



**ANNUAL REPORT  
AND ACCOUNTS  
2020/2021**

# CONTENTS

<b>3</b>	<b>GOVERNANCE</b>
<b>7</b>	<b>FINANCE REVIEW AND STRATEGIC REPORT</b>
<b>14</b>	<b>ADMINISTRATIVE INFORMATION</b>
<b>15</b>	<b>NON-EXECUTIVES AND COMMITTEES</b>
<b>17</b>	<b>SENIOR MANAGEMENT AND ADVISORS</b>
<b>18</b>	<b>STATEMENT OF TRUSTEES' RESPONSIBILITIES</b>
<b>19</b>	<b>INDEPENDENT AUDITOR'S REPORT</b>
<b>22</b>	<b>STATEMENT OF FINANCIAL ACTIVITIES</b>
<b>23</b>	<b>STATEMENT OF FINANCIAL POSITION</b>
<b>24</b>	<b>CASH FLOW STATEMENT</b>
<b>25</b>	<b>NOTES FORMING PART OF THE ACCOUNTS</b>

## 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
<b>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</b>	<ul style="list-style-type: none"><li>• £8m deployed from Covid-19 Appeal to support staff and fund research</li><li>• Instigating a costed extension policy for those projects requiring additional funds to mitigate the effects of Covid-19</li><li>• Extending application deadlines to accommodate applicants whose roles/ workloads had changed</li></ul>
<b>To increase the number of, and income from, individual supporters building upon the platform of donations in respect of our Covid-19 Appeal</b>	<ul style="list-style-type: none"><li>• 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.</li></ul>

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	<ul style="list-style-type: none"> <li>• We raised more major gifts income than ever before, totalling £5.4m</li> <li>• We applied learning from our Covid-19 Appeal to the planning for the Barts 900 campaign</li> </ul>
To complete the project to simplify our grant application and payment processes, especially for smaller amounts	<ul style="list-style-type: none"> <li>• We implemented GrantFlex to improve our ability to manage applications and grants</li> <li>• We commenced a project to switch to a new finance system and to upgrade our integrated database which will lead to simpler payment processes</li> </ul>
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	<ul style="list-style-type: none"> <li>• 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</li> <li>• We consolidated 41 restricted funds that we hold for East London Foundation Trust into one fund (value c£0.9m) with more flexible purposes.</li> <li>• 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.</li> </ul>

## 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.

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
<p><b>Funding / liquidity</b></p> <ul style="list-style-type: none"> <li>• Significant market correction impacting value of investments held by the charity</li> <li>• Existing commitments cannot be honoured and new funding awards must be reduced</li> </ul>	<ul style="list-style-type: none"> <li>+ Significant market correction impacting value of investments held by the charity</li> <li>+ Existing commitments cannot be honoured and new funding awards must be reduced</li> </ul>
<p><b>Reputation/Operational</b></p> <ul style="list-style-type: none"> <li>• Composition of Board and staff insufficiently reflective of diversity of patient population</li> <li>• Impacts upon performance</li> <li>• Less likely to attract donors and new staff</li> </ul>	<ul style="list-style-type: none"> <li>+ New Equity, Diversity &amp; Inclusion vision and principles under development</li> <li>+ Recruitment processes for both staff and non-executives under review with aim to reach a broader range of candidates</li> </ul>
<p><b>Funding delivery</b></p> <ul style="list-style-type: none"> <li>• Funded projects not delivered or take longer / cost more than budgeted (knock-on effects of Covid-19)</li> </ul>	<ul style="list-style-type: none"> <li>+ Active projects regularly monitored for progress against predicted outcomes</li> <li>+ Covid-19 implications on funded grants considered for extra funding to course correct through Grant Supplementation Policy</li> <li>+ High level of stakeholder engagement with partners allows for effective and pragmatic course correction</li> <li>+ 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).</li> </ul>

## FINANCE REVIEW AND STRATEGIC REPORT

Risk	Plans in place to manage the risk
<p><b>Income generation</b></p> <ul style="list-style-type: none"> <li>• Economic downturn leads to reduced fundraised income</li> <li>• Potential negative impact upon Barts 900 fundraising campaign and new strategy for Engagement &amp; Fundraising</li> </ul>	<ul style="list-style-type: none"> <li>+ Post-pandemic, profile of medical and NHS-linked charities remains high</li> <li>+ Public awareness campaign will aim to capitalise upon Covid-19 Appeal support as well as connecting with cold audience</li> <li>+ Phased deployment of resources to Barts 900 and Engagement &amp; Fundraising campaigns so that ROI can be monitored</li> </ul>
<p><b>Personnel</b></p> <ul style="list-style-type: none"> <li>• Implementation of new Agile Working Policy from Summer 2021 impacts negatively upon Charity effectiveness, team cohesion and staff well-being</li> </ul>	<ul style="list-style-type: none"> <li>+ Policy a pilot which will be reviewed after three months; scope for amendments</li> <li>+ Additional staff training to support hybrid teams</li> <li>+ Investment in technology to assist hybrid working</li> </ul>
<p><b>Funding development</b></p> <ul style="list-style-type: none"> <li>• Failure to identify strategic priorities for Barts Health / SMD</li> <li>• The loss of the strong relationships built with the senior team at Barts Health / SMD (turnover of senior staff more likely post-pandemic)</li> <li>• Ability to sustain level and quality of pipeline</li> </ul>	<ul style="list-style-type: none"> <li>+ Continue to maintain close working relationship with senior executive, clinical and academic teams at partners</li> <li>+ All applications for funding endorsed by partners, with those requests &gt;£0.5m requiring senior partner representation to assure of strategic importance at Grant Committee meetings</li> <li>+ Introduction of additional senior positions in Funding and Impact team to increase levels of stakeholder engagement across partner organisations</li> <li>+ Focus on developing longer term (2-5 year) pipeline of impactful funding opportunities</li> </ul>
<p><b>Cyber Security</b></p> <ul style="list-style-type: none"> <li>• The Charity suffers as a result of a cyber security incident</li> </ul>	<ul style="list-style-type: none"> <li>+ 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.</li> </ul>

## 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](http://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

		Unrestricted funds	Restricted funds	Endowment funds	2021 Total funds	2020 Total funds
	Notes	£000	£000	£000	£000	£000
<b>Income</b>						
Voluntary income	2	447	7,013	-	<b>7,460</b>	4,840
Investment income	7.3	12,768	142	-	<b>12,910</b>	14,935
<b>Total income</b>		<b>13,215</b>	<b>7,155</b>	-	<b>20,370</b>	<b>19,775</b>
<b>Expenditure</b>						
Raising funds:						
Voluntary fundraising costs		1,290	-	-	<b>1,290</b>	1,224
Investment management costs		2,529			<b>2,529</b>	2,553
<b>Total cost of raising funds</b>		<b>3,819</b>	-	-	<b>3,819</b>	3,777
Charitable activities	3.1	19,839	7,499	-	<b>27,338</b>	28,461
<b>Total expenditure</b>	3.5	<b>23,658</b>	<b>7,499</b>	-	<b>31,157</b>	32,238
<b>Net expenditure before revaluation of investments</b>		(10,443)	(344)	-	<b>(10,787)</b>	(12,463)
<b>Net gains/(losses) on investments</b>						
Gains/(losses) on revaluation and disposal of investment assets		18,350	-	51,843	<b>70,193</b>	(27,407)
<b>Net income/(expenditure)</b>		<b>7,907</b>	<b>(344)</b>	<b>51,843</b>	<b>59,406</b>	(39,870)
Transfers between funds	11.4	7,466	1,816	(9,282)	-	-
<b>Net movement in funds</b>		<b>15,373</b>	<b>1,472</b>	<b>42,561</b>	<b>59,406</b>	(39,870)
<b>Reconciliation of funds</b>						
Fund balances brought forward at 31 March 2020		69,871	17,605	284,123	<b>371,599</b>	411,469
<b>Fund balances carried forward at 31 March 2021</b>		<b>85,244</b>	<b>19,077</b>	<b>326,684</b>	<b>431,005</b>	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
<b>Fixed assets</b>						
Intangible and tangible assets	5	348	-	-	<b>348</b>	173
Heritage assets	6	-	-	16,600	<b>16,600</b>	16,600
Investments	7	144,866	32,086	310,084	<b>487,036</b>	420,871
<b>Total fixed assets</b>		<b>145,214</b>	<b>32,086</b>	<b>326,684</b>	<b>503,984</b>	437,644
<b>Current assets</b>						
Debtors	8	3,327	-	-	<b>3,327</b>	5,217
Cash at bank and in hand		12,574	-	-	<b>12,574</b>	11,753
<b>Total current assets</b>		<b>15,901</b>	-	-	<b>15,901</b>	16,970
Creditors: amounts falling due within one year	9	(16,588)	(2,676)	-	<b>(19,264)</b>	(36,383)
<b>Net current liabilities</b>		<b>(687)</b>	<b>(2,676)</b>	-	<b>(3,363)</b>	(19,413)
<b>Total assets less current liabilities</b>		<b>144,527</b>	<b>29,410</b>	<b>326,684</b>	<b>500,621</b>	418,231
Creditors: amounts falling due after more than one year	10	(59,283)	(10,333)	-	<b>(69,616)</b>	(46,632)
<b>Total net assets</b>		<b>85,244</b>	<b>19,077</b>	<b>326,684</b>	<b>431,005</b>	371,599
<b>Funds by Barts Charity</b>						
Capital funds:						
Endowment funds	11.1	-	-	326,684	<b>326,684</b>	284,123
Income funds:						
Restricted funds	11.2	-	19,077	-	<b>19,077</b>	17,605
Unrestricted funds						
General funds		84,810	-	-	<b>84,810</b>	69,469
Designated funds	11.3	434	-	-	<b>434</b>	402
<b>Total funds</b>		<b>85,244</b>	<b>19,077</b>	<b>326,684</b>	<b>431,005</b>	<b>371,599</b>

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
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	12.1	(10,383)	(14,339)
<b>Cash flows from investing activities:</b>			
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)	-
<b>Net cash provided by investing activities</b>		<b>11,204</b>	<b>12,664</b>
<b>Change in cash and cash equivalents in the reporting year</b>		<b>821</b>	<b>(1,675)</b>
<b>Cash and cash equivalents at the beginning of reporting year</b>		<b>11,753</b>	<b>13,428</b>
<b>Cash and cash equivalents at the end of reporting year</b>	12.2	<b>12,574</b>	<b>11,753</b>

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](http://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
<b>Total 2021</b>	<b>447</b>	<b>7,013</b>	-	<b>7,460</b>

	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
<b>Total 2020</b>	<b>234</b>	<b>4,606</b>	-	<b>4,840</b>

# 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	<b>18,687</b>
Enhancement in service delivery	7,246	168	543	<b>7,957</b>
Innovation and training	75	40	7	<b>122</b>
Patient and community engagement	658	51	51	<b>760</b>
Others	-	237	12	<b>249</b>
<b>Total</b>	<b>25,371</b>	<b>508</b>	<b>1,896</b>	<b>27,775</b>
Reversal of prior years' grants (a)	(437)	-	-	<b>(437)</b>
<b>Total after reversal of prior years' grants</b>	<b>24,934</b>	<b>508</b>	<b>1,896</b>	<b>27,338</b>

(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
<b>Total</b>	<b>25,996</b>	<b>1,144</b>	<b>1,536</b>	<b>28,676</b>
Reversal of prior years' grants	(215)	-	-	<b>(215)</b>
<b>Total after reversal of prior years' grants</b>	<b>25,781</b>	<b>1,144</b>	<b>1,536</b>	<b>28,461</b>

### 3.2 Direct charitable expenditure by institution

	2021 Total	2020 Total
	£'000	£'000
Barts Health NHS Trust	<b>10,739</b>	14,511
Barts and The London School of Medicine and Dentistry	<b>13,423</b>	10,854
Other	<b>772</b>	416
<b>Grant funded activity</b>	<b>24,934</b>	25,781
Activities undertaken directly for benefit of patients at Barts Health NHS Trust	<b>507</b>	1,144
<b>Total grants awarded</b>	<b>25,441</b>	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
<b>Direct costs</b>	<b>198</b>	<b>2,060</b>	<b>268</b>	<b>25,442</b>	<b>27,968</b>
<b>Support costs:</b>					
Salary costs	676	62	65	1,180	1,983
Apportionment of other overheads	416	36	38	716	1,206
<b>Total support costs</b>	<b>1,092</b>	<b>98</b>	<b>103</b>	<b>1,896</b>	<b>3,189</b>
<b>Charitable expenditure 2020/21</b>	<b>1,290</b>	<b>2,158</b>	<b>371</b>	<b>27,338</b>	<b>31,157</b>

	Cost of Raising Funds			Charitable activity	2020 Total
	Fundraising	Investment management financial	property		
Year ended 31 March 2020	£'000	£'000	£'000	£'000	£'000
<b>Direct costs</b>	<b>246</b>	<b>1,870</b>	<b>367</b>	<b>26,925</b>	<b>29,408</b>
<b>Support costs:</b>					
Salary costs	633	110	101	1,013	1,857
Apportionment of other overheads	345	55	50	523	973
<b>Total support costs</b>	<b>978</b>	<b>165</b>	<b>151</b>	<b>1,536</b>	<b>2,830</b>
<b>Charitable expenditure 2019/20</b>	<b>1,224</b>	<b>2,035</b>	<b>518</b>	<b>28,461</b>	<b>32,238</b>

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	<b>1,663</b>	1,552
Social security costs	<b>186</b>	173
Other pension costs	<b>144</b>	132
<b>Total</b>	<b>1,993</b>	1,857
Average monthly number of full time equivalents	<b>30</b>	32
Average head count	<b>31</b>	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	<b>3</b>	2
70,001 to 80,000	<b>1</b>	-
80,001 to 90,000	<b>3</b>	2
90,001 to 100,000	<b>1</b>	1
100,000 to 110,000	<b>1</b>	1
150,001 to 160,000	-	1
160,001 to 170,000	<b>1</b>	-

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
<b>Tangible fixed assets</b>			
Cost:			
Balance at 31 March 2020	157	155	<b>312</b>
Additions	17	229	<b>246</b>
<b>Balance at 31 March 2021</b>	<b>174</b>	<b>384</b>	<b>558</b>
Accumulated depreciation:			
Balance at 31 March 2020	68	71	<b>139</b>
Charge for the year	31	40	<b>71</b>
<b>Balance at 31 March 2021</b>	<b>99</b>	<b>111</b>	<b>210</b>
<b>Net Book Value at:</b>			
31 March 2021	<b>75</b>	<b>273</b>	<b>348</b>
31 March 2020	89	84	173

## 6 Heritage assets

	2021	2020
	£'000	£'000
Valuation at start of year	<b>16,600</b>	16,600
Revaluation	-	-
<b>Valuation at end of year</b>	<b>16,600</b>	16,600
<b>Type of heritage assets:</b>		
Antique furniture	<b>1,253</b>	1,253
Paintings, prints and drawings	<b>8,792</b>	8,792
Books and manuscripts	<b>3,003</b>	3,003
Other	<b>3,552</b>	3,552
<b>Total</b>	<b>16,600</b>	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
<b>Fixed asset investments</b>				
Market value at 1 April 2020	94,651	325,261	<b>419,912</b>	446,366
Less: Disposals at carrying value	(22,980)	(58,086)	<b>(81,066)</b>	(120,785)
Add: Acquisitions at cost	-	76,568	<b>76,568</b>	122,679
Net (loss)/gain on revaluation	(1,200)	66,469	<b>65,269</b>	(28,348)
<b>Market value at 31 March 2021</b>	<b>70,471</b>	<b>410,212</b>	<b>480,683</b>	419,912
Cash held as part of the investment portfolio	-	6,353	<b>6,353</b>	959
<b>Total</b>	<b>70,471</b>	<b>416,565</b>	<b>487,036</b>	420,871

	2021 Total	2020 Total
	£'000	£'000
<b>Market value at 31 March:</b>		
Investment properties	<b>70,471</b>	94,651
Investments listed on stock exchange	<b>358,987</b>	279,660
Private investments	<b>50,438</b>	45,379
Instant access money markets funds held within the investment portfolio	<b>787</b>	222
	<b>480,683</b>	419,812
Cash held as part of the investment portfolio	<b>6,353</b>	959
<b>Total</b>	<b>487,036</b>	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
<b>Market value at 31 March:</b>		
Unrestricted funds	<b>144,866</b>	126,240
Restricted funds	<b>32,086</b>	27,108
Endowment funds	<b>310,084</b>	267,523
<b>Total</b>	<b>487,036</b>	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	<b>66,469</b>	(29,962)
(Losses)/gains on revaluation of property investments	<b>(1,200)</b>	1,614
Gross overage receipt on disposal of property investment	<b>5,023</b>	-
Other currency (losses)/gains	<b>(99)</b>	-
<b>Total</b>	<b>70,193</b>	(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	<b>5,119</b>	5,570
Investments listed on stock exchange	<b>5,850</b>	6,306
Private investments	<b>1,937</b>	2,986
Interest on cash held as part of the investment portfolio	<b>4</b>	73
<b>Total</b>	<b>12,910</b>	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	<b>1,566</b>	2,176
Prepayments	<b>121</b>	150
Accrued income	<b>1,618</b>	2,864
Other debtors	<b>22</b>	27
<b>Total</b>	<b>3,327</b>	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
<b>Amounts falling due within one year as at 31 March:</b>		
Trade creditors	<b>616</b>	1,019
Other creditors	<b>405</b>	192
Grant accruals	<b>17,160</b>	34,013
Deferred income	<b>1,083</b>	1,159
<b>Total</b>	<b>19,264</b>	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	<b>1,159</b>	1,279
Released	<b>(1,159)</b>	(1,279)
Deferred	<b>1,083</b>	1,159
<b>Deferred income at 31 March</b>	<b>1,083</b>	1,159

## 10 Creditors due after more than one year

	2021	2020
	£'000	£'000
Grant accruals	<b>69,616</b>	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
<b>FY20/21</b>				
Expendable endowments	268,592	47,757	-	<b>316,349</b>
Permanent endowments:				
H F Bailey	6,449	1,697	(6,906)	<b>1,240</b>
Aylwen Bursaries	2,339	615	-	<b>2,954</b>
Edward Hewlett	1,921	505	-	<b>2,426</b>
JJ Guthrie Blandford and George Shuter Staff Benefit	1,690	445	(1,690)	<b>445</b>
Hannington	757	199	-	<b>956</b>
David Hughes	563	148	(563)	<b>148</b>
Bailey City & Hackney	237	62	-	<b>299</b>
Hamblen Thomas	236	62	-	<b>298</b>
MacCready Mann	233	61	-	<b>294</b>
Levy Family	201	53	-	<b>254</b>
M A E L Jones	186	49	-	<b>235</b>
10 Funds each under £0.2m	719	190	(123)	<b>786</b>
<b>Total</b>	<b>284,123</b>	<b>51,843</b>	<b>(9,282)</b>	<b>326,684</b>

	Balance 31 March 2019 £'000	Gains and losses £'000	Balance 31 March 2020 £'000
<b>FY19/20</b>			
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
<b>Total</b>	<b>305,177</b>	<b>(21,054)</b>	<b>284,123</b>

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)	-	-	<b>2,400</b>
Guthrie Blandford & Shuter Nurses	303	49	(813)	-	1,690	<b>1,229</b>
Inflammatory Bowel Disease Research	1,181	7	(17)	-	-	<b>1,171</b>
Margaret Centre	992	15	(50)	-	-	<b>957</b>
Gastroenterology Whipps Cross	645	-	-	-	-	<b>645</b>
Barts Hospital Fundraising	216	380	(32)	-	-	<b>564</b>
Funds £0.4m-£0.5m (1)	428	3	(7)	-	-	<b>424</b>
Funds £0.3m-£0.4m (7)	1,978	4,303	(3,872)	-	-	<b>2,409</b>
Funds £0.2m-£0.3m (10)	1,973	479	(94)	-	-	<b>2,358</b>
Funds £0.1m-£0.2m (15)	1,868	156	(83)	-	-	<b>1,941</b>
Others (456)	5,686	1,650	(2,483)	-	126	<b>4,979</b>
<b>Total</b>	<b>17,605</b>	<b>7,155</b>	<b>(7,499)</b>	<b>-</b>	<b>1,816</b>	<b>19,077</b>

# 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
<b>Material funds</b>						
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
<b>Total</b>	<b>20,096</b>	<b>4,775</b>	<b>(7,187)</b>	<b>-</b>	<b>(79)</b>	<b>17,605</b>

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
<b>Unrestricted funds</b>	<b>69,469</b>	<b>13,215</b>	<b>(23,658)</b>	<b>18,350</b>	<b>7,434</b>	<b>84,810</b>
<b>Designated funds</b>						
Cardiac fund	122	-	-	-	-	122
Whipps Cross General fund	128	-	-	-	-	128
Funds up to £0.1m (3)	152	-	-	-	32	184
<b>Total designated funds</b>	<b>402</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>434</b>
<b>Total unrestricted and designated funds</b>	<b>69,871</b>	<b>13,215</b>	<b>(23,658)</b>	<b>18,350</b>	<b>7,466</b>	<b>85,244</b>

# 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
<b>Unrestricted funds</b>	85,825	15,000	(25,043)	(6,353)	40	69,469
<b>Designated funds</b>						
Cardiac fund	122	-	-	-	-	122
Whipps Cross General fund	92	-	(3)	-	39	128
Funds up to £0.1m (3)	157	-	(5)	-	-	152
<b>Total designated funds</b>	371	-	(8)	-	39	402
<b>Total unrestricted and designated funds</b>	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	<b>7,434</b>	<b>32</b>	<b>7,466</b>	<b>1,816</b>	<b>(9,282)</b>

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
<b>Distribution of net assets between funds</b>				
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
<b>Net (losses) on investments and heritage assets</b>	<b>(6,353)</b>	<b>-</b>	<b>(21,054)</b>	<b>(27,407)</b>



# 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	<b>59,406</b>	(39,870)
Adjustments for:		
(Gains)/Losses on revaluation and disposal of investment assets	<b>(64,705)</b>	27,407
Investment income	<b>(12,910)</b>	(14,935)
Depreciation charges	<b>71</b>	60
Decrease/(Increase) in debtors	<b>1,890</b>	(140)
Increase in creditors	<b>5,865</b>	13,139
<b>Cash outflow from operating activities</b>	<b>(10,383)</b>	<b>(14,339)</b>

### 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	<b>12,574</b>

### 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	<b>1,558</b>	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
<b>Total</b>	<b>10,343</b>	<b>38,637</b>

### 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
<b>Total</b>	<b>105</b>	<b>315</b>



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