)	-
Total	7,156	45,393	-	52,549

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	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2022 Total expenditure £'000
Direct expenditure				
Grants – Research	-	15,918	-	15,918
Grants – Service delivery	-	11,400	-	11,400
Grants written back – Research	-	(1)	-	(1)
Grants written back – Service delivery	-	(5)	-	(5)
Costs of generating income				
Financial and property investment	2,955	-	-	2,955
Fundraising	240	-	-	240
Total direct expenditure	3,195	27,312	-	30,507
Staff and support costs				
Salaries, social security and pension costs	725	478	964	2,167
Other staff and related costs	38	7	217	262
Marketing and communications	-	-	168	168
Legal, accounting and IT	-	-	612	612
Office costs	-	-	452	452
Grant administration	-	36	-	36
Loss on disposal of operational fixed assets	-	-	85	85
Irrecoverable VAT	271	-	-	271
Subtotal staff and other costs	1,034	521	2,498	4,053
Allocation of staff and overheads	1,478	1,020	(2,498)	-
Total	5,707	28,853	-	34,560

Although Barts Charity maintains regular contact with grant-holders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

3.2. Direct charitable expenditure by institution

	2023 Total £'000	2022 Total £'000
Barts Health	32,190	11,059
Barts and the London SMD	9,340	15,774
Other	335	171
Grant funded activity	41,865	27,004
Direct other spending	1,743	308
Total grants awarded	43,608	27,312

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4. Employees

4.1. Analysis of staff costs

	2023 Total £'000	2022 Total £'000
Salaries and wages	2,105	1,816
Social security costs	261	195
Other pension costs	172	156
Total	2,538	2,167
Average monthly number of full-time equivalents	37	31
Average head count	38	30

Staff costs include termination payments of £28,523 to two employees (£111,003 to three employees in 2021/22). Of the above, termination payments to key management personnel totalled £21,328 to one employee in 2022/23 (£60,990 to one employee in 2021/22).

4.2. Higher paid employees

The following number of employees received emoluments falling within the ranges indicated:

	2023	2022	2023 £'000	2022 £'000	2023	2022
	Number of employees		Value of pension contributions		Number of staff in receipt of pension contributions	
£60,000 to £70,000	4	4	21	16	4	4
£70,001 to £80,000	-	1	-	11	-	1
£80,001 to £90,000	1	1	11	4	1	1
£90,001 to £100,000	1	2	14	14	1	2
£100,001 to £110,000	2	2	21	20	2	2
£160,001 to £170,000	-	1	-	17	-	1
£170,001 to £180,000	1	-	17	-	1	-

Key management personnel (the senior management team of the charity) received aggregate employee benefits of £841,454 in 2022/23 (£971,929 in 2021/22).

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5. Operational fixed assets

5a. Tangible operational fixed assets		5b. Intangible operational fixed assets	
At Cost	Office equipment £'000	At Cost	Software £'000
As at 1 April 2022	173	As at 1 April 2022	214
Additions	166	Additions	-
Disposals	(173)	Disposals	-
Balance at 31 March 2023	166	Balance at 31 March 2023	214
Depreciation:		Amortisation:	
As at 1 April 2022	133	As at 1 April 2022	93
Charge for the year	43	Charge for the year	63
Disposals in the year	(153)	Disposals in the year	-
Balance at 31 March 2023	23	Balance at 31 March 2023	156
Net book value at:		Net book value at:	
31 March 2023	143	31 March 2023	58
31 March 2022	40	31 March 2022	121

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6. Heritage assets

	2023 £'000	2022 £'000
Valuation at start of year	16,600	16,600
Revaluation	-	-
Valuation at end of year	16,600	16,600
Type of heritage assets:		
Antique furniture	1,253	1,253
Paintings, prints and drawings	8,792	8,792
Books and manuscripts	3,003	3,003
Other	3,552	3,552
Total	16,600	16,600

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £3m and £2.6m respectively (£3m and £2.6m in 2021/22). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr John's International, auctioneers and valuers, in March 2019.

Heritage Assets are included within the endowment fund and are revalued every five years with the most recent valuation being for March 2019. Prior to this, the asset valuations for 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 were based on the March 2014 valuation which was £14.428m. (See Note 1, Section H, part c). This is the only change in the last five years.

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7. Investments

7.1. Analysis of fixed asset investments

	Property £'000	Financial £'000	2023 Total £'000	2022 Total £'000
Fixed asset investments				
Market value at 1 April 2022	76,125	439,949	516,074	480,603
Less: Disposals proceeds	-	(178,900)	(178,900)	(60,180)
Add: Acquisitions at cost	-	177,367	177,367	59,839
Net (loss)/gain on revaluation and disposals	(4,565)	(13,230)	(17,795)	35,812
Total	71,560	425,186	496,746	516,074

Cash is held within the investment portfolio, predominantly to fund private investment capital calls and is shown separately in the table above, to distinguish from return-bearing assets.

	2023 Total £'000	2022 Total £'000
Market value at 31 March:		
Investment properties	71,560	76,125
Investments listed on stock exchanges	344,943	372,552
Private investments	79,917	66,081
Instant access money market funds held within the investment portfolio	326	1,316
Total	496,746	516,074

	2023 Total £'000	2022 Total £'000
Market value at 31 March:		
Unrestricted funds	139,570	152,284
Restricted funds	15,767	16,129
Endowment funds	341,409	347,661
Total	496,746	516,074

Financial investments held at 31 March 2023 include 16 unit trust funds, representing 81% of the total value, and 35 separate private investments (in 2021/22 16 unit trust funds representing 85% and 27 separate private investments).

At the year end, the Charity had undrawn commitments to private equity funds of £90m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £79.9m reported above represents the valuations of the funds at 31 March 2023, as provided by relevant fund managers and/or as computed by our global custodian. However, it is not possible for the Trustees to liquidate these investments prior to the future return of capital.

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7.2. Analysis of gains and losses on revaluation and disposal of investment assets

	Unrestricted Funds £'000	Endowment Funds £'000	2023 Total £'000	2022 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	(474)	(2,596)	(3,070)	30,078
(Losses)/Gains on revaluation and disposal of property investments	(705)	(3,860)	(4,565)	5,734
Subtotal: gains and losses	(1,179)	(6,456)	(7,635)	35,812
Other currency gains	37	204	241	2,600
Total	(1,142)	(6,252)	(7,394)	38,412

An analysis of gross income arising from the property assets is set out in Note 2.2.

8. Current assets

8.1. Analysis of debtors

	2023 £'000	2022 £'000
Trade debtors	1,204	1,323
Prepayments	63	44
Accrued income	1,035	1,801
Other debtors	39	2
Total	2,341	3,170

All debtors in both 2023 and 2022 relate to unrestricted funds. Accrued income largely relates to income on financial investments and amortisation of a rent free period for related leases (see Note 1, Section E).

Included within accrued income is an amount of £0.7m which relates to rent amortisation due to be released after more than one year (31 March 2022: £0.6m).

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8.2. Cash at the bank and in hand

	2023 £'000	2022 £'000
Cash in UK clearing bank accounts	504	991
Cash held with custodian	3,943	6,533
Total	4,447	7,524

9. Creditors due in one year

	2023 £'000	2022 £'000
Amounts falling due within one year as at 31 March:		
Trade creditors	2,154	530
Other creditors	96	292
Grant accruals	23,467	19,168
Deferred income	670	578
Total	26,387	20,568

Deferred income represents rent billed to tenants in advance for the first quarter of the following financial year.

	2023 £'000	2022 £'000
Deferred income brought forward	578	1,083
Released	(2,777)	(3,769)
Deferred	2,869	3,264
Deferred income at 31 March	670	578

10. Creditors due after more than one year

	2023 £'000	2022 £'000
Grant accruals	92,624	73,592

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11. Funds – Year ended 31 March 2023

11.1. Endowment funds

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2023 £'000
Aylwen Bursaries	3,230	-	-	-	(55)	3,175
Edward Hewlett	2,653	-	-	-	(46)	2,607
Hannington	1,045	-	-	-	(18)	1,027
Hamblen Thomas	326	-	-	-	(6)	320
MacCready Mann	321	-	-	-	(6)	315
Levy Family	278	-	-	-	(5)	273
MAEL Jones	257	-	-	-	(4)	253
Funds < £200k	521	-	-	-	(9)	512
Expendable endowments	355,630	-	-	-	(6,103)	349,527
Total	364,261	-	-	-	(6,252)	358,009

11.2. Restricted funds

Material funds (over £550k at the start of the year)

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2023 £'000
Cardiac	2,358	170	(411)	-	-	2,117
Margaret Centre	1,044	17	(68)	-	-	993
Covid-19 response	586	-	(586)	-	-	-
Gastroenterology	645	-	-	-	-	645
East London Foundation Trust General Fund	1,012	23	(1,035)	-	-	-
IBD Research	1,123	-	(302)	-	-	821
Trauma	733	58	-	(350)	-	441
Others	8,629	1,385	(15,651)	16,387	-	10,750
Total	16,130	1,653	(18,053)	16,037	-	15,767

11.3. Designated and general funds

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2023 £'000
Cardiac funds	122	-	-	-	-	122
Whipps Cross General fund	128	-	(49)	-	-	79
Funds up to £100k	184	-	(19)	-	-	165
Total designated funds	434	-	(68)	-	-	366
General funds	68,543	10,246	(34,428)	(16,037)	(1,142)	27,182
Total designated and general funds	68,977	10,246	(34,496)	(16,037)	(1,142)	27,548
Total funds	449,368	11,899	(52,549)	-	(7,394)	401,324

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11.4.1. Endowment funds - comparatives

	Balance as at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2022 £'000
H F Bailey	1,240	-	-	(1,240)	-	-
Aylwen Bursaries	2,954	-	-	-	276	3,230
Edward Hewlett	2,426	-	-	-	227	2,653
JJ Guthrie Blandford and George Shuter Staff Benefit	445	-	-	(445)	-	-
Hannington	956	-	-	-	89	1,045
David Hughes	148	-	-	(148)	-	-
Bailey City and Hackney	299	-	-	(299)	-	-
Hamblen Thomas	298	-	-	-	28	326
MacCredady Mann	294	-	-	-	27	321
Levy Family	254	-	-	-	24	277
MAEL Jones	235	-	-	-	22	257
Funds < £200k	786	-	-	(310)	45	520
Expendable endowments	316,349	-	-	8,889	30,392	355,630
Total	326,684	-	-	6,447	31,130	364,261

11.4.2. Restricted funds - comparatives

Material funds (over £550k at the start of the year)

	Balance as at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2022 £'000
Cardiac	2,400	15	(57)	-	-	2,358
Margaret Centre	1,171	-	(48)	-	-	1,123
Covid-19 response	1,146	6	(566)	-	-	586
Gastroenterology	957	217	(130)	-	-	1,044
St Bartholomew's Hospital	646	-	-	-	-	646
Renal disease Research	564	24	(213)	-	-	375
Others	12,195	2,054	(4,251)	-	-	9,998
Total	19,079	2,316	(5,265)	-	-	16,130

11.4.3. Designated and general funds – comparatives

	Balance as at 1 April 2021 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and (losses) £'000	Balance as at 31 March 2022 £'000
Cardiac funds	122	-	-	-	-	122
Whipps Cross General fund	128	-	-	-	-	128
Funds up to £100k	184	-	-	-	-	184
Total designated funds	434	-	-	-	-	434
General funds	84,810	12,194	(29,296)	(6,447)	7,282	68,543
Total designated and general funds	85,244	12,194	(29,296)	(6,447)	7,282	68,977
Total funds	431,005	14,511	(34,561)	-	38,412	449,368

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for the year ended 31 March 2023

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11.5. Funds (additional)

Endowment funds
Note 1, Section D on page 26 provides further details of the endowment fund structure. There were no other income, expenditure or transfers in 2022/23. Expenses have not been charged to the endowment funds. Due to the historic nature of these, there is no certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Restricted funds
Note 1, Section D on page 26 provides further details of the restricted fund structure. There was no allocation of interest or expense to the funds in 2022/23, given that they are funded from readily available cash. The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. This work is ongoing.

Details of significant funds

Name of fund	Nature and purpose of fund
Cardiac	Treatment of and research into cardiac disease
Margaret Centre	Provision of palliative care at the Margaret Centre (Whipps Cross Hospital)
Covid-19 response	Emergency fund set up to provide an immediate response to the Covid-19 pandemic
Gastroenterology	Gastroenterology unit (Whipps Cross Hospital)
ELFT	East London Foundation Trust General Fund – Staff and patient welfare
IBD Research	Research into Crohns' disease
Trauma	For any purpose relating to trauma

Transfers between funds

Transfers between funds represent transfers from general funds to restricted funds to cover overspends on restricted funds.

11.6. Prior year distribution of net assets

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000
Distribution of net assets between funds				
Total fixed assets	152,444	16,130	364,261	532,835
Current assets	10,694	-	-	10,694
Current liabilities	(20,568)	-	-	(20,568)
Creditors: amounts falling due after more than one year	(73,592)	-	-	(73,592)
Total net assets	68,977	16,130	364,261	449,368
Net gains on investments and heritage assets	7,282	-	31,130	38,412

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12. Notes to the cash flow statement

12.1. Net cash used in operating activities

	2023 £'000	2022 £'000
Net cash used in operating activities		
Net (expenditure)/income for the year	(48,044)	18,363
Adjustments for:		
Losses/(Gains) on revaluation and disposal of investment assets	17,795	(35,812)
Investment income	(9,182)	(11,468)
Depreciation charges	106	102
Loss on disposal of fixed assets	19	85
Change in debtors	829	157
Change in creditors	24,851	5,361
Cash outflow from operating activities	(13,626)	(23,212)

12.2. Analysis of changes in cash and cash equivalents

	2022 £'000	Movement £'000	2023 £'000
Cash in hand and at the bank	7,524	(3,077)	4,447

As at 31 March 2023, the Charity had no loans, leases or other financial instruments classified as debt (2022: none).

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13. Trustee transactions

	2023		2022	
	£	No	£	No
Trustee expenses				
Reimbursement of fees	8,912	16	136	1
Hospitality expenses	913	2	249	2
Total	9,825	18	385	3

Premiums for Trustee indemnity insurance were paid by the Charity on the part of Trustees, £9,017 (2021/22: £4,210).

14. Related party donations

The total amount of related party donations made, without conditions, was £4,680 (2021/22: £4,200).

The total amount of related party donations with conditions was £Nil (2021/22: £20).

15. Operating leases

15.1. Operating lease income

The Charity 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
Not later than one year	3,204	3,096
Later than one year and not later than five years	3,903	4,179
Later than five years	413	446
Total	7,520	7,721

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15.2. Operating lease commitments

At 31 March 2023 Barts Charity was committed to making the following payments under non-cancellable operating leases:

	2023 £'000	2022 £'000
Not later than one year	244	242
Later than one year and not later than five years	123	363
Total	367	605

16. Net (expenditure) / income for the year

	2023 £'000	2022 £'000
This is stated after charging:		
Auditors' remuneration	58	66
Other payments to the auditors:		
Tax advice	4	-
Amortisation	63	67
Depreciation	43	35
Loss on disposal of fixed assets	29	85
Operating lease payments	244	244

Barts Charity

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Registered charity no. 212563

Registered company no. 07168381



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BARTS CHARITY

England & Wales - Charity number 212563

Accounts



Annual Report and Accounts 2021- 2022

**Company Registration Number 07168381
Charity registration number 212563**

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Chair and CEO Intro

Last year was a year of consolidation and strategic planning for Barts Charity to ensure the success of our mission and focus on the people of East London which is central to all our activities. We had a twin focus through the year to deliver against the goals we had set ourselves for our 2017-2022 Strategy and also to develop and plan a clear roadmap and set of high-level strategic objectives for the next phase from April 2022-2027.

In parallel to this, like everyone else, we were emerging from the worst of the global pandemic and assessing its impact upon our staff and our working practices. We also wanted to consider how best to honour the remarkable milestone of the 900th anniversary of the founding of St Bartholomew's Hospital – acknowledging this extraordinary heritage but using that as a springboard to develop future health services for East London for many years to come.

As we set out later in this report, we are pleased with the progress that we made through the year and we are also delighted to share our 2022-27 Strategy with you and to reaffirm our commitment to making life-changing improvements to the health of people living in East London. At its heart is our continued, strong partnership with Barts Health NHS Trust and the Faculty of Medicine & Dentistry at Queen Mary University London (FMD), which builds on so much of the work of the last five years to identify, develop and fund transformational projects. We believe that the strong partnership between Barts Health and FMD strengthens both them and us and provides our greatest opportunity to have real and lasting impact and deliver on our mission.

We have also laid the foundations for our Barts 900 Campaign, which is set to be our largest ever campaign both in terms of funding and fundraising.

We are working closely with Barts Health to develop two flagship projects which aim to be transformative for healthcare in East London for many years to come – a new Barts Breast Cancer Centre and Barts Life Sciences Clinical Research Facility, a new purpose-built state of the art clinical research facility. Our fundraising ambition is to raise £20m for the Barts 900 projects, which will be in addition to the £10m which the Charity is itself committing to the campaign as a cornerstone funder.

In the last year we have reorganised and grown our Fundraising team, building a Barts 900 campaign strategy and investing in other support resources to give ourselves the best possible chance of success in what is admittedly a challenging fundraising environment. Our new strategy recognises that significant fundraising growth will be driven by much more integrated and larger scale campaigns delivered by our Fundraising team working closely with and supported by our communications strategy. The Barts 900 Campaign will be a template for that approach.

Our planning for the future was not at the expense of our commitment to fund medical research and healthcare delivery projects to the value of c£30m per year. In 2021/22 our funding totalled £28.5m and you can read about some of the projects we funded in this report. Over the last five years we have given over £145m to fund transformative research and healthcare projects in East London and we are proud of the impact our funding has achieved. Guided by our new strategy we will build on this with a further £150m+ to be given over the next five years in key areas of research and healthcare.

The Charity is fortunate to have a highly talented and engaged staff, Board and advisers to whom we should like to extend our thanks for all they do. We look ahead together with a renewed clarity of purpose, ambitious for our next five years.



Andy Bruce
Chair of Trustees



Fiona Miller Smith
CEO

Trustees' Report

The Trustees present their report and the audited financial statements for the year ended 31 March 2022. The introduction from the Chair and Chief Executive on page 1, the Regulatory information on page 14 and the Statement of Trustees' Responsibilities on page 15 form part of this Trustees' report.

The financial statements as at 31 March 2022 and for the year then ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

What We Do

We are a charity dedicated to supporting improvements to healthcare and transformative research with a primary focus on the issues that matter to the people of East London. We do this by funding high quality research, innovative patient care projects and NHS staff wellbeing initiatives that would otherwise not be funded by the NHS or other funders.

We mainly award our funding to Barts Health (which runs St Bartholomew's, The Royal London, Mile End, Whipps Cross and Newham Hospitals) and to the Faculty of Medicine and Dentistry at Queen Mary University of London, where there are six medical research institutes. We also support researchers at the School of Health Sciences at City, University of London.

Vision

Life changing improvements to health for the people of East London.

Mission

A charity with its roots in East London, dedicated to supporting improvements to healthcare and transformative research for local health benefit.

We work in partnership with the NHS, local research institutes and others who can help us achieve our goals and maximise our impact.

Barts Charity Strategy 2022 – 2027 strategic objectives

We wanted Barts Charity's new vision and mission to provide the strategic context for each area of our charitable activity and we have used them to frame five strategic objectives for 2022-2027.

Research

We fund high quality and innovative research that enhances our understanding of health and illness and has the potential to improve and/or save lives in East London.

Healthcare

We facilitate transformation to patient care and support for our dedicated NHS staff, primarily focusing our efforts at Barts Health.

Fundraising and Communications

We are transforming our approach to fundraising to significantly grow revenue and enable us to achieve our ambitions for our mission.

We aim to inspire greater support by communicating about the people and projects we fund and the impact they make.

Endowment

We manage our endowment to ensure we take full advantage of potential opportunities to deliver our mission, now and in the future.

How we work

We set ourselves high standards for how we operate and aim to maximise the impact we make with our resources.

Our funding principles and focus

As part of our strategy process, we also looked at the key funding principles that underpin our approach to ensure that they were completely aligned with our strategic objectives. To achieve our funding and impact strategic objectives we will focus our funding where:

- We can create transformational change.
- We can leverage further support for our funded projects.
- Other funders or revenue sources cannot or do not cover.

Barts Charity's primary focus is on our funding being relevant to, and having an impact in, East London but we expect that much of the activity we support will continue to have wider health benefit, both across the UK and globally.

We adhere to robust funding processes to ensure the Charity's resources are applied to deliver impact in improvements to healthcare and transformative research and our funding processes and policies are inclusive and unbiased. We are a member of the Association of Medical Research Charities and as such can demonstrate high standards of governance around funding decision processes and monitoring of funded activity.

Our values

We are proud of the work we do. We have created a set of values that express who we are as a charity, the way we want to work and the culture that we want to live and breathe every day.

One Team

We work collaboratively as one team, supporting and respecting each other and embracing diverse experiences and perspectives.

Ambitious

We care passionately about Barts Charity's mission, empowering each other to constantly improve and achieve our best.

Open

We are honest and transparent, sharing information willingly and encouraging the giving and receiving of constructive feedback.

Accountable

We take pride in doing the right thing and acting with integrity. We take ownership of our actions and learn from our mistakes.

Barts Charity Annual Report: Review of 2021/22

In our 2021 Annual Report we set out our strategic targets for 2021/22

- we summarise below how we have performed against them:

Target	How we performed
To set our corporate strategy for the period 2022-27	Completed
To confirm and implement our Equity, Diversity and Inclusion vision and principles	• EDI Commitment and Priorities confirmed • Implementation Plan for 2022/23 agreed and under delivery
Complete the planning for and undertake the first stages of the Barts 900 campaign, our most ambitious fundraising campaign yet, aiming to raise £40m for up to four major Barts Health projects	• Planning completed, including creation of a single fundraising team and recruitment to additional roles across the Charity to fill skills gaps and provide additional support for Barts 900 and future campaigns • Funding target has been adjusted to two flagship projects with target for approval in the first half of 2023 – Barts Breast Cancer Centre and Clinical Research Facility • Fundraising target has been adjusted to £30m, with Barts Charity committing £10m of this as a cornerstone funder
To sustain our grant-giving programme at £30m per year (averaged over a five year period) and maintain a quality pipeline of impactful funding opportunities	• Total funding in 2021/22 was £28.5m • Funding pipeline of grants under discussion at £111m
To manage the return of staff to office-based working, implementing a new Agile Working Policy	• Hybrid Working Policy implemented • Co-designed with staff, the Charity mandates Tuesdays and Wednesdays in the office for all staff, with remote working an option on other days. A recent staff survey suggests this is popular with staff • A full office refurbishment took place in summer 2022. Designed to provide more spaces for working in collaboration in person, it demonstrates our commitment to providing energising and supportive office space which can accommodate the whole team
To complete the implementation of a new finance system and a database upgrade, and commence a shift to better analysis of both financial and non- financial data	• Largely completed, although some delay owing to project management issues • We have successfully reconciled the finance system with our CRM and can upload monthly fundraising and grant-related information accurately and quickly
To re-institute our programme of staff engagement across the five hospitals to promote fundraising from patients and their families	• Deferred to 2022/23 • Continued Covid-19 pressures in the hospitals during 2020/21/22 meant this could not be progressed • Clinician Engagement Workshops have taken place to support Barts 900 campaign fundraising • New Head of Public Fundraising starts October 2022
To progress the review of hospital-based restricted funds and complete the review of permanent endowment funds to increase both value and flexibility of funds held	• Deferred to 2022/23 • Continued Covid-19 pressures in the hospitals during 2021/22 meant discussions about the hospital-based restricted funds could not be progressed

Managing the endowment

The management of our endowment is designed to provide financing, alongside voluntary income, for our funding programme. Assets in the portfolio are therefore chosen in order that they enhance their value over time to achieve a financial return. A managed approach to risk is taken and the Trustees and management work with a number of advisors in order to provide an appropriate balance of risk against a targeted return.

The Trustees have delegated investment decision-making to the Investment Committee; the Investment Committee appoints and monitors investment advisors to assist them in managing both financial and property elements of the portfolio. The Investment Committee meets quarterly and reports back to the Trustee board after each meeting.

Since April 2021 the Investment Committee has been working with Mercer as its financial investment advisor. Last year we undertook a strategic review of our investment beliefs and as a result set a new investment strategy for the next five to seven years, which aims to further diversify the overall sources of risk and return. This includes a new strategic asset allocation framework.

Our aims for 2022/23

Funding

- Working with Barts Health and FMD, our Grants Committee and Board to progress development of the Barts 900 project applications (Barts Breast Cancer Centre at St Bartholomew's Hospital and Clinical Research Facility at The Royal London Hospital)
- Refresh all funding schemes; design and launch a new Everyday Impact scheme to support ideas where a relatively straightforward and easy-to-implement change could have a big impact on the care, experience and wellbeing of patients and their families, friends, and carers in hospitals across Barts Health
- Refine impact, outcomes and assessment framework to align with the new Charity strategy and to support activity to communicate the difference Barts Charity funding makes
- Review grant terms & conditions to ensure compliance with best practice

Fundraising & communications

- Fundraising for the Barts 900 Campaign (target of £30m)
- Development and implementation of a Public Fundraising strategy
- Completion of a brand review and creation of a new website

Endowment

- Implementation of revised asset allocation under investment strategy including development of responsible investing principles

How we work

- Complete office refurbishment to improve flexibility of use and increase collaboration spaces
- Complete a review of our Employee Value Proposition and create a first People & Culture strategy
- Optimise IT provision and support including increasing in-house IT and data capability
- Complete actions in our 22/23 EDI Implementation Plan

Commitment to Equality, Diversity & Inclusion (EDI)

We believe that our commitment to EDI is best demonstrated through action. In December 2021, the Board approved the Charity's EDI Commitment, Priorities and Definitions (available in full on our website).

Barts Charity's EDI Commitment

We want everyone connected with Barts Charity to feel valued and respected. We will create and sustain a truly inclusive culture where everyone feels they can contribute. We know that this will take action and we must keep working at it.

We recognise that a diverse Barts Charity is not just the right thing to be, but will also make us better at what we do. Embracing a breadth of perspectives and experiences will help us to make better decisions and be more effective and impactful in all our activity.

We will be transparent about how we deliver on this commitment. We will publish our objectives and report our progress (or lack of it) so that our colleagues, supporters, beneficiaries and stakeholders can hold us to account.

Concurrently with developing our corporate strategy and our EDI Commitment & Priorities, we were also taking steps to improve our approach to EDI. We have:

- **Challenged our recruitment process** to increase diversity in a range of areas in our staff and non-exec roles by trying to access a wider pool of talent and remove bias from our processes. Work on EDI monitoring of all our personnel will help us track our progress.
- **Reviewed Funding application processes, policies and funding schemes, and actioned a number of modifications** to improve access and remove sources of potential bias. For example provision of maternity and sick pay for non-clinical PhD students, offering reasonable adjustments to the application process and several cost policy adjustments.
- **Clearly stated our expectations for consideration of Patient and Public Involvement within the design and delivery of funded projects** to ensure that the outcomes of funded activities are relevant to patients, where appropriate.
- **Audited our funding portfolio** to assess whether it is possible to measure the extent to which it benefits racially diverse and socioeconomically deprived communities.
- **Created Staff Voice**, a staff representative body which meets regularly.

Barts Charity's EDI Priorities

Culture

- To live out our Values
- To encourage and champion an inclusive and aware internal culture through actions and resources

Governance

- To create, update and keep under review our governance structures, policies and procedures to ensure that EDI is embedded into all our activities

Data/insight

- To better capture, monitor and analyse data to develop evidence from which to learn and drive change

Funding

- To apply unbiased and inclusive funding processes and ensure the activities we fund are inclusive in their design and their delivery

Personnel

- To have diversity across our staff and non-execs who each feel able to realise their full potential and who better reflect the communities we work with and for

2022/23 EDI plan

Our plans for 2022/23 are as follows:

ACTION
Culture • Undertake an office accessibility audit as part of office refurbishment • Reconnect with The Switch to offer work experience to Tower Hamlets secondary school children (3x per academic year) • Ensure that our new website meets accessibility standards and its imagery reflects our patient and supporter populations • Confirm an implementation plan for our Values – link to Employee Value Proposition • Review our events to ensure they are inclusive, reflect our values and that our contributors and guests better represent our stakeholder cohort • Use our social media platforms to extend our presence in more diverse communities
Governance • Undertake an EDI review of our HR policies to identify unfairness, inconsistency and where new policies are required
Data/Insight • Implement processes to collect diversity data on our staff, non-execs and advisers. This covers our Scientific Review Panel, Committee Members, Board Advisers, Trustees and employees • Implement processes to collect diversity data for grant applicants and grantholders to allow us to explore whether our funding processes are inclusive and contain potential biases
Funding • Become signatory of Declaration on Research Assessment (DORA) principles in the research application and review processes • As part of the review of our Grant Terms and Conditions, ensure that relevant elements of EDI are embedded e.g. Conduct of the Grant Activities, Grant Holders and Grant Personnel • Include patient and public involvement and engagement as a criterion in funding assessment (by Committees/Panels and peer reviewers)
Personnel • Undertake a formal review of our recruitment process to optimise reach and remove bias

Actions involve all the teams and will be incorporated into our respective team delivery plans which will be assessed mid-year (October) and year end (March), and we will report our progress against each item.

Finance Review

Review of financial performance

Our financial strategy is to manage and grow our investment assets and voluntary income in order to support annual grant giving and operating activities for the long term. Net assets as at 31 March 2022 increased by £18m to £449m (2021: £431m).

In reviewing the performance of our investments we consider the total return of the portfolio, both income and capital. By showing the total return which combines both income generated by our assets and the associated capital gains/losses, as opposed to separating these out, we ensure that we see the full picture of our finances.

We use this concept as a basis for addressing the two basic principles of our financial strategy:

- To provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant- making and other operating activities,
- To maintain the value of the Charity's portfolio in real terms such that it can make funding awards in the long term.

As presented in the Investment Review section below in this regard the return of the portfolio was 7%, which is ahead of the return target of CPI+4.5%.

The Statement of Financial Activities (on page 19) shows that during the financial year the Charity received income of £14.5m, (2021: £20.4m), of which £12.2m was unrestricted (2021: £13.2m). At the same time total expenditure increased over the same period to £34.6m (2021: £31.2m). The proportion of charitable activities spending to total expenditure remained relatively constant (84%, 2021: 88%).

As stated above, and as shown in the Statement of Financial Position, the Charity's net assets were £449m (2021: £431m). The endowment increased in value due entirely to unrealised gains; restricted funds reduced marginally in value in line with the Charity's wish to consolidate and close the large number of low value funds, designated funds remained unchanged and the remaining deficit reduced general funds.

In terms of assets and liabilities, the Charity's level of operational fixed assets (particularly capitalised software) was written down substantially, reflecting changes to the way in which software is produced and maintained.

Investment Review

The value of the Charity's investments increased by £36m to £516m, reflecting a return to steadier growth in the wake of the pandemic.

The majority of the 12-month period was shaped by a strong global economic recovery supported by economies reopening, higher increased household savings and loose monetary policy. This position fell under pressure early in 2022 amid sharply rising inflation, tightening monetary policy, the conflict in Ukraine and renewed lockdowns in China, just when there was hope that supply chains would improve and Covid-19 would cease to cause major economic disruptions.

The Charity continued to navigate well through this continued market volatility. In the financial year ended 31 March 2022, the portfolio returned a total of +7.1%, net of fees. The long-term target for the portfolio is an average total return of CPI+4.5% per year (net of fees) over rolling three-year periods and an annualised return in excess of the portfolio's blended benchmark. As at 31 March 2022, the annualised portfolio total return over the trailing three-year period was +7.0%, slightly behind the total return target for the same period of +7.7% and the blended benchmark of +7.8%.

The long-term investment objective for the Charity remains to achieve a total annualised return of CPI +4.5% over rolling three year periods, however the Investment Committee recognises that, given the high rate of inflation forecast in 2022, this will be a challenging target to achieve over the shorter term.

Investment performance is monitored quarterly by our Investment Committee with the assistance of our investment advisor, Mercer, who provides advice and monitoring services for the financial portfolio. Gryphon Property Partners provides similar support for the property portfolio, while Workman provides tactical advice and management services for the property portfolio.

Reserves

The Charity holds assets in funds, each type of which dictates how the funds may be disbursed:

Endowment funds – there are a number of segregated individual personal endowments which are usually created in the form of a will trust that limits the use of both the original capital and any investment gains attaching thereto. There is also an aggregated expendable **endowment fund** – these funds and gains arising from them are permitted to be applied generally by the Trustees in the delivery of the Charity's objectives.

Restricted funds are those amounts given under a restriction agreed between the donor and the Charity that specifies the area of the Charity's work to be supported. Barts Charity have a large number of these funds supporting the many areas of the NHS Trust's work.

All other funds held by the Charity form the **general funds**; however Trustees may choose (and have chosen) to set aside **designated funds** to ensure a particular objective is given prominence. Trustees may remove a designation if they so choose.

Reserves policy

Given the nature of the Charity's activities and our grant-making strategy the Trustees have determined that the reserves policy, taken in conjunction with spending and long-term investment policies, is intended to deliver the following objectives:

- Provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant-making and other operating activities, without jeopardising broader investment objectives.
- Maintain the value of the Charity's portfolio in real terms such that it can continue to make funding awards in the long term. The Trustees wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role for the long term.

For these objectives, the Trustees have determined that the value of reserves should be deemed to be the amount(s) held in the Charity's investment portfolio.

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity; for 2021/22 this minimum reserve level is £347m (2021:£327m).

The level of total reserves as at 31 March 2022 was £516m (2020/21: £487m) and therefore the Trustees consider that the Charity has sufficient funds to meet its purposes over its anticipated operating future.

If the level of these reserves goes below or is projected to come within 5% of the minimum level, the Trustees will consider the level of spending and grant-giving in light of the prevailing market conditions and outlook. It is not expected that the Charity would react to short term volatility. The reserve, spending and long-term investment policies are reviewed at least annually and adjusted if necessary.

Responsible Investing

Barts Charity believes that it is right to consider environmental, social, and governance (ESG) factors in investment decisions, in order to identify material risks as well as to earn sustainable, long-term returns. The Charity also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. The Charity believes that it is possible to invest with a positive impact without reducing investment returns. Areas of particular interest include improving societal health care outcomes.

As a result, ESG considerations are integrated in the investment process, including manager selection and monitoring, and ongoing review of the portfolio's ESG characteristics compared to relevant benchmarks and peers. The Charity has no direct investments in tobacco stocks. The Charity monitors exposure to tobacco through pooled funds, including passive index trackers as well as actively managed strategies, aiming to have less than 1% of equities in tobacco companies (i.e. approximately ½ or less vs the aggregated equity benchmark).

The Charity has a strategic equity exposure achieved through investment in pooled equity funds. The Charity accepts that it cannot directly influence how ESG considerations affect the equity investments.

The Charity also considers how ESG (including but not limited to climate change) and stewardship considerations are integrated within investment processes in appointing new investment managers.

Going Concern Statement

The preparation of the accounts for the year ended 31 March 2022 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, stressed scenarios and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out below. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these assessments the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Barts Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Fundraising policy

We are very grateful to our supporters, who contribute significantly to our work, in giving generously in terms of donations and in terms of carrying out fundraising activities in the wider Barts communities.

We aim to fundraise in a way that is compelling, respectful and in-keeping with our values.

The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practice guidance. Our own practice and policies ensure that no individual, including vulnerable persons, is put under undue pressure to make a donation. In the year to 31 March 2022, more than 1200 individuals and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy policy in line with the General Data Protection Regulation (GDPR) and both this and our complaints policy are freely available on our website.

In 2021/22 we received 18 legacies and 6 donations from individuals over £5,000. Organisations which made donations over £5,000 are as follows:

Abbott Medical
Allianz Global Investors
Aspen Insurance UK
Bank of Montreal
Corinthia St Georges Bay
Embassy of The State of Kuwait
Garfield Weston Foundation
Kusuma Trust UK
Mainstay Medical
Monday Charitable Trust
NHS Charities Together
Sandra Jacobs Charity
The Swire Charitable Trust
Ugroup Media

Risk Management

Our Trustees have adopted a Risk Management Policy and regularly review the major risks to which Barts Charity is exposed. Risks are assessed by their likelihood and impact, and also their velocity (speed to impact). Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. The risks and mitigations are recorded in a risk register which is reviewed regularly by the SMT and submitted quarterly to the Finance & Audit Committee for consideration.

The major strategic risks and principal mitigations as at 31 March 2022 are set out below.

Risk	Actions to manage the risk
Strategy Failure to deliver the 2022-27 strategy, or be unable to evidence it	• Regular review by SMT and trustees of progress against the strategic plans • Clear identification of internal and external risks and issues as they arise and flexibility of approach • KPIs, monitoring and impact reporting
Funding Impact of inflation on significant capital projects under development	• Include contingency in costs surrounding capital builds and potential inflationary increases in costs between design and point of tender • Expert review of significant capital projects under development and Charity representation on relevant project and design boards to ensure Barts Charity has early sight on any potential funding risks that arise
Fundraising Economic downturn has potential negative impact upon Barts 900 campaign fundraising	• Investment in campaign strategy, team and resources to optimise chances of meeting targets
Endowment Period of stagflation means that endowment asset allocation does not generate target annual return and potentially results in a real term fall in value	• Asset allocation includes assets which tend to be more inflation-resilient, such as property and equities (including listed infrastructure) • Allocations to asset classes with greater focus on contractual income, such as property, private debt and growth fixed income • Charity invests for the long term and has significant buffer above its minimum reserve level so that it can withstand periods of lower return without impact upon operational or funding expenditure
How we work The Charity suffers financial/reputational loss as a result of a cyber security incident/data breach	• Additional security has been put in place in partnership with our IT partners • Regular threat testing and systems monitoring • Staff training • Penetration testing and vulnerability assessment

Structure, Governance & Management Constitution

Barts Charity is a company limited by guarantee (registration number 7168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

The Board has assessed its governance against the Charity Commission's Governance Code for larger charities and is pleased to report high levels of compliance against the suggested standards. An area of continued focus for the Board is to ensure that the Charity is representative of its grantees and the communities it serves across both staff and non-executives.

Charitable purposes

Our charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as our Trustees think fit. In practice, we focus our support for improvement and innovation in healthcare on the Barts Health group of hospitals and FMD, and we also support the School of Nursing at City University, London. Although we are careful to consult with representatives of grantee organisations to ensure alignment of strategic priorities and to secure the greatest impact from our funding, we retain our independence to act in the best interests of Barts Charity and the communities we serve.

Non-executives and Committees

Barts Charity acts through its Board of Directors (who are known as Trustees). At the end of March 2022, there were 12 Trustees; since then one Trustee has resigned and one has been appointed. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in notes 13 and 14 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Trustees, in accordance with the provisions of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total, although exceptionally the Board may decide to extend this maximum term for a Trustee in appropriate circumstances.

The Board has established a series of Committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Board Advisers are appointed for a term of two years renewable to five in total. Specialist Committee members who are not also Trustees are appointed annually, renewable up to a total term of five years. All new Trustees and Committee members have an induction programme, during which they are familiarised with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals.

The Board and each Committee conduct an annual review of their performance in accordance with the Charity's Performance Review Policy against a checklist of questions to consider, covering matters such as objects, terms of reference, relationship with Executive, documentation, conduct of meetings and skill set.

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call upon a cadre of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications; they meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £650,000 and with the Board for requests over this amount.

Management arrangements

The Trustees delegate the management of the Charity to the staff team led by the Chief Executive and the senior management team (SMT). The Chief Executive has been in place since May 2016.

Staff Remuneration

Staff remuneration is closely scrutinised to ensure that the Charity can attract and retain the best talent, whilst keeping salaries aligned with the market. We use a live salary database run by specialist reward consultants to create and monitor the benchmark salary range for each role, taking into account a number of factors such as comparable sectors, the nature and seniority of the role, the Charity's location, number of employees and turnover. A salary review is undertaken each year (effective 1 April), taking into account inflation and data from comparable foundations, the Association of Medical Research Charities, the Association of Charitable Foundations and the wider third sector. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the SMT, which is approved by the Appointments and Remuneration Committee.

Pension

The Charity operates a non-contributory individual money-purchase scheme for all eligible members of staff, contributing the equivalent of 8% of pensionable salary to each employee's fund (10% for SMT members). Employees can additionally choose to make employee contributions to their pension as a deduction from salary. The scheme is fully compliant with auto-enrolment regulations.

Regulatory

Registered & principal office

12 Cock Lane London EC1A 9BU

Company registered number: 07168381

Charity registered number: 212569

Non-executives – includes changes effective prior to 21 December 2022

Trustees

Andy Bruce, Chair

Vijay Bharadia (to June 2022)

Claire Brown

Sally Flanagan

Prof Catherine Godson

Ian Hart, Deputy Chair

Professor Dame Parveen Kumar

Dr Richard Lewis

Jean Murphy (from April 2022)

Ian Peters (ex officio Trustee, Chair of Barts Health NHS Trust to October 2021)

Prof David Rampton (to September 2022)

Dr Thomas Round

Rt Hon Jacqui Smith (ex officio Trustee, Chair of Barts Health NHS Trust from October 2021)

Dr Lorna Williamson

Board Adviser

Moira Gitsham (communications)

Appointments and Remuneration Committee

Andy Bruce, Chair

Sally Flanagan

Ian Hart (from November 2021)

Finance and Audit Committee

Claire Brown, Chair

Vijay Bharadia (to June 2022)

Ian Hart (from January 2022)

Dr Richard Lewis

Mohammad Memon

Nimesh Patel

Grants Committee

Dr Lorna Williamson (Chair)

Prof Mirela Delibegovic (from September 2022)

Prof Adrian Dixon

Prof Catherine Godson

Dr Richard Lewis (to March 2022)

Dr Ultan McDermott (from June 2022)

Prof David Rampton (to September 2022)

Prof Kanchan Rege Thrasher

(from September 2022)

Dr Thomas Round

Investment Committee

Sally Flanagan, Chair

Andy Bruce

Philip Glaze

Ian Hart

Jean Murphy

Senior Management Team

Fiona Miller Smith, Chief Executive

Fiona Bickley, Chief Operating Officer

Hannah Daws, Director of Marketing & Communications (from September 2021)

Steve Harris, Chief Finance Officer (to April 2022)

David Lyon, Interim Finance Director (April to September 2022)

Victoria King, Director of Funding & Impact

Ilia Ralphs, Director of Fundraising

Prabhakar Sundaresan, Director of Finance & Resources (from September 2022)

Adrian Thomas, Director of Marketing & Communications (to September 2021)

Statement Of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This Trustees' report, incorporating the Strategic report, was approved by the Board of Trustees of Barts Charity and signed on its behalf.



Andy Bruce
Chair

Date: 21 December 2022

Independent auditor's report to the members of Barts Charity

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related 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. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the 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; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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;

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- As part of designing our audit, based on our understanding of the Charitable Company and the industry in which it operates, we assessed the risks of material misstatement in the financial statements, including how fraud may occur. We considered the Charitable Company's own assessment of the risks that irregularities may occur either as a result of fraud or error and held discussions to consider whether there was any knowledge of actual, suspected or alleged fraud.

- We also considered financial performance, key drivers for performance targets and the risks of non-compliance with other requirements imposed by the Charity Commission. We considered the extent to which non-compliance might have a material effect on the Charitable Company's financial statements. As part of our discussions, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Where possible, we obtained and reviewed corroborating documentation.

Appropriate audit procedures included the review of the Charitable Company's documentation of risks and associated mitigating actions, review of Trustee Board and Finance & Audit Committee meeting minutes, and enquiries regarding any matters identified as a Serious Incident reportable to the Charity Commission. Note that auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management, and inspection of regulatory and legal correspondence if any.

We also completed the following procedures:

- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or grant commitments;
- Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuations of certain financial investments, including investment property, the valuation of

heritage assets, particular aspects of revenue recognition, the calculation of current and non-current grant commitments, and the cost allocation methodology.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://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.

Gareth M Jones

Gareth M Jones

(Senior Statutory Auditor)
For and on behalf of BDO LLP,
statutory auditor London, UK

Date: 22 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Financial Activities

(incorporating an income and expenditure account)

for the financial year ended 31 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2022 Total funds £'000	2021 Total funds £'000
Income						
Voluntary income	2.1	726	2,317	-	3,043	7,460
Investment income	2.2	11,468	-	-	11,468	12,910
Total income		12,194	2,317	-	14,511	20,370
Expenditure						
Total costs of raising funds	3.1	5,707	-	-	5,707	3,819
Charitable activities	3.1	23,589	5,264	-	28,853	27,338
Total expenditure	3.1	29,296	5,264	-	34,560	31,157
Net expenditure before revaluation of investments		(17,102)	(2,947)	-	(20,049)	(10,787)
Gains on revaluation and disposal of investment assets	7.2	7,282	-	31,130	38,412	70,193
Net (expenditure) / income		(9,820)	(2,947)	31,130	18,363	59,406
Transfers between funds	11	(6,447)	-	6,447	-	-
Net movement in funds		(16,267)	(2,947)	37,577	18,363	59,406
Fund balances brought forward		85,244	19,077	326,684	431,005	371,599
Fund balances carried forward		68,977	16,130	364,261	449,368	431,005

All activities refer to continuing activities. The notes on pages 22 to 39 form part of these financial statements

Statement of Financial Position

as at 31 March 2022

	Notes	Unrestricted funds £'000	Restricted funds £'000	Endowment Total £'000	2022 Total funds £'000	2021 Total funds £'000
Fixed assets						
Tangible operational fixed assets	5a	40	-	-	40	75
Intangible operational fixed assets	5b	121	-	-	121	273
Heritage assets	6	-	-	16,600	16,600	16,600
Investments	7	152,283	16,130	347,661	516,074	480,683
Total fixed assets		152,444	16,130	364,261	532,835	497,631
Current assets						
Debtors	8	3,170	-	-	3,170	3,327
Cash at bank and in hand		7,524	-	-	7,524	18,927
Total current assets		10,694	-	-	10,694	22,254
Creditors <1yr	9	(20,568)	-	-	(20,568)	19,264
Net current liabilities		(9,874)	-	-	(9,874)	2,990
Creditors >1yr	10	(73,592)	-	-	(73,592)	(69,616)
Total net assets		68,977	16,130	364,261	449,368	431,005
Funds: Capital Funds						
Endowment Funds	11.1			364,261	364,261	326,684
Income funds: Restricted funds	11.2		16,130		16,130	19,077
Unrestricted funds: Designated funds	11.3	434			434	434
General funds	11.3	68,543			68,543	84,810
Total funds		68,977	16,130	364,261	449,368	431,005

Company registration 07168381

Signed on behalf of the Board of Trustees on 21 December 2022



Andy Bruce
Board Chair



Claire Brown
Chair of Finance and Audit Committee

The notes on pages 22 to 39 form part of these financial statements

Cash Flow Statement

for the year ended 31 March 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Net cash used in operating activities	12.1	(23,212)	(10,947)
Cash flows from investing activities			
Dividends interest and rents from investments		11,468	12,910
Payments to acquire tangible and intangible fixed assets		-	(246)
Payments to acquire investment assets		(59,839)	(76,568)
Receipts from sale of investment assets		60,180	81,066
Net cash provided by investing activities		11,809	17,162
Change in cash and cash equivalents in the year		(11,403)	6,215
Cash and cash equivalents at the beginning of the reporting year		18,927	12,712
Cash and cash equivalents at the end of the reporting year	12.2	7,524	18,927

The notes on pages 22 to 39 form part of these financial statements

Financial statements for the year ended 31 March 2022

Notes to the Accounts

1 Accounting Policies

A. Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (2nd edition): Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standards 102 applicable in the UK and Republic of Ireland (FRS102), and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

B. Going concern

The preparation of the accounts for 2021/22 has been undertaken on the basis that Barts Charity is a going concern. The Charity currently meets day to day working capital requirements through its existing cash facilities. In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years.

This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and can meet its planned grant commitments without being a forced seller of assets.

Based on these assessments the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate. For further details, please refer to the Trustees report.

C. Accounting judgements and estimates

In preparing the financial statements, the Trustees have made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. These estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desk top valuation in the years between. A desk top valuation was completed for 2021/22 by LHR Chalkhouse LLP, Chartered Surveyors, (refer to note 1.7c). The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction between market participants at the measurement date.

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds. The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and including the balance sheet date. This is then reviewed in light of valuations which become available post balance sheet date up to accounts signature.

c. Grant creditors settled over multi-year time period

Many grant commitments will be settled over multiple financial years and so the short term and long term grant creditor balances represent the best estimate of the expected cash outflows as at the balance sheet date. This is based on historical drawdown levels and status of existing grants. The time value of money is considered annually and adjusted in the accounts if material.

d. Allocation of income, expense and gain/loss to restricted and endowment funds

In preparing the financial statements judgements and estimates have been made in relation to the extent of allocation to the restricted and endowment funds.

e. Valuation of accrued dividend income

Dividend income from the Charity's investments is accrued at the year-end in line with historical and commercial expectations.

f. Heritage assets

Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Please refer to Note 6 for further details.

D. Fund structure

a. Restricted funds are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund as set out in note 11.2.

b. Endowment funds include the following:

- (i) Permanent endowment funds: capital is held in perpetuity but the related income may be used for unrestricted or restricted purposes as specified by the donor.
- (ii) Expendable endowment: donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c (i) below).

c. Unrestricted funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

- (i) General Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.
- (ii) Designated The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes (refer to note 11.3).

E. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacy income is recognised when three criteria are met. Entitlement is established, receipt of the income is probable and it can be reliably measured. Where legacies have been notified to Barts Charity and the criteria for Income recognition have not been met the legacy is treated as a contingent asset and disclosed if material.

Rental income from investment properties is reported as an operating lease and the lease incentive is amortised on a straight-line basis.

Dividend income from the Charity's investments is accrued at the year-end in line with historical and commercial expectations.

F. Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of generating funds (including fundraising), charitable activities and support costs are charged to the relevant category or activity according to the area to which the expenditure relates. Support and governance costs incurred that relate to more than one cost category are apportioned based on estimates of time spent on activity in each area. Charitable activities include grants approved by the Trustees in the year, and are recognised as commitments in the year of approval.

G. Fixed assets

Operational fixed assets (tangible or intangible) are capitalised when a separable asset can be identified with a value of £10,000 or more (inclusive of irrecoverable VAT), and where the estimated useful life of the asset (without the need for additional spend) can be estimated as three years or more.

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward depreciation. Depreciation is charged on a straight line basis to support costs over their estimated useful lives (Fixtures, fittings and equipment — 5 years).

b. Intangible fixed assets

Intangible fixed assets are included in the Statement of Financial Position at cost less accumulated amortisation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward amortisation. Amortisation is charged on a straight line basis to support costs over their estimated useful lives (IT software – 3 years).

c. Heritage assets

Heritage assets are capitalised and include art collections, historic archives, sculptures, ceramics surgical instruments, uniforms, teaching materials, and other items. They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate, in the second-hand retail market with items of a similar nature, age, condition and quality. They are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019.

Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration. See note 6 for further details.

H. Investments

Quoted investments are stated at market value at the year end date. Asset purchases and sales are recognised at date of trade. Unquoted pooled financial investments are valued based on the number of units held and the price per unit provided by the custodian or fund manager.

These net asset valuations are calculated independently by third party administrators and are subject to annual audit. Private investments are held through funds managed by private investment groups. As there is no identifiable market price for private investment funds, these funds are included at the most recent valuations from the private investment groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the Royal Institution of Chartered Surveyors Valuation - Global Standards 2020, incorporating the NSC International Valuation Standards. The valuations were carried out by LHR Chalkhouse LLP, Chartered Surveyors, who have been instructed as external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2022. They have reported their Opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

I. Realised and unrealised gains and losses

Realised and unrealised gains and losses on investment assets are included in 'gains and losses on investment assets' within the Statement of Financial Activities.

J. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Long term debtors are defined as fully recoverable amounts outstanding for more than 12 months at the balance sheet date.

K. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

L. Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

M. Financial Instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement Of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

N. Pensions contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme, is charged to the Statement of Financial Activities. Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the NHS Pensions Website (www.nhsbsa.nhs.uk/nhs-pensions). The Scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contributions scheme: the cost to an NHS body of participating in the Scheme is taken as equal to the contributions payable to the Scheme. Applicable rates for employee contributions for the NHS Pension Scheme ranged from 12.5% to 13.5% for 2021/22 and 2020/21. Employer contributions were 14.38% for both 2021/22 and 2020/21. Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme. For 2021/22 the rates of employer contribution for the Defined Contribution Scheme were 10% for SMT and 8% for other staff (unchanged from 2020/21). Employee contributions are voluntary.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

2 Income

2.1 Voluntary income

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds
Donations	145	1,503	1,648
Legacies	581	814	1,395
Total	726	2,317	3,043

	Unrestricted funds £'000	Restricted funds £'000	2021 Total funds
Donations	161	6,460	6,621
Legacies	286	553	839
Total	447	7,013	7,460

2.2 Investment income

	2022 £'000	2021 £'000
Investment properties	3,846	5,119
Investments listed on stock exchange	5,880	5,850
Private investments	1,741	1,937
Interest on cash held as part of the investment portfolio	1	4
Total	11,468	12,910

Restricted investment income amounted to £nil in 2021/22 (£142k in 2020/21).

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

3 Expenditure

3.1 Total expenditure

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2022 Total funds £'000
Direct expenditure				
Grants - Research	-	15,918	-	15,918
Grants - Service delivery	-	11,400	-	11,400
Grants written back	-	(6)	-	(6)
Costs of generating income				
Financial and property investment	2,955	-	-	2,955
Fundraising	240	-	-	240
Total direct expenditure	3,195	27,312	-	30,507
Staff and Support costs				
Salaries	725	478	964	2,167
Other staff and related costs	38	7	217	262
Marketing and Communications	-	-	168	168
Legal, accounting and IT	-	-	612	612
Office costs	-	-	452	452
Grant administration	-	36	-	36
Loss on disposal of operational fixed assets	-	-	85	85
Irrecoverable VAT	271	-	-	271
Subtotal staff and other costs	1,034	521	2,498	4,053
Allocation of staff and overheads	1,478	1,020	(2,498)	-
Total	5,707	28,853	-	34,560

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2021 Total funds £'000
Direct expenditure				
Grants - Research	-	17,392	-	17,392
Grants - Service delivery	-	8,486	-	8,486
Grants written back	-	(437)	-	(437)
Costs of generating income				
Financial and property investment	2,328	-	-	2,328
Fundraising	198	-	-	198
Subtotal direct expenditure	2,526	25,441	-	27,967
Support costs	606	394	2,190	3,190
Overheads				
Allocation of staff and overheads	687	1,503	(2,190)	-
Total	3,819	27,338	-	31,157

Although Barts Charity maintains regular contact with grant-holders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

3.2 Direct charitable expenditure by institution

	2022 £'000	2021 £'000
Barts Health	11,059	10,739
Barts and the London SMD	15,774	13,423
Other	171	772
Grant funded activity	27,004	24,934
Direct other spending	308	507
Total grants	27,312	25,441

4 Staff remuneration

4.1 Analysis of staff costs

	2022 £'000	2021 £'000
Salaries and wages	1,816	1,663
Social security costs	195	186
Other pension costs	156	144
Total	2,167	1,993
Average number of full time equival	31	30
Average head count	30	31

Staff costs include termination payments of **£111,003** to three employees (£35,492 in 2020/21)

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

4.2 Higher paid employees

The following number of employees received emoluments falling within the ranges indicated:

	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022	2021
	Number of employees		Value of pension contributions		Number of staff in receipt	
60,000 - 70,000	4	3	16	16	4	3
70,001 - 80,000	1	1	11	6	1	1
80,001 - 90,000	1	3	4	34	1	3
90,000 - 100,000	2	1	14	10	2	1
100,000 - 110,000	2	1	20	10	2	1
160,001- 170,000	1	1	17	17	1	1

Key management personnel (the senior management team of the charity) received aggregate employee benefits of **£971,929** (2020/21: £911,119).

5 Operational fixed assets

5a. Tangible operational fixed assets

At Cost	Office equipment £'000
As at 1 April 2021	174
Additions in year	-
Disposals in year	(1)
As at 31 March 2022	173
Depreciation	
As at 1 April 2021	99
Disposals in year	(1)
Annual charge	35
As at 31 March 2022	133
Net book value	
As at 31 March 2022	40
As at 31 March 2021	75

5b. Intangible operational fixed assets

At Cost	Software £'000
As at 1 April 2021	384
Additions in year	-
Disposals in year	(170)
As at 31 March 2022	214
Amortisation	
As at 1 April 2021	111
Disposals in year	(85)
Annual charge	67
As at 31 March 2022	93
Net book value	
As at 31 March 2022	121
As at 31 March 2021	273

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

6 Heritage assets

	2022 £'000	2021 £'000
Valuation at start of year	16,600	16,600
Valuation at end of year	16,600	16,600
Types of heritage asset		
Antique furniture	1,253	1,253
Paintings prints and drawings	8,792	8,792
Books and manuscripts	3,003	3,003
Other	3,552	3,552
Total	16,600	16,600

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £3m and £2.6m respectively (£3m and £2.6m in 2020/21). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019.

Heritage Assets are included within the endowment fund and are revalued every five years with the most recent valuation being for March 2019. Prior to this, the asset valuations for 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 were based on the March 2014 valuation which was £14.428m. (See note 1.7b). This is the only change in the last five years.

7 Investments

7.1 Analysis of fixed asset investments

	Property £'000	Financial £'000	2022 Total £'000	2021 Total £'000
Fixed asset investments				
Market value at 1 April 2021	70,391	410,212	480,603	419,912
Less: Disposal proceeds	-	(60,180)	(60,180)	(81,066)
Add: Acquisition at cost	-	59,839	59,839	76,568
Net gain on revaluation and disposals	5,734	30,078	35,812	65,269
Market value at 31 March 2022	76,125	439,949	516,074	480,683

GB Sterling cash balances which are used for both investment cash and operational payments are now classified as a current asset under cash at bank and in hand. The comparative amount has also been reclassified.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

	2022 Total £'000	2021 Total £'000
Market value at 31 March		
Investment properties	76,125	70,471
Investment listed on stock exchange	372,552	358,987
Private investments	66,081	50,438
Instant access money markets funds held within the investment portfolio	1,316	787
Total	516,074	480,683

	2022 Total £'000	2021 Total £'000
Market value at 31 March:		
Unrestricted funds	152,284	144,866
Restricted funds	16,129	32,086
Endowment funds	347,661	310,084
Total	516,074	487,036

Financial investments held 31 March 2022 include 16 unit trust funds, representing 85% of the total value, and 27 separate private investments (in 2020/21 16 unit trust funds representing 88% and 26 separate private investments).

At the year end, the Charity had undrawn commitments to private equity funds of £44.7m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £66.1m reported above represents the latest valuations of the funds at or prior to 31 March 2022 as provided by relevant fund managers. However, it is not possible for the trustees to liquidate these investments prior to the future return of capital.

7.2 Analysis of gains and losses on revaluation and disposal of investment assets

	2022 Unrestricted £'000	2022 Endowment £'000	2022 Total £'000	2021 Total £'000
Gains on revaluation and disposal of financial investments	5,702	24,376	30,078	66,469
Gains on revaluation and disposal of property investments	1,087	4,647	5,734	(1,200)
Subtotal: gains and losses	6,789	29,023	35,812	65,269
Gross overage receipt on disposal of property investment	-	-	-	5,023
Other currency gains/(losses)	493	2,107	2,600	(99)
Total	7,282	31,130	38,412	70,193

An analysis of gross income arising from the property assets is set out in Note 2.2

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

8 Current assets

8.1 Analysis of Debtors

	2022 £'000	2021 £'000
Trade debtors	1,323	1,566
Prepayments	44	121
Accrued income	1,801	1,618
Other debtors	2	22
Total	3,170	3,327

All debtors relate to unrestricted funds. Accrued income largely relates to income on financial investments and amortisation of rent free period for related leases (see note 1.5).

Included within accrued income is an amount of £0.6m which relates to rent amortisation due to be released after more than 1 year (31 March 2021: £0.7m)

8.2 Cash at bank and in hand

	2022 £'000	2021 £'000
Cash in UK clearing bank accounts	991	12,574
Cash held with investment bank	6,533	6,353
	7,524	18,927

Cash comprises amounts held in combined accounts at NatWest Bank including current and savings accounts plus amounts held by Northern Trust, primary custodian of the charity's investments (see note 7).

Although predominantly utilised to manage the charity's acquisition and management of its investments, these funds are liquid and also used from time to time to supplement the charity's operational working capital.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

9 Creditors due in one year

Amounts falling due within one year as at 31 March	2022 £'000	2021 £'000
Trade creditors	530	616
Other creditors	292	405
Grants accruals	19,168	17,160
Deferred Income	578	1,083
Total	20,568	19,264

Deferred income represents rent billed to tenants in advance for the first quarter of the following financial year

	2022 £'000	2021 £'000
Deferred income brought forward	1,083	1,159
Released	(3,769)	(1,159)
Deferred	3,264	1,083
Deferred income at 31 March	578	1,083

10 Creditors due after more than one year

	2022 £'000	2021 £'000
Grant accruals	73,592	69,616

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

11 Funds - Year ended 31 March 2022

11.1 Endowment Funds

	Opening balance as at 1 April 2021 £'000	Income 2021-22 £'000	Expenditure 2021-22 £'000	Transfers* £'000	Other gains and losses £'000	Closing balance as per 31 March 2022 £'000
H F Bailey	1,240	-	-	(1,240)	-	-
Aylwen Bursaries	2,954	-	-		276	3,230
Edward Hewlett	2,426	-	-		227	2,653
JJ Guthrie Blandford and George Shuter Staff Benefit	445	-	-	(445)	-	-
Hannington	956	-	-		89	1,045
David Hughes	148	-	-	(148)	-	-
Bailey City and Hackney	299	-	-	(299)	-	-
Hamblen Thomas	298	-	-		28	326
MacCready Mann	294	-	-		27	321
Levy Family	254	-	-		24	277
MAEL Jones	235	-	-		22	257
Funds <£200k	786	-	-	(310)	45	520
Expendable endowments	316,349	-	-	8,889	30,392	355,630
Total endowment funds	326,684	-	-	6,447	31,130	364,261

11.2 Restricted funds

Material funds (over £500k at start of year)

Cardiac	2,400	15	(57)	-	-	2,358
Margaret Centre	1,171	-	(48)	-	-	1,123
Covid-19 response	1,146	6	(566)	-	-	586
Gastroenterology	957	217	(130)	-	-	1,044
Barts Hospital	646	-	-	-	-	646
Renal Disease Research	564	24	(213)	-	-	375
Funds 400-500	424	1	-	-	-	425
Funds 300-400	2,376	3	(733)	-	-	1,646
Funds 200-300	2,355	499	(371)	-	-	2,483
Funds 100-200	1,940	37	(138)	-	-	1,839
Others	5,100	1,514	(3,009)	-	-	3,605
Total restricted funds	19,079	2,316	(5,265)	-	-	16,130

11.3 Designated and general funds

Cardiac Fund	122	-	-	-	-	122
Whipps Cross General Fund	128	-	-	-	-	128
Funds up to £100k	184	-	-	-	-	184
Total designated funds	434					434
General funds	84,810	12,194	(29,296)	(6,447)	7,282	68,543
Total designated and general funds	85,244	12,194	(29,296)	(6,447)	7,282	68,977
Total funds	431,005	14,511	(34,561)	-	38,412	449,368

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

11.4.1 Endowment Funds - comparator

	Opening balance as at 1 April 2020 £'000	Income 2020-21 £'000	Expenditure 2020-21 £'000	Transfers £'000	Other gains and losses £'000	Closing balance as per 31 March 2021 £'000
H F Bailey	6,449			(6,906)	1,697	1,240
Aylwen Bursaries	2,339				615	2,954
Edward Hewlett	1,921				505	2,426
JJ Guthrie Blandford and George Shuter Staff Benefit	1,690			(1,690)	445	445
Hannington	757				199	956
David Hughes	563				148	711
Bailey City and Hackney	237			(563)	62	(264)
Hamblen Thomas	236				62	298
MacCready Mann	233				61	294
Levy Family	201				53	254
MAEL Jones	186				49	235
Funds <£200k	719			(123)	190	786
Expendable endowments	268,592				47,757	316,349
Total endowment funds	284,123	-	-	(9,282)	51,843	326,684

11.4.2 Restricted Funds - comparator

Material funds (over £500k at start of year)

Cardiac fund	2,335	113	(48)			2,400
Guthrie Blandford & Shuter nurses	303	49	(813)	1,690		1,229
Inflammatory Bowel disease Research	1,181	7	(17)			1,171
Margaret Centre	992	15	(50)			957
Gastroenterology Whipps Cross	645	-	0			645
Barts Hospital Fundraising	216	380	(32)			564
Funds 400-500	428	3	(7)			424
Funds 300-400	1,978	4,303	(3,872)			2,409
Funds 200-300	1,973	479	(94)			2,358
Funds 100-200	1,868	156	(83)			1,941
Others	5,686	1,650	(2,483)	126		4,979
	17,605	7,155	(7,499)	1,816	-	19,077

11.4.3 Designated and general funds - comparator

Cardiac Fund	122					122
Whipps Cross General Fund	128					128
Funds up to £100k	152			32		184
Total designated funds	402	-	-	32	-	434
General funds	69,469	13,215	23,658	7,434	18,350	84,810
Total designated and general funds	69,871	13,215	23,658	7,466	18,350	85,244
Total funds	371,599	20,370	16,159	-	70,193	431,005

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

11.5 Funds (additional)

Endowment funds

Note 1D on page 23 provides further details of the endowment fund structure. There were no other resources received, expended or transferred in 2021/22. Expenses have not been charged to the endowment funds. Due to the historic nature of these, there is no certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Restricted funds

Note 1D on page 23 provides further details of the restricted fund structure. There was no allocation of interest or expense to the funds in 2021/22, given that they are funded from readily available cash. The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. Finalised changes will be reported in FY2022/23.

Details of material funds

Name of fund	Nature and purpose of fund
Cardiac	Treatment of and research into cardiac disease
Margaret Centre	Provision of palliative care at the Margaret Centre (Whipps Cross Hospital)
Covid-19 response	Emergency fund set up to provide an immediate response to the Covid-19 pandemic
Gastroenterology	Gastroenterology unit (Whipps Cross Hospital)
Barts Hospital	Restricted to innovative work at St Bartholomew's Hospital
Renal Disease Research	Treatment of and research into renal disease

Transfers between funds

Included in the balances brought forward are amounts relating to permanent endowments that had been agreed to be closed by the Charity Commission in 2020. The amounts shown in this column therefore represent the closure of the permanent endowment funds and the transfer of the final amounts to the expendable endowment fund, or else a previously agreed restricted fund, or in one case, the general fund. Two of the funds were classified as being below the value required for separate disclosure.

11.6 Prior year distribution of net assets and gains/losses

Distribution of net assets between funds	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2021 Total funds £'000
Total fixed assets	145,214	32,086	326,684	503,984
Current assets	15,901	-	-	15,901
Current liabilities	(16,588)	(2,676)	-	(19,264)
Creditors: amounts falling due after more than one year	(59,283)	(10,333)	-	(69,616)
Total net assets	85,244	19,077	326,684	431,005
Net (losses) on investments and heritage assets	18,350	-	51,843	70,193

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

12 Notes to the cash flow statement

12.1 Net cash used in operating activities

	2022 £'000	2021 £'000
Net income / expenditure for the year	18,363	59,406
Adjust for:		
Gains on revaluation or disposal of investment assets	(35,812)	(64,705)
Investment income	(11,468)	(12,910)
Depreciation charge	102	71
Loss on disposal of fixed assets	85	-
Change in debtors	157	1,890
Change in creditors	5,361	5,865
Net cash used in operating activities	(23,212)	(10,383)

12.2 Analysis of changes in cash and cash equivalents

	2021 £'000	Movement £'000	2022 £'000
Cash in hand and at bank	18,957	(11,433)	7,524

As at 31 March 2022, the charity had no loans, leases or other financial instruments classified as debt (2021: none).

13 Trustee transactions

Trustees were reimbursed the following amounts in 2021/22 and 2020/21

Trustee expenses	2022 £	no	2021 £	no
Reimbursement of fees	136	1	-	-
Hospitality expenses	249	2	135	1
	385	3	135	1

Premiums for Trustee indemnity insurance were paid by the charity on the part of Trustees, **£4,210** (2020/21: £1,558).

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

14 Related party donations

The total amount of related party donations made, without conditions, was £4,200 (2020/21: donations of £240).

The total amount of related party donations with conditions was £20 (2020/21: £nil).

During the year Barts Charity made revenue and capital grants as detailed below.

	2022 £m	2021 £m
Barts Health NHS Trust	11.1	10.7
Barts and The London School of Medicine and Dentistry	15.8	13.4
Total	26.9	24.1

15 Operating leases

15.1 Operating lease income

The Charity generates income from leasing out space within its investment properties.

The future minimum lease payments receivable under non-cancellable operating leases are:

	2022 Total £'000	2021 Total £'000
Not later than one year	3,096	3,316
Later than one year and not later than five years	4,179	6,531
Later than five years	446	496
Total	7,721	10,343

15.2 Operating lease commitments

At 31 March 2022 Barts Charity were committed to making the following payments in respect of operating leases:

	2022 Total £'000	2021 Total £'000
Not later than one year	242	105
Later than one year and not later than five years	363	-
Total	605	105

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

16 Net (expenditure)/income for the year

	2022 Total £'000	2021 Total £'000
This is stated after charging:		
Auditor's remuneration	66	59
Other payments to auditor:		
Tax advice	-	9
Accounts preparation	-	4
Amortisation	67	40
Depreciation	35	31

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BARTS CHARITY

England & Wales - Charity number 212563

Accounts



**ANNUAL REPORT
AND ACCOUNTS
2020/2021**

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Our Purpose

We award funds, amounting to approx. £30m each year, which would not otherwise be provided by the NHS or other funders, for medical research, equipment, patient care, staff support and environmental improvements to hospitals. Among NHS Charities we are the second largest funder (behind Great Ormond Street Hospital Charity) and we are in the top five funders among members of the Association of Medical Research Charities.

We primarily collaborate with two of the UK's leading healthcare institutions – Barts Health NHS Trust group of hospitals (“Barts Health”) and Barts and The London School of Medicine and Dentistry (“SMD” – part of Queen Mary University London) – enabling them to build upon nationally renowned levels of care and world-leading research. Our funding benefits some of the most diverse and fastest-growing areas of London. Barts Health's hospital and community services reach a population of some 2.5 million people across north-east London and Essex, treating more than 6,000 people every day. The research we fund benefits this population but is often also of national and international significance.

The Covid-19 pandemic was the dominant feature of last year. The scale of the challenges facing our partners quickly became apparent, as did the appetite of the general public to support our work. We launched a Covid-19 Emergency Appeal in March 2020 raising £5.6m (our most successful ever fundraising campaign), and identifying and funding a series of emergency and essential Covid-19 related interventions effectively and rapidly. We subsequently awarded £5.5m for vital wellbeing and psychological support to Barts Health staff, and £2.5m for research work helping to understand this disease better.

Importantly, however, Covid-19 has not compromised our wider role and mission to support healthcare in east London; we have continued to fund at pre-pandemic levels projects in areas such as HIV and sexual health, cancer, blood transfusion, cardiovascular disease and endocrine conditions. This year, we have also seen the completion of a £7m Charity-funded project to completely re-model the Women's and Neonatal Unit at Whipps Cross Hospital, benefitting over 5,000 women and their families per year.

Many other medical charities have announced a planned reduction in their grant programmes owing to their loss of income. Thanks to our investments, which have grown during the year to stand at £487m, Barts Charity can continue to fund at pre-pandemic levels. We are building our strategy for 2022-27 (to be confirmed by the Board in October 2021) with the aim of maintaining funding of approx. £30m per year. Never has it been more needed.

Grant-making principles

We fund healthcare innovation by supporting the remarkable work of staff and researchers at:

- * Barts Health NHS Trust
- * Barts and The London School of Medicine and Dentistry at Queen Mary University of London (SMD)
- * School of Health Sciences, City University of London

We do this by funding research, training, state-of-the-art equipment and innovative healthcare projects. Whilst we may have only a few funding partners, we adhere to a strict funding strategy to ensure that the Charity's resources are applied in the ways that will deliver the biggest impact in healthcare and most benefits to patients. We are a member of the Association of Medical Research Charities and as such can demonstrate high standards of governance around funding awards and monitoring.

Our strategic principles:

We will focus on areas that are identified by Barts Health and SMD that will help deliver their strategy and longer-term vision. This can include:

- * Areas that have potential for growth/transformational change.
- * Areas where there is a clear role for our funding to play a pump priming/catalytic role to leverage further funding and support.
- * Areas that build research capacity or lead to enhanced service delivery where other funders or revenue sources cannot/or do not substitute.

As the dedicated charity for the Barts Health Hospitals we will continue to provide immediate support for patient care, staff training and wellbeing through our hospital focussed fundraising (and relevant restricted funding). These will link to local Hospital and Trust priorities to ensure donor money is used to best impact.

Fundraising

Section 162a of the Charities Act 2011 requires us to make a statement regarding fundraising activities. We are very grateful to our supporters, who contribute significantly to our work. We aim to fundraise in a way that is compelling, respectful and in-keeping with our values. The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practise guidance. Our practice and policies ensure that no individual, including vulnerable persons, is put under undue pressure to make a donation. In the year to 31 March 2021, more than 2,780 individuals and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy policy in line with the General Data Protection Regulation (GDPR) and both this and our complaints policy are freely available on our website.

Our targets and how we performed

In 2020/21 we set ourselves a number of strategic targets, and summarise below how we have performed against them:

Target	How we performed
To be an agile and responsive funding partner to Barts Health and SMD to support them in delivering healthcare and research in an environment inevitably made more challenging by Covid-19	• £8m deployed from Covid-19 Appeal to support staff and fund research • Instigating a costed extension policy for those projects requiring additional funds to mitigate the effects of Covid-19 • Extending application deadlines to accommodate applicants whose roles/ workloads had changed
To increase the number of, and income from, individual supporters building upon the platform of donations in respect of our Covid-19 Appeal	• Income from individual supporters increased by £0.6m to £1.3m in FY 2020/21 and the number of donors increased by 940 to 2,780 in the same time.

Target	How we performed
To increase major gifts income by implementing the recommendations of a strategic review to expand networks, and build upon the platform of donations in respect of our Covid-19 Appeal	• We raised more major gifts income than ever before, totalling £5.4m • We applied learning from our Covid-19 Appeal to the planning for the Barts 900 campaign
To complete the project to simplify our grant application and payment processes, especially for smaller amounts	• We implemented GrantFlex to improve our ability to manage applications and grants • We commenced a project to switch to a new finance system and to upgrade our integrated database which will lead to simpler payment processes
To complete the review of hospital-based restricted funds, and the permanent endowment funds in order to increase both value and flexibility of expendable funds	• The Charity Commission approved Board resolutions to release the permanent endowment restriction on funds worth £9.3m, of which £1.8m is for the benefit of Barts Health staff • We consolidated 41 restricted funds that we hold for East London Foundation Trust into one fund (value c£0.9m) with more flexible purposes. • Review of hospital based funds was put on hold owing to Covid-19. This work will continue in 2021/22 with an aim to completing by the end of 2022/23.

Our future priorities

For the financial year ending 31 March 2022 the Charity's strategic priorities are:

- * To set our corporate strategy for the period 2022-27;
- * To confirm and implement our Equity, Diversity and Inclusion vision and principles;
- * Complete the planning for and undertake the first stages of the Barts 900 campaign, our most ambitious fundraising campaign yet, aiming to raise £30m for two major Barts Health projects;
- * To re-institute our programme of staff engagement across the five hospitals to promote fundraising from patients and their families;
- * To complete the implementation of a new finance system and a database upgrade, and commence a shift to better analysis of both financial and non-financial data;
- * To progress the review of hospital-based restricted funds and complete the review of permanent endowment funds to increase both value and flexibility of funds held;
- * To manage the return of staff to office-based working, implementing a new Agile Working Policy;
- * To sustain our grant-giving programme at £30m per year (averaged over a five year period) and maintain a quality pipeline of impactful funding opportunities.

Financial review

Our financial strategy is to manage and grow the investment assets and voluntary income in order to enable annual grant giving and operating activities in perpetuity. Net assets as at 31 March 2021 were £431m (£371.6m in FY 2019/20).

Total voluntary income has increased in the year, with fundraised donations generating £6.6m (£4.1m in FY2019/20), and legacies and other fundraised income totalling £0.8m (£0.8m in FY2019/20).

In reviewing the performance of our investments we consider the total return of the portfolio, both income and capital. By showing the total return which combines both income generated by our assets and the associated capital gains/losses, as opposed to separating these out, we ensure that we see the full picture of our finances.

We use this concept as a basis for addressing the two basic principles of our financial strategy:

- * To provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant-making and other operating activities, and occasionally exceptional grants beyond the normal annual level when appropriate circumstance arise.
- * To maintain the value of the Charity's portfolio in real terms such that it can make funding awards in the long term. We also wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role in perpetuity.

In this regard the return of the portfolio was 18.4%, which is well ahead of the return target of CPI+4.5%. Further details are shown in the Investment Review section.

Expenditure review

Total expenditure for FY2020/21 was £31.2m (£32.2m in FY2019/20), of which £27.3m related to charitable activities (£28.5m in FY2019/20). This represents a continuation of the Charity's strategy to award funds averaging around £30m annually over a five-year period.

The total cost of raising funds – expenditure on fundraising activities and management of the investment portfolio – was £3.8m in FY2020/21 (£3.8m in FY2019/20). Of this, £2.5m (£2.6m in FY2019/20) relates to management of investments. Costs relating to financial investments of £2.2m (£2.0m in FY2019/20) amount to less than 1% of investment asset value. The annual spend linked to property-related investments in FY2020/21 was £0.3m, representing 0.5% of property asset value. The property assets are predominantly multi-let commercial properties in London and the South-East.

Investment review

We conduct an annual review of our Statement of Investment Policies and Objectives, which sets out our financial and investment goals. Endowment and unrestricted funds are intended to last into perpetuity and are managed accordingly. Hence the investment policy provides for long-term stability, preservation of purchasing power, and liquidity sufficient for the funding of grant-making and other operating activities. It also sets out guidelines for the portfolio's risk profile, strategic asset allocation and investment restrictions.

FINANCE REVIEW AND STRATEGIC REPORT

In 2020 the global economy experienced one of its greatest shocks in recent history, which was met by a swift and significant monetary and fiscal response. As the year progressed, economic news and data was consistently ahead of expectations, which among other factors, most notably significant monetary and fiscal stimulus, drove markets higher. Many of the key market trends from recent years persisted throughout most of 2020.

The Charity entered this period of market volatility well prepared. Work undertaken on stress testing confirmed the investment portfolio's ability to withstand adverse market conditions and maintain its long-term growth capabilities. In particular, the Charity has sufficient investments in lower volatility and lower risk assets to support spending for multiple years without having to sell equity assets at depressed values and thereby avoid the crystallization of otherwise temporary losses. This ability to hold on to higher returning risk assets throughout economic downturns is a critical success factor of the Charity's long-term investment strategy and again proved its importance during the recent period.

In FY2020/21, the portfolio returned a total of +18.4%. The target for the portfolio is an average total return of CPI+4.5% per year over rolling three-year periods. As at 31 March 2021, annualised portfolio total return over the trailing three-year period was +6.9%, well ahead of the total return target for the same period of 5.9%.

Investment performance is monitored quarterly by our Investment Committee (IC) with the assistance of our investment advisor, Mercer, which provides advice and monitoring services for the financial portfolio. Gryphon Property Partners provides similar support for the property portfolio, while Workman provides tactical advice and management services.

Investment guidelines

The management of our endowment and other financial investments is designed to provide financing, alongside voluntary income, for our grant-making programme. Assets in the portfolio are therefore chosen in order that they enhance their value over time to achieve a financial return. A managed approach to risk is taken and the Trustees and management work with a number of advisors in order to provide an appropriate balance of risk against a targeted return.

The Trustees have delegated investment decision-making to the IC; the IC appoints and monitors investment advisors to assist them in managing both financial and property elements of the portfolio. The IC meets quarterly and reports back to the Trustee board after each meeting.

Before the end of the financial year, as part of a strategic review, the Charity chose to change its financial investments advisor to Mercer. As part of this transition an analysis of the investment portfolio is being undertaken with the IC and Mercer which is expected to lead to a change to the asset allocation later in 2021. As part of this review the Charity is continuing to develop its commitment to responsible investment.

Going Concern

The preparation of the accounts for the FY2020/21 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, stressed scenarios and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out below. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these assessments the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Reserves and risks

Reserves policy

Given the nature of the Charity's activities and our grant-making strategy the Trustees have determined that the reserves policy, taken in conjunction with spending and long-term investment policies, is intended to deliver the following objectives:

- * Provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant-making and other operating activities, and occasionally exceptional grants beyond the normal annual level when appropriate circumstances arise.
- * Maintain the value of the Charity's portfolio in real terms such that it can make funding awards in the long term. The Trustees wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role in perpetuity.

FINANCE REVIEW AND STRATEGIC REPORT

For these objectives, the Trustees have determined that the appropriate measure of 'reserves' is calculated as the value of investments held.

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity; for FY2020/21 this minimum reserve level is £327.0m (£324.8m in FY2019/20). The value of reserves for this purpose in FY2020/21 was £487.0m (FY2019/20: £420.9m) and therefore the Charity had surplus reserves of £159m in FY2020/21 (£96.1m in FY2019/20). As noted above, part of the Charity's upcoming strategic review for 2022-27 will address utilising these funds to meet funding needs.

If the level of these reserves goes below or is projected to come within 5% of the minimum level, the Trustees will consider the level of spending and grant-giving in light of the prevailing market conditions and outlook. It is not expected that the Charity would react to short term volatility.

The reserve, spending and long-term investment policies are reviewed at least annually and adjusted if necessary.

The Charity's "free reserves", defined as those funds not restricted, designated or part of an endowment, totalled £84.8m in FY2020/21 (£69.5m in FY2019/20). The increase in the year was partly driven by the rise in value of the investment portfolio due to market recovery following the disruption caused by Covid-19 in FY2019/20, and also by the removal of permanent endowment restrictions from some funds.

Risk Management

Our Trustees have adopted a Risk Management Policy and regularly review the major risks to which Barts Charity is exposed. Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. Scrutiny of both risks and mitigations was particularly dynamic last year to ensure that the Charity was able to assess risks as they ebbed and flowed during the different stages of the pandemic. The major risks and principal mitigations as at 14 July 2021 are set out below.

Risk	Plans in place to manage the risk
Funding / liquidity • Significant market correction impacting value of investments held by the charity • Existing commitments cannot be honoured and new funding awards must be reduced	+ Significant market correction impacting value of investments held by the charity + Existing commitments cannot be honoured and new funding awards must be reduced
Reputation/Operational • Composition of Board and staff insufficiently reflective of diversity of patient population • Impacts upon performance • Less likely to attract donors and new staff	+ New Equity, Diversity & Inclusion vision and principles under development + Recruitment processes for both staff and non-executives under review with aim to reach a broader range of candidates
Funding delivery • Funded projects not delivered or take longer / cost more than budgeted (knock-on effects of Covid-19)	+ Active projects regularly monitored for progress against predicted outcomes + Covid-19 implications on funded grants considered for extra funding to course correct through Grant Supplementation Policy + High level of stakeholder engagement with partners allows for effective and pragmatic course correction + High level of pre-application review – by combination of peer-review, Scientific Review Panel, senior partner internal assurance and sign off (e.g. Joint Research, Management Office (JRMO), Clinicals Boards, Investment Steering Committee).

FINANCE REVIEW AND STRATEGIC REPORT

Risk	Plans in place to manage the risk
Income generation • Economic downturn leads to reduced fundraised income • Potential negative impact upon Barts 900 fundraising campaign and new strategy for Engagement & Fundraising	+ Post-pandemic, profile of medical and NHS-linked charities remains high + Public awareness campaign will aim to capitalise upon Covid-19 Appeal support as well as connecting with cold audience + Phased deployment of resources to Barts 900 and Engagement & Fundraising campaigns so that ROI can be monitored
Personnel • Implementation of new Agile Working Policy from Summer 2021 impacts negatively upon Charity effectiveness, team cohesion and staff well-being	+ Policy a pilot which will be reviewed after three months; scope for amendments + Additional staff training to support hybrid teams + Investment in technology to assist hybrid working
Funding development • Failure to identify strategic priorities for Barts Health / SMD • The loss of the strong relationships built with the senior team at Barts Health / SMD (turnover of senior staff more likely post-pandemic) • Ability to sustain level and quality of pipeline	+ Continue to maintain close working relationship with senior executive, clinical and academic teams at partners + All applications for funding endorsed by partners, with those requests >£0.5m requiring senior partner representation to assure of strategic importance at Grant Committee meetings + Introduction of additional senior positions in Funding and Impact team to increase levels of stakeholder engagement across partner organisations + Focus on developing longer term (2-5 year) pipeline of impactful funding opportunities
Cyber Security • The Charity suffers as a result of a cyber security incident	+ Additional security has been put in place in partnership with our IT partners. This includes phishing scenario training, the implementation of multi-factor authentication, and penetration testing.

ADMINISTRATIVE INFORMATION

Barts Charity is a company limited by guarantee (registration number 7168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

The Board has assessed its governance against the Charity Commission's Governance Code for larger charities and is pleased to report high levels of compliance against the suggested standards. An area of continued focus for the Board is to ensure that the Charity is representative of its grantees and the communities it serves across both staff and non-executives.

Charitable purposes

Our charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as our Trustees think fit. In practice, we focus our support for improvement and innovation in healthcare on the Barts Health group of hospitals and SMD, and we also support the School of Nursing at City University. Although we are careful to consult with representatives of grantee organisations to ensure alignment of strategic priorities and to secure the greatest impact from our funding, we retain our independence to act in the best interests of Barts Charity and the communities we serve.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Barts Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

NON-EXECUTIVES AND COMMITTEES

Barts Charity acts through its Board of Directors (who are known as Trustees). At the end of the reporting year, there were 13 Trustees; since then one Trustee has retired and there have been no appointments. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in notes 13 and 14 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Trustees, in accordance with the provisions of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total, although the Board may decide to extend this maximum term for some Trustees in appropriate circumstances.

The Board has established a series of committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Board Advisers are appointed for a term of two years renewable to five in total. Specialist members who are not also Trustees are appointed annually renewable up to a total term of five years. All new Trustees and committee members have an induction programme, during which they are familiarised with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals.

The Board and each Committee conduct an annual review of their performance in accordance with the Charity's Performance Review Policy against a checklist of questions to consider, covering matters such as objects, terms of reference, relationship with Executive, documentation, conduct of meetings and skill set.

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call upon a cadre of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications; they meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £0.5m and with the Board for requests over this amount.

NON-EXECUTIVES AND COMMITTEES

Staff Remuneration

Staff remuneration is closely scrutinised to ensure that the Charity can attract and retain the best talent, whilst keeping salaries aligned with the market. We use a live salary database run by specialist reward consultants to create and monitor the benchmark salary range for each role, taking into account a number of factors such as comparable sectors, the nature and seniority of the role, the Charity's location, number of employees and turnover. A salary review is undertaken each year (effective 1 April), taking into account inflation and data from comparable foundations, the Association of Medical Research Charities and the wider third sector. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the senior management team, which is approved by the Appointments and Remuneration Committee.

Non-executives

includes changes effective prior to 14 July 2021

Trustees

Andy Bruce (Chair from 1 April 2021)
Paul Rawlinson (member and Chair to 31 March 2021)
Vijay Bharadia
Claire Brown
Sally Flanagan
Prof Catherine Godson
Ian Hart
Professor Dame Parveen Kumar
Dr Richard Lewis
Ian Peters (*ex officio* Trustee, Chair of Barts Health NHS Trust)
Prof David Rampton
Dr Thomas Round
Dr Lorna Williamson

Board Adviser

Moira Gitsham (communications)

Appointments and Remuneration Committee

Andy Bruce (Chair from 1 April 2021)
Paul Rawlinson (member and Chair to 31 March 2021)
Sally Flanagan

Finance and Audit Committee

Claire Brown (Chair from 1 September 2020)
Vijay Bharadia (Chair to 31 August 2020)
Dr Richard Lewis
Mohammad Memon (from 1 April 2021)
Nimesh Patel (from 1 April 2021)
Paul Rawlinson (to 31 March 2021)

Grants Committee

Dr Lorna Williamson (Chair from 1 April 2021)
Paul Rawlinson (member and Chair to 31 March 2021)
Prof Adrian Dixon
Prof Catherine Godson
Dr Richard Lewis
Prof David Rampton
Dr Thomas Round

Investment Committee

Sally Flanagan (Chair from 1 April 2021)
Andy Bruce (Chair to 31 March 2021)
Paul Rawlinson (to 31 March 2021)
Philip Glaze (from 1 December 2020)
Ian Hart
Jean Murphy (from 1 December 2020)

SENIOR MANAGEMENT AND ADVISORS

Senior Management

As at 31 March 2021

Fiona Miller Smith

CHIEF EXECUTIVE

Fiona Bickley

CHIEF OPERATING OFFICER

Clare Chater

DIRECTOR OF ENGAGEMENT AND FUNDRAISING

Steven Harris

CHIEF FINANCE OFFICER

Victoria King

DIRECTOR OF GRANTS

Ilia Ralphs

DIRECTOR OF MAJOR GIFTS

James Robinson

DIRECTOR OF ENGAGEMENT & FUNDRAISING

(maternity cover)

Adrian Thomas

DIRECTOR OF MARKETING & COMMUNICATIONS

Advisers

Bank

National Westminster Bank plc
1 Princes Street, London EC2R 8BP

Auditors

BDO LLP
55 Baker Street, London W1U 7EU

Legal Advisors

BDB Pitmans LLP
50 Broadway, Westminster
London SW1H 0BL

Taylor Wessing LLP
5 New St Square, Holborn
London EC4A 3TW

HR Benefits Advisors

St James Place
Beech House
Brotherswood Court
Great Park Road
Bristol BS32 4W

Property Advisors

Alexander Reece Thomson LLP
39 Welbeck Street
Marylebone
London W16 8DR

Gryphon Property Partners
12 Austin Friars
London EC2N 2HE

Workman LLP
80 Cheapside
London EC2V 6EE

Investment Advisor

Cambridge Associates Ltd (to 30 June 2021)
80 Victoria Street
Westminster
London SW1E 5JL

Mercer (from 1 July 2021)
1 Tower Place
West Tower Place
EC3R 5BU

Global Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London E14 5NT

Insurance Broker

WillisTowerWatson Ltd
51 Lime Street
London EC3M 7DQ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

for the year ended 31 March 2021

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and accounting estimates that are reasonable and prudent;
- * state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This Trustees' report, incorporating the Strategic report, was approved by the Board of Trustees of Barts Charity and signed on its behalf.



Andy Bruce
Chair

14 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARTS CHARITY

Opinion on the financial statements

In our opinion, the financial statements:

- * give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- * have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related 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. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARTS CHARITY

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the 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; and
- * the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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;

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- * As part of designing our audit, based on our understanding of the Charitable Company and the industry in which it operates, we assessed the risks of material misstatement in the financial statements, including how fraud may occur. We considered the Charitable Company's own assessment of the risks that irregularities may occur either as a result of fraud or error and held discussions to consider whether there was any knowledge of actual, suspected or alleged fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARTS CHARITY

- * We also considered financial performance, key drivers for performance targets and the risks of non-compliance with other requirements imposed by the Charity Commission. We considered the extent to which non-compliance might have a material effect on the Charitable Company's financial statements. As part of our discussions, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Where possible, we obtained and reviewed corroborating documentation.

Appropriate audit procedures included the review of the Charitable Company's documentation of risks and associated mitigating actions, review of Trustee Board and Finance & Audit Committee meeting minutes, and enquiries regarding any matters identified as a Serious Incident reportable to the Charity Commission. Note that auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management, and inspection of regulatory and legal correspondence if any.

- * We also completed the following procedures:
 - Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or grant commitments;
 - Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuations of certain financial investments, including investment property, the valuation of heritage assets, particular aspects of revenue recognition, the calculation of current and non-current grant commitments, and the cost allocation methodology.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC'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.

BDO LLP

Gareth M Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

1 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF FINANCIAL ACTIVITIES (Including an Income and Expenditure Account)

for the year ended 31 March 2021

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total funds £000	2020 Total funds £000
Income						
Voluntary income	2	447	7,013	-	7,460	4,840
Investment income	7.3	12,768	142	-	12,910	14,935
Total income		13,215	7,155	-	20,370	19,775
Expenditure						
Raising funds:						
Voluntary fundraising costs		1,290	-	-	1,290	1,224
Investment management costs		2,529			2,529	2,553
Total cost of raising funds		3,819	-	-	3,819	3,777
Charitable activities	3.1	19,839	7,499	-	27,338	28,461
Total expenditure	3.5	23,658	7,499	-	31,157	32,238
Net expenditure before revaluation of investments		(10,443)	(344)	-	(10,787)	(12,463)
Net gains/(losses) on investments						
Gains/(losses) on revaluation and disposal of investment assets		18,350	-	51,843	70,193	(27,407)
Net income/(expenditure)		7,907	(344)	51,843	59,406	(39,870)
Transfers between funds	11.4	7,466	1,816	(9,282)	-	-
Net movement in funds		15,373	1,472	42,561	59,406	(39,870)
Reconciliation of funds						
Fund balances brought forward at 31 March 2020		69,871	17,605	284,123	371,599	411,469
Fund balances carried forward at 31 March 2021		85,244	19,077	326,684	431,005	371,599

All activities relate to continuing activities.

The notes on pages 25 to 42 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2021 Total funds £000	2020 Total funds £000
Fixed assets						
Intangible and tangible assets	5	348	-	-	348	173
Heritage assets	6	-	-	16,600	16,600	16,600
Investments	7	144,866	32,086	310,084	487,036	420,871
Total fixed assets		145,214	32,086	326,684	503,984	437,644
Current assets						
Debtors	8	3,327	-	-	3,327	5,217
Cash at bank and in hand		12,574	-	-	12,574	11,753
Total current assets		15,901	-	-	15,901	16,970
Creditors: amounts falling due within one year	9	(16,588)	(2,676)	-	(19,264)	(36,383)
Net current liabilities		(687)	(2,676)	-	(3,363)	(19,413)
Total assets less current liabilities		144,527	29,410	326,684	500,621	418,231
Creditors: amounts falling due after more than one year	10	(59,283)	(10,333)	-	(69,616)	(46,632)
Total net assets		85,244	19,077	326,684	431,005	371,599
Funds by Barts Charity						
Capital funds:						
Endowment funds	11.1	-	-	326,684	326,684	284,123
Income funds:						
Restricted funds	11.2	-	19,077	-	19,077	17,605
Unrestricted funds						
General funds		84,810	-	-	84,810	69,469
Designated funds	11.3	434	-	-	434	402
Total funds		85,244	19,077	326,684	431,005	371,599

Company registration number 07168381



Andy Bruce
Board Chair



Claire Brown
Chair of Finance & Audit Committee

14 July 2021

The notes on pages 25 to 42 form part of these accounts.

CASH FLOW STATEMENT

for the year ended 31 March 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities:			
Net cash used in operating activities	12.1	(10,383)	(14,339)
Cash flows from investing activities:			
Dividends, interest and rents from investments		12,910	14,088
Payments to acquire tangible and intangible fixed assets		(246)	(92)
Payments to acquire investment assets		(78,487)	(122,690)
Receipts from sales of investment assets		83,069	121,358
Net transfers into investment cash		(6,042)	-
Net cash provided by investing activities		11,204	12,664
Change in cash and cash equivalents in the reporting year		821	(1,675)
Cash and cash equivalents at the beginning of reporting year		11,753	13,428
Cash and cash equivalents at the end of reporting year	12.2	12,574	11,753

The notes on pages 25 to 42 form part of these accounts.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

1 ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (2nd edition): Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standards 102 applicable in the UK and Republic of Ireland (FRS102), and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The preparation of the accounts for 2020/21 has been undertaken on the basis that Barts Charity is a going concern.

The Charity currently meets day to day working capital requirements through its existing cash facilities.

In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years. This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels.

Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and can meet its planned grant commitments without being a forced seller of assets. Based on these assessments the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

For further details, please refer to page 9 of the annual report.

1.3 Accounting judgements and estimates

In preparing the financial statements, the Trustees have made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements.

These estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desk top valuation in the years between.

A desk top valuation was completed for 2020/21 by Alexander Reece Thomson LLP, Chartered Surveyors, (refer to note 1.7c).

The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction between market participants at the measurement date.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds.

The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and including the balance sheet date. This is then reviewed in light of valuations which become available post balance sheet date up to accounts signature.

c. Grant creditors settled over multi-year time period

Many grant commitments will be settled over multiple financial years and so the short term and long term grant creditor balances represent the best estimate of the expected cash outflows as at the balance sheet date. This is based on historical drawdown levels and status of existing grants.

The time value of money is considered annually and adjusted in the accounts if material.

d. Allocation of income, expense and gain/loss to restricted and endowment funds

In preparing the financial statements judgements and estimates have been made in relation to the extent of allocation to the restricted and endowment funds.

e. Valuation of accrued dividend income

Dividend income from the Charity's investments is accrued at the year-end in line with historical and commercial expectations.

f. Heritage assets

Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities.

Please refer to Note 1.8 for further details.

1.4 Fund structure

a. Restricted funds are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund as set out in note 10.2.

b. Endowment funds include the following:

- (i) Permanent endowment funds: capital is held in perpetuity but the related income may be used for unrestricted or restricted purposes as specified by the donor.
- (ii) Expendable endowment: donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c(i) below).

c. Unrestricted funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

(i) General

Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006:

To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.

(ii) Designated

The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes (refer to note 10.3).

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

1.5 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacy income is recognised when three criteria are met. Entitlement is established, receipt of the income is probable and it can be reliably measured. Where legacies have been notified to Barts Charity and the criteria for Income recognition have not been met the legacy is treated as a contingent asset and disclosed if material.

Rental income from investment properties is reported as an operating lease and the lease incentive is amortised on a straight-line basis.

Dividend income from the Charity's investments is accrued at the year-end in line with historical and commercial expectations.

1.6 Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of generating funds (including fundraising), charitable activities and support costs are charged to the relevant category or activity according to the area to which the expenditure relates. Support and governance costs incurred that relate to more than one cost category are apportioned based on estimates of time spent on activity in each area.

Charitable activities include grants approved by the Trustees in the year, and are recognised as commitments in the year of approval.

1.7 Fixed assets

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Depreciation is charged on a straight line basis to support costs over their estimated useful lives:

Fixtures, fittings and equipment — 5 years
IT — 3 years

b. Heritage assets

Heritage assets are capitalised and include art collections, historic archives, sculptures, ceramics surgical instruments, uniforms, teaching materials, and other items. They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate, in the second-hand retail market with items of a similar nature, age, condition and quality.

They are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities.

Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration. See note 6 for further details.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

c. Investments

Quoted investments are stated at market value at the year end date. Asset purchases and sales are recognised at date of trade.

Unquoted pooled financial investments are valued based on the number of units held and the price per unit provided by the custodian or fund manager. These net asset valuations are calculated independently by third party administrators and are subject to annual audit.

Private investments are held through funds managed by private investment groups. As there is no identifiable market price for private investment funds, these funds are included at the most recent valuations from the private investment groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the Royal Institution of Chartered Surveyors Valuation - Global Standards 2020, incorporating the NSC International Valuation Standards. The valuations were carried out by Alexander Reece Thomson LLP, Chartered Surveyors, who have been instructed as external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2021. They have reported their Opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

1.8 Realised and unrealised gains and losses

Realised and unrealised gains and losses on investment assets are included in 'gains and losses on investment assets' within the Statement of Financial Activities.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.11 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.12 Financial Instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement Of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

1.13 Pensions contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme, is charged to the Statement of Financial Activities.

Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the NHS Pensions Website (www.nhsbsa.nhs.uk/nhs-pensions). The Scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contributions scheme: the cost to an NHS body of participating in the Scheme is taken as equal to the contributions payable to the Scheme.

Applicable rates for employee contributions for the NHS Pension Scheme ranged from 12.5% to 13.5% for 2020/21 and 2019/20. Employer contributions were 14.38% for both 2020/21 and 2019/20.

Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme.

For 2020/21 the rates of employer contribution for the Defined Contribution Scheme were 10% for directors and 8% for other staff (2019/20 10% and 8% respectively). Employee contributions are voluntary.

2 Voluntary income

	Unrestricted funds	Restricted funds	Endowment funds	2021 Total funds
Year ended 31 March 2021	£'000	£'000	£'000	£'000
Donations	161	6,460	-	6,621
Legacies	286	553	-	839
Total 2021	447	7,013	-	7,460

	Unrestricted funds	Restricted funds	Endowment funds	2020 Total funds
Year ended 31 March 2020	£'000	£'000	£'000	£'000
Donations	152	3,926	-	4,078
Legacies	82	680	-	762
Total 2020	234	4,606	-	4,840

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

3 Expenditure

3.1 Charitable activities by funding source

	Grant-funded activity	Activities undertaken directly	Staff and support costs	2021 Total funds
Year ended 31 March 2021	£'000	£'000	£'000	£'000
Research	17,392	12	1,283	18,687
Enhancement in service delivery	7,246	168	543	7,957
Innovation and training	75	40	7	122
Patient and community engagement	658	51	51	760
Others	-	237	12	249
Total	25,371	508	1,896	27,775
Reversal of prior years' grants (a)	(437)	-	-	(437)
Total after reversal of prior years' grants	24,934	508	1,896	27,338

(a) Reversal of prior years' grants reflects underspend across various projects. Although Barts Charity maintains regular contact with grant-holders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

	Grant-funded activity	Activities undertaken directly	Staff and support costs	2020 Total funds
Year ended 31 March 2020	£'000	£'000	£'000	£'000
Research	17,354	-	854	18,208
Enhancement in service delivery	7,870	144	420	8,434
Innovation and training	201	196	54	451
Patient and community engagement	571	4	29	604
Others	-	800	179	979
Total	25,996	1,144	1,536	28,676
Reversal of prior years' grants	(215)	-	-	(215)
Total after reversal of prior years' grants	25,781	1,144	1,536	28,461

3.2 Direct charitable expenditure by institution

	2021 Total	2020 Total
	£'000	£'000
Barts Health NHS Trust	10,739	14,511
Barts and The London School of Medicine and Dentistry	13,423	10,854
Other	772	416
Grant funded activity	24,934	25,781
Activities undertaken directly for benefit of patients at Barts Health NHS Trust	507	1,144
Total grants awarded	25,441	26,925

The £25.441m of grants awarded does not include Barts Charity staff and support costs allocated to charitable activities.

A detailed list of grants paid to institutions during the year can be obtained on application to Barts Charity's office at 12 Cock Lane, London, EC1A 9BU.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

3.3 Grants paid to individuals

No grants were paid to individuals in 2020/21 or 2019/20.

3.4 Auditor's remuneration

In 2020/21, the external auditor was paid £59,700 (inclusive of VAT) in respect of the audit of statutory accounts (2019/20: £51,960 inclusive of VAT).

Additional costs for tax advice for the financial year to March 2021 were £9,225 (£3,998 in 2019/20). Costs for accounts preparation amounted to £4,000 (2019/20 - £Nil).

3.5 Total expenditure

	Cost of Raising Funds			Charitable activity	2021 Total
	Fundraising	Investment management financial	property		
Year ended 31 March 2021	£'000	£'000	£'000	£'000	£'000
Direct costs	198	2,060	268	25,442	27,968
Support costs:					
Salary costs	676	62	65	1,180	1,983
Apportionment of other overheads	416	36	38	716	1,206
Total support costs	1,092	98	103	1,896	3,189
Charitable expenditure 2020/21	1,290	2,158	371	27,338	31,157

	Cost of Raising Funds			Charitable activity	2020 Total
	Fundraising	Investment management financial	property		
Year ended 31 March 2020	£'000	£'000	£'000	£'000	£'000
Direct costs	246	1,870	367	26,925	29,408
Support costs:					
Salary costs	633	110	101	1,013	1,857
Apportionment of other overheads	345	55	50	523	973
Total support costs	978	165	151	1,536	2,830
Charitable expenditure 2019/20	1,224	2,035	518	28,461	32,238

Where possible, costs have been directly allocated to one of the above categories. Of total overheads, 64% were allocated in this manner for 2020/21 (68% in 2019/20). The remainder, relating to general office costs, has been allocated on the basis of staff time.

Support costs include governance costs of £63,822 for 2020/21 (£179,550 in 2019/20).

Restricted expenditure amounted to £7.5m for 2020/21 (£7.19m for 2019/20).

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

4 Employees

4.1 Analysis of staff costs

	2021 Total £'000	2020 Total £'000
Salaries and wages	1,663	1,552
Social security costs	186	173
Other pension costs	144	132
Total	1,993	1,857
Average monthly number of full time equivalents	30	32
Average head count	31	33

Staff costs include restructuring costs of £35,492 (£24,277 in 2019/20).

4.2 Pension contributions for higher paid employees

The following pension contributions were made for employees within the annual emolument ranges indicated:

£	Value of contributions £'000	Number of staff receiving contributions
60,000 to 70,000	16	3
70,001 to 80,000	6	1
80,001 to 90,000	34	3
90,001 to 100,000	10	1
100,001 to 110,000	10	1
160,001 to 170,000	17	1

4.3 Higher paid employees

The following number of employees received emoluments falling within the ranges indicated:

£	2021	2020
60,000 to 70,000	3	2
70,001 to 80,000	1	-
80,001 to 90,000	3	2
90,001 to 100,000	1	1
100,000 to 110,000	1	1
150,001 to 160,000	-	1
160,001 to 170,000	1	-

Key management personnel (the senior management team of the charity) received aggregate employee benefits of £911,119 in 2020/21 (£767,115 in 2019/20).

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

5 Fixed assets

	Fixtures, fittings and equipment	IT	Total
	£'000	£'000	£'000
Tangible fixed assets			
Cost:			
Balance at 31 March 2020	157	155	312
Additions	17	229	246
Balance at 31 March 2021	174	384	558
Accumulated depreciation:			
Balance at 31 March 2020	68	71	139
Charge for the year	31	40	71
Balance at 31 March 2021	99	111	210
Net Book Value at:			
31 March 2021	75	273	348
31 March 2020	89	84	173

6 Heritage assets

	2021	2020
	£'000	£'000
Valuation at start of year	16,600	16,600
Revaluation	-	-
Valuation at end of year	16,600	16,600
Type of heritage assets:		
Antique furniture	1,253	1,253
Paintings, prints and drawings	8,792	8,792
Books and manuscripts	3,003	3,003
Other	3,552	3,552
Total	16,600	16,600

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £3m and £2.6m respectively (£3m and £2.6m in 2019/20). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019.

Heritage Assets are included within the endowment fund and are revalued every five years with the most recent valuation being for March 2019. Prior to this, the asset valuations for 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 were based on the March 2014 valuation which was £14.428m. (See note 1.7b). This is the only change in the last five years.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

7 Investments

7.1 Analysis of fixed asset investments

	Property	Financial	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
Fixed asset investments				
Market value at 1 April 2020	94,651	325,261	419,912	446,366
Less: Disposals at carrying value	(22,980)	(58,086)	(81,066)	(120,785)
Add: Acquisitions at cost	-	76,568	76,568	122,679
Net (loss)/gain on revaluation	(1,200)	66,469	65,269	(28,348)
Market value at 31 March 2021	70,471	410,212	480,683	419,912
Cash held as part of the investment portfolio	-	6,353	6,353	959
Total	70,471	416,565	487,036	420,871

	2021 Total	2020 Total
	£'000	£'000
Market value at 31 March:		
Investment properties	70,471	94,651
Investments listed on stock exchange	358,987	279,660
Private investments	50,438	45,379
Instant access money markets funds held within the investment portfolio	787	222
	480,683	419,812
Cash held as part of the investment portfolio	6,353	959
Total	487,036	420,871

Cash is held within the investment portfolio, predominantly to fund private investment capital calls and is shown separately in the table above, to distinguish from return-bearing assets.

	2021 Total	2020 Total
	£'000	£'000
Market value at 31 March:		
Unrestricted funds	144,866	126,240
Restricted funds	32,086	27,108
Endowment funds	310,084	267,523
Total	487,036	420,871

Financial investments held at 31 March 2021 include 16 unit trust funds, representing 88% of the total value, and 26 separate private investments (in 2019/20 16 unit trust funds representing 86% and 24 separate private investments).

At the year end, the Charity had undrawn commitments to private equity funds of £37.7m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £50.4m reported above represents the latest valuations of the funds at or prior to 31 March 2021 as provided by the relevant fund managers. However, it is not possible for the trustees to liquidate these investments prior to the future return of capital.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

7.2 Analysis of gains and losses on revaluation and disposal of investment assets

	2021 Total £'000	2020 Total £'000
Gains/(losses) on revaluation of financial investments	66,469	(29,962)
(Losses)/gains on revaluation of property investments	(1,200)	1,614
Gross overage receipt on disposal of property investment	5,023	-
Other currency (losses)/gains	(99)	-
Total	70,193	(27,407)

In 2013 the Charity sold land and property with contractual conditions that if met would result in the receipt of an overage payment. These conditions were met in the year 2020/21 and the figure of £5.023m shown above represents the receipt of this overage gain (including interest due).

7.3 Analysis of gross income from investments

	2021 Total £'000	2020 Total £'000
Investment properties	5,119	5,570
Investments listed on stock exchange	5,850	6,306
Private investments	1,937	2,986
Interest on cash held as part of the investment portfolio	4	73
Total	12,910	14,935

Accounting for lease incentives increased investment property income by £105k in 2020/21 (£162k in 2019/20); see note 1.5.

Restricted investment income amounted to £142k in 2020/21 (£169k in 2019/20).

8 Analysis of debtors

	2021 £'000	2020 £'000
Trade debtors	1,566	2,176
Prepayments	121	150
Accrued income	1,618	2,864
Other debtors	22	27
Total	3,327	5,217

All debtors relate to unrestricted funds. Accrued income largely relates to income on financial investments and amortisation of rent free period for related leases (see note 1.5).

Included within accrued income is an amount of £0.7m which relates to rent amortisation due to be released after more than 1 year (31 March 2020 £1.04m).

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

9 Creditors due in one year

	2021	2020
	£'000	£'000
Amounts falling due within one year as at 31 March:		
Trade creditors	616	1,019
Other creditors	405	192
Grant accruals	17,160	34,013
Deferred income	1,083	1,159
Total	19,264	36,383

Deferred income represents rent billed to tenants in advance for the first quarter of the following financial year.

	2021	2020
	£'000	£'000
Deferred income brought forward	1,159	1,279
Released	(1,159)	(1,279)
Deferred	1,083	1,159
Deferred income at 31 March	1,083	1,159

10 Creditors due after more than one year

	2021	2020
	£'000	£'000
Grant accruals	69,616	46,632

Consideration has been taken of the time effect of money on these future commitments, however given that the value is considered to be immaterial no adjustment has been deemed necessary.

£2,676k of grant accruals due within one year (2019/20: £6,144k) and £10,333k of those due after one year (2019/20: £3,750k) are allocated to restricted funds. All other grant accruals relate to unrestricted funds.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

11 Analysis of funds

11.1 Endowment funds

	Balance 31 March 2020 £'000	Gains and losses £'000	Transfers £000	Balance 31 March 2021 £'000
FY20/21				
Expendable endowments	268,592	47,757	-	316,349
Permanent endowments:				
H F Bailey	6,449	1,697	(6,906)	1,240
Aylwen Bursaries	2,339	615	-	2,954
Edward Hewlett	1,921	505	-	2,426
JJ Guthrie Blandford and George Shuter Staff Benefit	1,690	445	(1,690)	445
Hannington	757	199	-	956
David Hughes	563	148	(563)	148
Bailey City & Hackney	237	62	-	299
Hamblen Thomas	236	62	-	298
MacCready Mann	233	61	-	294
Levy Family	201	53	-	254
M A E L Jones	186	49	-	235
10 Funds each under £0.2m	719	190	(123)	786
Total	284,123	51,843	(9,282)	326,684

	Balance 31 March 2019 £'000	Gains and losses £'000	Balance 31 March 2020 £'000
FY19/20			
Expendable endowments	287,975	(19,383)	268,592
Permanent endowments:			
H F Bailey	7,142	(693)	6,449
Aylwen Bursaries	2,590	(251)	2,339
Edward Hewlett	2,127	(206)	1,921
JJ Guthrie Blandford and George Shuter Staff Benefit	1,872	(182)	1,690
Hannington	838	(81)	757
David Hughes	623	(60)	563
Bailey City & Hackney	263	(26)	237
Hamblen Thomas	261	(25)	236
MacCready Mann	258	(25)	233
Levy Family	223	(22)	201
10 Funds each under £0.2m	1,005	(100)	905
Total	305,177	(21,054)	284,123

The classification of the funds is based on the closing position at the balance sheet date.

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

11.1 Endowment funds (continued)

Note 1.4 on page 26 provides further details of the endowment fund structure. There were no other resources received, expended or transferred in 2020/21.

Expenses have not been charged to the endowment funds. Due to the historic nature of these, there is not certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Name of fund	Nature and purpose of each fund
Expendable endowments	For purposes relating to NHS hospitals
Permanent endowments:	
H F Bailey	General purposes
Aylwen Bursaries	Funding of research bursaries
Edward Hewlett	General purposes
JJ Guthrie Blandford and George Shuter Staff Benefit	Staff benefit
Hannington	General purposes
David Hughes	General purposes
Bailey City & Hackney	For children's services
Hamblen Thomas	For children's services
MacCready Mann	Research purposes
Levy Family	General purposes, Royal London Hospital

11.2 Restricted funds

FY 20/21	Balance 31 March 2020	Income	Expenditure	Gains and losses	Transfers between funds	Balance 31 March 2021
Material funds	£'000	£'000	£'000	£'000	£'000	£'000
Cardiac fund	2,335	113	(48)	-	-	2,400
Guthrie Blandford & Shuter Nurses	303	49	(813)	-	1,690	1,229
Inflammatory Bowel Disease Research	1,181	7	(17)	-	-	1,171
Margaret Centre	992	15	(50)	-	-	957
Gastroenterology Whipps Cross	645	-	-	-	-	645
Barts Hospital Fundraising	216	380	(32)	-	-	564
Funds £0.4m-£0.5m (1)	428	3	(7)	-	-	424
Funds £0.3m-£0.4m (7)	1,978	4,303	(3,872)	-	-	2,409
Funds £0.2m-£0.3m (10)	1,973	479	(94)	-	-	2,358
Funds £0.1m-£0.2m (15)	1,868	156	(83)	-	-	1,941
Others (456)	5,686	1,650	(2,483)	-	126	4,979
Total	17,605	7,155	(7,499)	-	1,816	19,077

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

FY 19/20	Balance 31 March 2019	Income	Expenditure	Gains and losses	Transfers between funds	Balance 31 March 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Material funds						
Cardiac fund	792	2,470	(926)	-	(1)	2,335
Inflammatory Bowel Disease Research	1,411	-	(230)	-	-	1,181
Margaret Centre	1,204	33	(232)	-	(13)	992
Gastroenterology Whipps Cross	645	-	-	-	-	645
Funds £0.4m-£0.5m (1)	439	4	(15)	-	-	428
Funds £0.3m-£0.4m (7)	2,731	491	(877)	-	-	2,345
Funds £0.2m-£0.3m (9)	2,299	301	(394)	-	(19)	2,187
Funds £0.1m-£0.2m (19)	2,906	197	(519)	-	(2)	2,582
Others (493)	7,669	1,279	(3,994)	-	(44)	4,910
Total	20,096	4,775	(7,187)	-	(79)	17,605

The classification of the funds are based on the closing position at the balance sheet date.

Note 1.4 on page 26 provides further details of the restricted fund structure.

There was no allocation of interest or expense to the funds in 2020/21, given that they are funded from readily available cash.

The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. Finalised changes will be reported in FY2022/23.

Details of material funds

Name of fund	Nature and purpose of each fund
Cardiac Fund	Treatment of and research into cardiac disease
Inflammatory Bowel Disease Research	Research into Inflammatory Bowel Disease
Margaret Centre	Provision of palliative care at the Margaret Centre at Whipps Cross Hospital
Gastroenterology Whipps Cross	Gastroenterology department at Whipps Cross

11.3 Unrestricted and designated funds

	Balance 31 March 2020	Income	Expenditure	Gains and losses	Transfers between funds	Balance 31 March 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds	69,469	13,215	(23,658)	18,350	7,434	84,810
Designated funds						
Cardiac fund	122	-	-	-	-	122
Whipps Cross General fund	128	-	-	-	-	128
Funds up to £0.1m (3)	152	-	-	-	32	184
Total designated funds	402	-	-	-	32	434
Total unrestricted and designated funds	69,871	13,215	(23,658)	18,350	7,466	85,244

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

11.3 Unrestricted and designated funds (continued)

	Balance 31 March 2019 £'000	Income £'000	Expenditure £'000	Gains and losses £'000	Transfers between funds £'000	Balance 31 March 2020 £'000
Unrestricted funds	85,825	15,000	(25,043)	(6,353)	40	69,469
Designated funds						
Cardiac fund	122	-	-	-	-	122
Whipps Cross General fund	92	-	(3)	-	39	128
Funds up to £0.1m (3)	157	-	(5)	-	-	152
Total designated funds	371	-	(8)	-	39	402
Total unrestricted and designated funds	86,196	15,000	(25,051)	(6,353)	79	69,871

Details of material funds

Name of fund	Nature and purpose of each fund
Cardiac Fund	Treatment of and research into cardiac disease
Whipps Cross General fund	General purposes, Whipps Cross Hospital

11.4 Details of transfer between funds

	Unrestricted funds £'000	Designated funds £'000	Total unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000
Total transfer between funds	7,434	32	7,466	1,816	(9,282)

These reflect funds which have been reclassified, or where restricted donations have been used to fund grants initially awarded from unrestricted funds.

Note 11.1 provides further details of the transfers out of endowment funds.

11.5 Prior year distribution of net assets and gains/losses

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2020 Total funds £'000
Distribution of net assets between funds				
Total fixed assets	126,413	27,108	284,123	437,644
Current assets	16,579	391	-	16,970
Current liabilities	(30,239)	(6,144)	-	(36,383)
Creditors: amounts falling due after more than one year	(42,882)	(3,750)	-	(46,632)
Total net assets	69,871	17,605	284,123	371,599
Net (losses) on investments and heritage assets	(6,353)	-	(21,054)	(27,407)

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

12 Notes to the cash flow statement

12.1 Net cash used in operating activities

	2021	2020
	£'000	£'000
Net income/(expenditure) for the year	59,406	(39,870)
Adjustments for:		
(Gains)/Losses on revaluation and disposal of investment assets	(64,705)	27,407
Investment income	(12,910)	(14,935)
Depreciation charges	71	60
Decrease/(Increase) in debtors	1,890	(140)
Increase in creditors	5,865	13,139
Cash outflow from operating activities	(10,383)	(14,339)

12.2 Analysis of changes in cash and cash equivalents

	Balance 2020	Movement	Balance 2021
	£'000	£'000	£'000
Cash in hand and at bank	11,753	821	12,574

12.3 Analysis of net debt

At 31 March 2021 the charity had no loans, leases or other financial instruments classified as debt (2020: none).

13 Trustee and connected persons transactions

13.1 Trustee expenses reimbursed

One Trustee was reimbursed for hospitality expenses in 2020/21 of £135 (2019/20: one trustee reimbursement of £373).

13.2 Trustee remuneration

No Trustee received remuneration in either 2020/21 or 2019/20.

13.3 Trustee indemnity insurance

	2021	2020
	£'000	£'000
Premiums paid by Barts Charity during the year	1,558	1,417

NOTES TO THE ACCOUNTS

for the year ended 31 March 2021

14 Related party transactions

The total amount of related party donations made, without conditions, was £240 (2019/20: donations of £10,353).

During the year, Barts Charity made revenue and capital grants totalling £10.7m and £13.4m to Barts Health NHS Trust and Barts and The London School of Medicine and Dentistry, respectively (2019/20: £14.5m and £10.9m respectively).

Ian Peters Chair of Barts Health NHS Trust and an ex-officio Trustee of the Charity.

A number of Trustees are employed by Barts Health NHS Trust and the Barts and The London School of Medicine and Dentistry.

15 Operating leases

15.1 Operating lease income

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

	2021 £'000	2020 £'000
Not later than one year	3,316	5,161
Later than one year and not later than five years	6,531	11,850
Later than five years	496	21,626
Total	10,343	38,637

15.2 Operating lease commitments

At 31 March 2021 Barts Charity were committed to making the following payments in respect of operating leases:

	2021 £'000	2020 £'000
Not later than one year	105	210
Later than one year and not later than five years	-	105
Total	105	315

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