

Annual Report
and Accounts 2008/09
The child first and always

Cover: Sophie is two years old and is being treated on Lion Ward for a type of cancer called neuroblastoma. She is always chatting with the nurses and likes going on walks "round the block" on Giraffe Ward, but her favourite thing is playing with her sister Olivia.

Chairman's statement

Our mission is to support Great Ormond Street Hospital in the provision of world-class care for its young patients and their families and to pioneer new treatments and cures for childhood illness.

Each year we need to raise more than £50 million to keep the hospital at the forefront of international paediatric medicine by:

Contributing to the redevelopment of hospital buildings

Staff and patients struggle with highly cramped, outdated clinical buildings completely ill-suited for 21st-century medicine. Donations help the charity to fund the necessary redevelopment of two-thirds of the hospital site.

Funding up-to-date equipment

In order to provide world-class care to patients, it is essential to have the latest state-of-the-art equipment. Providing medical equipment suitable to be used for children, and often babies, is particularly expensive and relies on donations to the charity.

Supporting research

Pioneering new ways to prevent, treat and cure complex, life-limiting and often life-threatening illnesses is critical to improving the lives of sick children. The charity raises funds to initiate many new important research projects to benefit Great Ormond Street Hospital children.

Providing accommodation

The hospital knows that having a parent staying with a child improves recovery; consequently the charity also fundraises to provide parent accommodation and other important welfare initiatives.

Achievements in 2008/09

For the first time, the charity has created a separate Impact Report to show how the monies raised by the charity are used. Some of the highlights include:

Redevelopment

Early in 2009, the special trustees of the charity were able to give approval to the hospital to begin construction of the Morgan Stanley Clinical Building, the first of two buildings within the new Mittal Children's Medical Centre.

With the help of many supporters, including significant gifts from Aditya and Megha Mittal and family, Morgan Stanley, the Barclay Foundation, The Walt Disney Company and the Wolfson Foundation, the new Morgan Stanley Clinical Building is scheduled to open in 2012, and will make an important difference to the lives of many patients, families and staff at the hospital. The new building will include facilities to support children with heart and lung conditions, children requiring neurosurgery and also children with kidney problems.

With generous support from the Reuben Foundation, CHILDREN with LEUKAEMIA and Scott and Suling Mead, the hospital opened the Reuben Foundation Children's Cancer Centre, which has enabled it to become the largest centre for paediatric cancer treatment in Europe and one of the top three centres in the Western world.

Research

The charity was able to support the hospital's important clinical research activity by funding a new paediatric clinical research facility to help improve children's care.

Thanks to the generosity of Mrs Phyllis Somers and the JN Somers Charitable Will Trust, The Somers Clinical Research Facility is carrying out clinical research into both common and rare childhood conditions and diseases. Findings from the centre will help the hospital seek medical advances, better treatments and new cures for patients in the UK and around the world.

Medical equipment

The charity was able to provide the hospital with a high-tech flow cytometry and cell sorting facility, which allows different cell types to be distinguished from one another. The cell sorter is crucial to the work conducted at the hospital and the UCL Institute of Child Health and will play a central role in a number of clinical and basic research projects, ranging from childhood cancers and leukaemias to stem cell transplants and pioneering gene therapy.

Family and staff welfare and support

In 2008/09, the charity enabled almost 3,000 patients and parents to be accommodated in the hospital's Paul O'Gorman Patient Hotel in Weston House, next to the hospital.

Chairman's statement continued

The charity also supported the hospital's online health information site for children, Children First for Health, which launched a new teen mental health section during the year in response to demand for quality information for teenagers on mental health issues.

Fundraising performance

The year ended 31 March 2009 was the charity's most successful fundraising year ever, raising £51.1 million (see page six). Our total income of £60.3 million compares with £52.6 million in 2007/08 and has contributed towards our goal to raise significant capital to finance the vital next stage of the hospital's redevelopment programme. This result represents excellent performance across all teams within the charity, in a highly challenging economic climate.

Fundraising highlights

In the year, the charity was able to celebrate the achievement of the Tick Tock Club in raising over £10 million towards a new heart and lung centre in the hospital. The charity also established the Theatres for Theatres fundraising appeal to raise money for new operating theatres. The appeal has raised £1 million in its first year.

The charity held a number of events during the course of the year. Of particular note was the annual Friends of Adeona dinner, which recognises those individuals, grant-making trusts and companies who have very generously donated to the charity at a level of £1 million or above. A list of the Friends of Adeona is included in the accompanying Impact Report. In addition, the charity celebrated its most successful ever fundraising event in July 2008, at the F1™ Party supported by Bernie Ecclestone and the Formula One community, which raised over £750,000 towards the new heart and lung centre.

It is very important for the charity to have greater predictability and security in its income forecasts and the charity has embarked on a strategy to ask more donors to become regular givers. The charity succeeded in increasing its number of regular givers by 50 per cent during the year.

Alongside major donors and corporate supporters, the charity relies heavily on the support of thousands of individual donors who make cash donations and fundraisers who organise events or take part in challenges. The special trustees are extremely grateful to all of the charity's committed and generous supporters and staff. We would like to thank everyone who has given their time or money and helped us to continue to make a difference to Great Ormond Street Hospital, despite the recession.

Looking forward

Whilst the special trustees are delighted with the fundraising performance during the past year, we have to be realistic about the current economic climate and its impact upon fundraising.

However, sickness does not recognise recession and the needs of sick children do not go away. Our commitment to raising these necessary funds is absolute; it is our conviction that we can engage prospective supporters in the important work of the hospital and inspire them to be part of improving the lives of sick children.

Whilst the next year undoubtedly will be challenging for the charity, the priority continues to be fundraising for the next stage of the essential hospital redevelopment programme. Upon completion, the hospital will be much better placed to deliver world-class care to the thousands of children who require the hospital's

expertise and we are focused on raising the £120 million needed to complete the hospital's £321 million Phase 2 redevelopment. At the same time, we recognise the importance of continuing to support the research requirements of the hospital and the UCL Institute of Child Health, which have led to so many breakthroughs in paediatric medicine.

Our plans to raise these significant funds will cross all areas of the charity's fundraising activities and will include efforts to secure significant gifts from individuals and corporate partners. Like many charities, we are also reliant on gifts left to us in wills and we are increasing the awareness of this form of fundraising amongst the charity's supporters. Much of our fundraising income is generated by support from the general public either through regular donations to the charity or through donations made as a result of fundraising events and challenges. We will work closely with all our supporters to encourage them to continue to do all they can, at a time when we need them more than ever.

The remarkable children and families the hospital cares for, move us to do all we can to improve the health of children. On their behalf, the charity would like to thank everyone who has contributed their time or made a donation. The hospital and the charity are completely dedicated to providing world-class care to sick children and their families, an aim which would not be possible without the incredible generosity of our many supporters.



Alan Hodson

Chair of special trustees
Great Ormond Street Hospital
Children's Charity

Trustees' annual report

Administrative details

The administrative details of the charity are stated on the inside back cover of this report.

Structure and governance

Governing document

The charity is governed by a Charity Commission Scheme dated 18 August 1998. The trustees are incorporated by a Certificate of Incorporation issued by the Charity Commission in April 2007 under Part VII of the Charities Act 1993 under the name "The Trustees of Great Ormond Street Hospital Children's Charity".

Trustees appointment

The volunteer Board of Special Trustees consists of a chairman and six special trustees, chosen for their skills and experience. The trustees are appointed by the Appointments Commission, acting on behalf of the secretary of state for health, as special trustees for Great Ormond Street Hospital Children's Charity under article 2 (1) of the National Health Service Trusts, order 2000, for the purpose of exercising functions described in Section 11 (1) of the National Health Service and Community Care Act 1990. Trustees are appointed for a minimum period of two years, which may be extended up to a maximum of 10 years.

A further five associate trustees are appointed as volunteers, to work with the special trustees to increase the expertise available. A tailored induction programme is provided for trustees on appointment.

Criminal Records Bureau checks are carried out for all trustees, staff and volunteers.

Responsibilities

The Board of Special Trustees is responsible for providing governance and leadership for the charity. They agree strategic plans for fundraising and approve the allocation of charitable expenditure.

A sub-group of the trustees meet as the Audit and Remuneration Committee. They agree both external and internal audit plans and reports, monitor compliance with policies and review risk-management systems. The charity has three other regular committees – the Investment Committee, the Property and Development Committee and the General Purposes Committee. All committees report to the full Board. There are at least eight full Board meetings a year.

The trustees appoint a chief executive, who is responsible for ensuring that their policies and strategies are followed. To ensure consistency and commitment to the aims and objectives of the hospital, the hospital's chief executive is also currently the chief executive of the charity.

With responsibility delegated from the chief executive, the executive director is responsible for leading the charity, developing, agreeing and delivering the strategic direction and operational management.

Related parties

The charity's mission is to raise funds to support Great Ormond Street Hospital as a world-class centre of excellence in paediatric treatment, training and research, the latter being mainly carried out at the UCL Institute of Child Health.

Great Ormond Street International Promotions Ltd (GOSIPL) is a wholly-owned subsidiary of the charity. It is responsible for all commercial activities of the group, namely licensing, sales promotions and mail order. All surplus funds earned are paid under Gift Aid to the charity. The company has its own Board of Directors, responsible for all governance issues. Financial details for GOSIPL are stated in note 2 to the accounts. Audited accounts are filed with the Registrar of Companies.

Risk management

The special trustees are legally required to minimise any risks to the charity. They are required to ensure that activities undertaken do not jeopardise the reputation of either the charity or the hospital. All potential risks are formally identified and regularly reviewed so that the necessary steps can be taken to minimise or eliminate them.

Trustees' annual report continued

Volunteering

Volunteers make a very valuable contribution to the charity's activities with over 200 volunteers donating their time over the course of 2008/09. Our volunteers include patients and their families, work experience placements, local community and regional community volunteers as well as those who help with our fundraising events and with introductions to corporate and potential major donors.

The work our volunteers undertake is highly varied and tailored to the specific skills and interests of individuals. Core areas of volunteer involvement in the charity are:

- external leadership boards (corporate and major gift fundraising);
- regional fundraising;
- event and community fundraising; and
- office-based roles.

In addition to charity-specific volunteer roles, following a review of the hospital's volunteer programme in 2007/08, provision has now been made to appoint a volunteer manager, with a view to enhancing overall effectiveness and providing additional opportunities for volunteers to fulfill roles in the hospital itself, the entire service being funded by the charity.

Public benefit statement

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

Our charity's objects are – any charitable purpose relating to Great Ormond Street Hospital, including research. The trustees ensure that this purpose is carried out for the public benefit by working to the following aim:

To raise more than £50 million a year to keep Great Ormond Street Hospital at the forefront of international paediatric medicine by:

- contributing to the rebuilding and refurbishment of the hospital;
- funding the most up-to-date equipment;
- supporting research into, and development of, breakthrough treatments; and
- providing accommodation and other support services for children and their families.

Our charitable organisation is primarily set up to benefit the patients and families of Great Ormond Street Hospital. Our grants are structured to ensure that the money raised is used to best effect to support the hospital's work and is in line with donors' wishes and the charity's mission and objects.

The charity does not provide facilities directly to the public but provides facilities for the hospital and, in so doing, for the patients of the hospital. For example, thanks to our supporters, the charity provides the Paul O'Gorman Patient Hotel in Weston House for patients and parents to use when visiting the hospital for treatments or tests which require an overnight stay but do not require that stay to be on an acute hospital ward.

The grants to the hospital do not focus on the income of patients' parents but provide benefit to any patient requiring the services of the hospital and are available to all entitled to NHS treatment based on need.

Charity objectives for 2008/09

The charity's objectives fall into four categories – fundraising, disbursement of funds, asset management and governance. This section of the report reviews the performance of the charity in meeting the objectives.

Objective	Whether met
Fundraising The charity's objective was to meet its annual net income target, secure pledged income for future years and to meet its cost income ratio target. The charity also set out to develop a cross-charity stewardship programme for donors and put in place plans to improve staff development and training.	We did not quite meet our annual net income target but we exceeded our pledged income target and our target return on investments. We established a cross-charity stewardship strategy for donors, conducted a staff satisfaction study and implemented a new training programme for staff.
Disbursement of funds The charity's objective was to fund the approved hospital projects within the financial year. We also set out to review the level of minimum reserves required taking into account the hospital's short, medium and long-term funding needs. The charity set out to develop a shared strategy with the Trust for projects that are not included within the approved list of hospital projects.	We met our requirements to fund the agreed hospital projects within the forecast disbursement budget, and we reviewed and re-established the level of minimum reserves required, taking into account the hospital's funding needs. We established a process whereby we consider each project that falls outside of the approved list of hospital projects on its own merit.
Asset management The charity's objective was to review its property portfolio and to develop a shared strategy with the Trust for the charity's property portfolio. We also set out to improve our understanding of the hospital's requirement for additional buildings. The charity also set out to effectively manage the charity's investments to maximise return for the charity.	Following the property review, we continue to work with the hospital to develop this strategy taking into account long-term funding and accommodation needs, regularly reviewing all aspects of the portfolio to ensure it best meets the needs of the hospital and the charity. Despite the prevailing economic and market conditions, the charity was very pleased to exceed its targets for return on investments.
Governance The charity's objective was to ensure that the charity appointed and retained trustees with a range of skills to support the specific needs and governance requirements of the charity. The charity's objective was to have current strategies for fundraising, disbursement of funds, asset management and governance and also to improve our risk management processes.	We have a formal process to induct and assess the skills of trustees and appraise their performance. The charity has a rolling three-year strategy and a detailed annual business plan which addresses each of its objectives. We have a clear approach to addressing key risks and we are in the process of developing a business continuity plan.

Trustees' annual report continued

Financial review

The year ended 31 March 2009 was the charity's most successful fundraising year ever, raising £51.1 million (see below). Our total income of £60.3 million rose by 14.6 per cent in comparison to 2007/08, contributing towards our goal to raise significant capital to finance the vital next stage of the hospital's redevelopment programme.

These results represent excellent performance across all teams within the charity in a highly challenging economic climate.

The principal funding sources of the charity are depicted below, with comparison to the previous year:

	2008/09 £ million	2007/08 £ million
Donations	38.2	32.2
Legacies	8.0	9.8
Trading	3.0	3.3
Other	1.9	1.4
Fundraising income	51.1	46.7
Investments	7.4	4.5
Property	1.8	1.4
Total	60.3	52.6

(Fig 1) Income sources 2008/09



Expenditure for the year totalled £39.5 million, with £23.5 million being spent on charitable activities:

	2008/09 £ million	2007/08 £ million
Redevelopment	8.8	14.2
Research	5.7	3.5
Medical equipment and capital schemes	4.1	5.7
Patient and staff welfare	2.5	2.2
Accommodation and other	2.4	1.6
Total	23.5	27.2

(Fig 2) Charitable expenditure 2008/09



The charity continued its programme of investment in its fundraising capabilities, with the aim of being able to meet the hospital's long-term needs. The benefits of this investment, past and present, have placed us in a good position to react to the current economic climate, however the trustees continue to focus on reducing fundraising costs as a proportion of funds raised and regularly monitor performance against a range of key performance indicators.

During the year, significant changes have been made to the values attributable to the charity's property portfolio. Following a review of its accounting treatment of the construction costs of the Octav Botnar Wing (completed in 2006), a decision was made to re-instate this asset on the balance sheet, at a revalued amount of £45.5 million. An adjustment of £4.6 million was also made to the valuation basis of the Frontage Building. Full details of these adjustments are provided in note 10 to the accounts. In addition to this, an impairment review of properties owned has resulted in a loss on revaluation of £25.5 million. Note 11 provides further information on this review.

Overall total funds decreased by £1.8 million in 2008/09, (see balance sheet total on page 11). As the charity works towards the challenge of funding the cost of the redevelopment and other existing commitments. It is a requirement of the NHS to have funds actually in the bank before redevelopment work can go ahead, hence the charity's need to build reserves. With building work now under way on Phase 2A, these built-up reserves will now start to be spent very quickly. Further detail of the various funds held is stated here.

Funds and reserves

The trustees review the level of free reserves required on an annual basis, in line with the guidance issued by the Charity Commission. They recognise the need to ensure that the reserves held enable financial stability, are adequate to meet working capital

requirements and can safeguard the charity's current commitments against fluctuations in income levels. Specifically, the trustees wish to ensure that sufficient unrestricted reserves are available to ensure that operations can continue over the short term, particularly within the current uncertain economic climate. The aim is to allow adequate time for a revised strategy to be put in place should the need arise.

For 2008/09, the free reserves target has been set at £18.5 million (2007/08: £14.4 million). The increase is due to added focus on ensuring adequate working capital is maintained for our higher levels of activity. The actual balance of free reserves as at 31 March 2009 was £22.3 million, exceeding the agreed target.

The charity has various funds available to finance its activities:

Restricted funds

These are funds subject to specific restrictions imposed by donors that are within the wider objectives of the charity. The charity holds £64.8 million as restricted funds, of which £50.9 million relates to the redevelopment. Also included in this total is £7.4 million held in special purpose funds, restricted for specific areas of work.

Unrestricted funds

These are funds that are expendable at the discretion of the trustees in furtherance of the charity's objectives. Free reserves are that part of the unrestricted fund that are not held as fixed assets or designated for other purposes.

Designated funds Redevelopment and other charitable commitments

Each year the trustees decide whether to designate funds raised towards the redevelopment of the hospital and for other specific projects, to be spent in future years. This helps to provide financial stability for vital areas of work within the hospital. The charity

does not enter into contracts for the funding of the redevelopment until/ unless it has sufficient funds available.

Fixed assets (tangible and intangible)

The charity owns fixed assets, the majority of which are operational property used, with a few small exceptions, by the hospital. Some of these serve as clinical and hospital administrative buildings, although the majority are residential properties. These residential properties are either let out to hospital staff or gratis to parents of children undergoing treatment at the hospital. As these properties serve a charitable purpose and are not held as investments, they cannot be easily converted into funds for day-to-day use. Therefore, the trustees have decided that reserves relating to fixed assets should be placed in a designated fund, which by definition will increase or decrease to reflect the net book value of these assets.

Endowment funds

The charity holds four endowment funds, which have been granted in order to generate funds to support specific charitable purposes.

Details of the movement on total funds are disclosed in note 16.

Investment policy

The policy is risk averse, with the trustees' first priority being to preserve capital in order to meet commitments on the hospital's redevelopment programme. In December 2007, the trustees made the decision to divest the equity portfolio and move into shorter term investments carrying less risk. The portfolio is broadly split between bonds and cash. The trustees consider this to be prudent, given the charity's cash flow projections and the current economic climate. The charity's investment managers follow strict guidelines in line with the charity's moral and ethical policy. The performance of the charity's investment managers is closely monitored and the charity issues regular guidance on short and longer term cash flow needs.

Statement of trustees' responsibility

The charity's trustees are responsible for the preparation of financial statements for each financial year that give a true and fair view of the state of affairs of the charity and the group and of their financial activities during the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures being 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 and group will continue in operation.

The trustees are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the charities regulations and relevant generally accepted accounting practice. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Independent auditors' report to the trustees of Great Ormond Street Hospital Children's Charity

We have audited the financial statements of the group and parent charity financial statements of Great Ormond Street Hospital Children's Charity for the year ended 31 March 2009 which comprise the primary financial statements such as the consolidated Statement of Financial Activities (SOFA), the balance sheets, the cash flow statement and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Notes

An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the trustees but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

We have been appointed as auditors under Section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept sufficient accounting records or if we have not received all the information and explanations we require for our audit.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and the parent charity's affairs as at 31 March 2009 and of the group's incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.



Deloitte LLP

Chartered Accountants
and Registered Auditors
St Albans
7 September 2009

Consolidated statement of financial activities

For the year ended 31 March 2009

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2009 £000	Total at 31 March 2008 (restated) £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3.1	23,390	22,531	360	46,281	41,996
Activities for generating funds	3.2	2,903	1,055	–	3,958	3,843
Investment income	3.3	6,587	764	–	7,351	4,469
Total incoming resources from generated funds		32,880	24,350	360	57,590	50,308
Incoming resources from charitable activities	4	1,846	887	–	2,733	2,241
Total incoming resources		34,726	25,237	360	60,323	52,549
Resources expended						
Cost of generating funds						
Cost of generating voluntary income	5.1, 5.4	13,776	5	–	13,781	10,254
Fundraising trading: cost of goods sold and other costs	5.1	1,474	–	–	1,474	2,562
Investment management costs	5.1	186	–	–	186	85
Total cost of generating funds		15,436	5	–	15,441	12,901
Charitable activities						
Patient welfare		492	255	–	747	615
Staff welfare		1,063	656	–	1,719	1,561
Research		3,724	1,940	–	5,664	3,459
Medical equipment and capital schemes		537	3,589	–	4,126	5,746
Redevelopment		670	8,126	–	8,796	14,213
Property expenditure		1,595	–	–	1,595	1,603
Other activities		770	46	–	816	27
Total charitable activities	5.2	8,851	14,612	–	23,463	27,224
Governance costs	5.3	559	–	–	559	547
Total resources expended		24,846	14,617	–	39,463	40,672
Net incoming resources before transfers		9,880	10,620	360	20,860	11,877
Gross transfers between funds	16	2,211	(2,211)	–	–	–
Total net incoming resources before other recognised gains and losses		12,091	8,409	360	20,860	11,877
Losses on revaluation of own fixed assets	11	(25,518)	–	–	(25,518)	–
Gains on revaluation and disposal of investment assets		947	1,844	–	2,791	5,563
Net movement in funds		(12,480)	10,253	360	(1,867)	17,440
Fund balances brought forward at 31 March 2008 as originally stated		156,401	54,514	239	211,154	193,714
Prior year adjustment	10	50,146	–	–	50,146	50,146
At 1 April 2008 as restated		206,547	54,514	239	261,300	243,860
Fund balances carried forward at 31 March 2009		194,067	64,767	599	259,433	261,300

Notes 1 to 20 form part of these accounts.

Consolidated balance sheet

As at 31 March 2009

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2009 £000	Total at 31 March 2008 (restated) £000
Fixed assets						
Tangible assets	11	88,801	–	–	88,801	109,143
Investments	12	64,567	41,773	599	106,939	94,521
Total fixed assets		153,368	41,773	599	195,740	203,664
Current assets						
Stocks		55	–	–	55	169
Debtors	13	6,452	–	–	6,452	4,272
Short-term investments and deposits		38,914	22,994	–	61,908	40,274
Cash at bank and in hand		1,806	–	–	1,806	24,305
Total current assets		47,227	22,994	–	70,221	69,020
Creditors: amounts falling due within one year	14	6,253	–	–	6,253	11,060
Net current assets		40,974	22,994	–	63,968	57,960
Total assets less current liabilities		194,342	64,767	599	259,708	261,624
Creditors: amounts falling due after more than one year	15	275	–	–	275	324
Total net assets		194,067	64,767	599	259,433	261,300
Funds of the charity						
Capital funds:						
Endowment funds	16.1	–	–	599	599	239
Income funds:						
Restricted	16.2	–	64,767	–	64,767	54,514
Unrestricted	16.3	194,067	–	–	194,067	206,547
Total funds		194,067	64,767	599	259,433	261,300

Notes 1 to 20 form part of these accounts.

Approved by the Board of Trustees on 12 August 2009 and signed on its behalf by



Alan Hodson
Chair

Charity balance sheet

As at 31 March 2009

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2009 £000	Total at 31 March 2008 (restated) £000
Fixed assets						
Tangible assets	11	88,801	–	–	88,801	109,143
Investments	12	64,567	41,773	599	106,939	94,521
Total fixed assets		153,368	41,773	599	195,740	203,664
Current assets						
Debtors	13	6,550	–	–	6,550	5,655
Short-term investments and deposits		38,914	22,994	–	61,908	40,274
Cash at bank and in hand		1,400	–	–	1,400	22,373
Total current assets		46,864	22,994	–	69,858	68,302
Creditors: amounts falling due within one year	14	6,015	–	–	6,015	10,467
Net current assets		40,849	22,994	–	63,843	57,835
Total assets less current liabilities		194,217	64,767	599	259,583	261,499
Creditors: amounts falling due after more than one year	15	275	–	–	275	324
Total net assets		193,942	64,767	599	259,308	261,175
Funds of the charity						
Capital funds:						
Endowment funds	16.1	–	–	599	599	239
Income funds:						
Restricted	16.2	–	64,767	–	64,767	54,514
Unrestricted	16.3	193,942	–	–	193,942	206,422
Total funds		193,942	64,767	599	259,308	261,175

Notes 1 to 20 form part of these accounts.

Approved by the Board of Trustees on 12 August 2009 and signed on its behalf by



Alan Hodson
Chair

Consolidated cash flow statement

For the year ended 31 March 2009

		31 March 2009 £000	31 March 2008 £000
Cash inflow from operating activities	17	6,804	6,541
Returns on investments and servicing of finance			
Interest received		4,610	1,089
Investments in fixed income portfolio		2,741	2,554
Dividend received		–	765
Investment broker's rebate		–	61
Net cash inflow from returns on investments and servicing of finance		7,351	4,469
Investing activities			
Payments to acquire fixed assets		(5,209)	(737)
Payments to acquire investments		(51,472)	(36,290)
Proceeds from sale of investments		41,661	85,510
Net cash (outflow)/inflow from investing activities		(15,020)	48,483
Net cash (outflow)/inflow before management of liquid resources		(865)	59,493
Management of liquid resources			
Increase in short-term deposits		(21,634)	(39,615)
Net cash outflow from management of liquid resources	17	(21,634)	(39,615)
(Decrease)/increase in cash	17	(22,499)	19,878

Notes to the accounts

1 Accounting policies

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

1.1 Basis of preparation

The financial statements have been prepared under the historic cost convention, as modified for the revaluation of certain investments and properties, and in accordance with applicable United Kingdom accounting standards and policies for the NHS approved by the secretary of state and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities published in 2005. No separate Statement of Financial Activities (SOFA) has been presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 397 of the SORP.

1.2 Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertaking, which has a co-terminus year end. Consolidation has been carried out on a line-by-line basis.

1.3 Incoming resources

All incoming resources are included in the SOFA when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

a) Gifts in kind

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

In all cases the amount at which gifts in kind are recognised is either a reasonable estimate of their value to the charity or the amount actually realised.

b) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain. This will be once the final estate accounts have been approved by all parties. This approval provides confirmation that payment of the legacy will be made or property transferred and confirms that all conditions attached to the legacy have been fulfilled. Legacies are included as incoming resources if the approval happened before 31 March. Legacies are disclosed under voluntary income in the SOFA (see note 3.1).

c) Income from fundraising activities

General donations and Gift Aid are disclosed under voluntary income in the SOFA. Tickets, auction and sponsorship income from fundraising events are disclosed under activities for generating funds.

d) Grants

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

1.4 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under the principle categories of 'costs of generating funds' and 'charitable activities'. These classifications comprise direct expenditure attributable to the activity.

Governance costs are those costs attributable to the governance arrangements of the charity which relate to the general running of the charity as opposed to those associated with charitable or fundraising activity. These include internal and external audit, legal advice for the trustees and indemnity insurance.

Support costs, which include the central functions of Finance, IT, HR, Administration and Business Support, are allocated across the categories of cost of generating funds, charitable activities and governance costs. The basis of the cost allocation is set out in note 6.

1.5 Funds structure

Incoming resources and resources expended are allocated to particular funds according to their purpose.

- a) Permanent endowment funds – funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as permanent endowment funds.
- b) Restricted funds – restricted funds include those receipts which are subject to specific restrictions imposed by donors.
- c) Unrestricted funds – the unrestricted fund includes income received without restriction, including the retained profits of the trading subsidiary. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. The trustees may earmark unrestricted funds for a particular purpose, without restricting or committing the funds legally. Such amounts are known as designated funds.

1.6 Tangible fixed assets

a) Capitalisation

All assets falling into the following categories are capitalised:

- i Tangible assets which are capable of being used for more than one year, and have a cost equal to or greater than £5,000.
- ii Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £250 or more.

b) Valuation

Tangible fixed assets are valued at current cost as follows:

- i Land, buildings, installations and fittings are stated at open market value for their existing use. Valuations are carried out professionally at five-yearly intervals. The last full valuation was made on 31 March 2007, with an impairment review in all other years.

- ii Equipment is valued at the lower of estimated net replacement cost or recoverable amount.
- iii Assets in the course of construction are valued at current cost.

c) Depreciation

- i Depreciation is charged on each main class of tangible asset as follows: land and assets in the course of construction are not depreciated; installations and fittings are depreciated on their revalued amount over the assessed remaining life of the asset as advised by professional valuers.

Buildings are not depreciated, but are subject to an annual impairment review in the years between the formal valuations.

- ii Each equipment asset is depreciated over its expected useful life.

	Years
Fittings and equipment	15
Furniture	10
Vehicles	10
Office equipment	5
IT equipment	3

d) Donated assets

Donated assets are capitalised at their valuation on a full replacement cost basis on receipt and are depreciated as described above.

1.7 Investment fixed assets

Investment fixed assets are shown at market value.

- i Quoted stocks and shares are included in the balance sheet at mid-market value.
- ii Other investment fixed assets are included at the trustees' best estimate of market value.

Investments in subsidiary undertakings are stated at cost.

1.8 Realised gains and losses

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

1.9 Stock

Stock consists of purchased goods for resale. Stock is valued at the lower of cost and net realisable value. Provision is made for any obsolete or slow-moving items.

1.10 Pension contributions

Most employees are members of a defined contribution pension scheme. Contributions are chargeable to the SOFA in the period in which they are paid.

However, 17 present employees and a number of past employees are members of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the secretary of state, in England and Wales. As a consequence it has not been possible for the trustees to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

The scheme is subject to a full actuarial valuation every four years (until 2004, based on a five-year valuation cycle), and a FRS17 accounting valuation every year. An outline of these follows:

Notes to the accounts continued

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date.

The conclusion from the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the scheme actuary reported that employer contributions could continue at the existing rate of 14 per cent of pensionable pay. On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. Up to 31 March 2008, the vast majority of employees paid contributions at the rate of six per cent of pensionable pay. From 1 April 2008, employees' contributions are on a tiered scale from five per cent up to 8.5 per cent of their pensionable pay depending on total earnings.

Additional disclosures about the scheme and its financial position are provided in Great Ormond Street Hospital's Annual Report and Accounts, which can be obtained from the chief finance officer, Great Ormond Street Hospital, York House, 37 Queen Square, London WC1N 3BH.

Further details can also be found on the NHS pension's website www.nhsbsa.nhs.uk/pensions

1.11 Taxation

Great Ormond Street Hospital Children's Charity as a registered charity is exempt from corporation tax under Section 505 of the Taxes Act 1998 or Section 256 Taxation of the Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

No corporation tax charge has arisen in the charity's subsidiary due to its policy of gifting all taxable profits to Great Ormond Street Hospital Children's Charity each year.

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

1.12 Leases

The group has no finance leases. Costs relating to operating leases are charged in the SOFA over the life of the lease.

2 Great Ormond Street International Promotions Ltd

The charity has one wholly owned trading subsidiary, Great Ormond Street International Promotions Ltd (GOSIPL), with paid up share capital of £2. GOSIPL is incorporated in the UK. The principal activities of the company are the trading activities for the charity. A summary of its trading results and its net assets is shown below. Audited accounts are filed with the Registrar of Companies.

	Year ended 31 March 2009 £000	Year ended 31 March 2008 £000
Profit and loss account		
Turnover	2,526	2,991
Cost of sales	(72)	(788)
Gross profit	2,454	2,203
Administrative expenses	(731)	(1,244)
Other operating income	450	–
Interest receivable	24	33
Net profit	2,197	992
Amount passed as Gift Aid to the charity	(2,197)	(992)
Taxation	–	–
Retained in subsidiary	–	–

	Year ended 31 March 2009 £000	Year ended 31 March 2008 £000
Balance sheet		
Stocks – goods for resale	55	169
Debtors	620	158
Cash	406	1,932
Current liabilities	(956)	(2,134)
Net assets	125	125
Share capital and reserves	125	125

Notes to the accounts

continued

3 Incoming resources from generated funds

3.1 Voluntary income

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2009 £000	Total at 31 March 2008 £000
Donations	14,569	21,652	–	36,221	30,638
Legacies	7,110	564	360	8,034	9,752
Gift Aid	1,711	315	–	2,026	1,534
Membership fees	–	–	–	–	72
Total voluntary income	23,390	22,531	360	46,281	41,996

The Friends Membership income went through the trading subsidiary in 2008/09 and is therefore included within activities for generating funds. In 2007/08 this was included in the charity's activities and was included as voluntary income above.

3.2 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2009 £000	Total at 31 March 2008 £000
Auctions and sales of donated goods	458	208	–	666	181
Tickets	99	109	–	208	133
Sponsorship	–	20	–	20	101
Course fees	–	64	–	64	102
Royalties	–	–	–	–	3
Income generated by trading subsidiary	2,346	654	–	3,000	3,323
Total	2,903	1,055	–	3,958	3,843

3.3 Analysis of gross income from investments

	Held		Year ended 31 March 2009 £000	Year ended 31 March 2008 £000
	in UK £000	outside UK £000	Total £000	Total £000
Investments listed on Stock Exchange	–	–	–	765
Investments in a fixed income portfolio	2,075	666	2,741	2,554
Cash investments	4,520	90	4,610	1,089
Investment broker's rebate	–	–	–	61
Total	6,595	756	7,351	4,469

4 Incoming resources from charitable activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds £000	Total funds £000
Property income					
Rent	1,615	–	–	1,615	1,371
Guest rent	60	–	–	60	47
Miscellaneous	171	–	–	171	26
Subtotal	1,846	–	–	1,846	1,444
Grant income					
CHILDREN with LEUKAEMIA	–	213	–	213	172
University College London Hospitals	–	575	–	575	575
UCB Pharma Ltd	–	71	–	71	50
Caring Matters Now	–	28	–	28	–
Subtotal	–	887	–	887	797
Total incoming resources from charitable activities	1,846	887	–	2,733	2,241

Notes to the accounts continued

5 Resources expended

			Year ended 31 March 2009	Year ended 31 March 2008	
	Notes	Direct costs £000	Support costs £000	Total £000	Total £000
5.1 Costs of generating funds					
Cost of generating voluntary income		11,743	2,038	13,781	10,254
Fundraising trading: costs of goods sold and other costs		1,255	219	1,474	2,562
Investment management costs		186	–	186	85
Total		13,184	2,257	15,441	12,901
5.2 Charitable activities					
Patient welfare		702	45	747	615
Staff welfare		1,668	51	1,719	1,561
Research		5,505	159	5,664	3,459
Medical equipment and capital schemes		3,998	128	4,126	5,746
Redevelopment		8,572	224	8,796	14,213
Property expenditure		1,572	23	1,595	1,603
Other activities		816	–	816	27
Total	7	22,833	630	23,463	27,224
5.3 Governance costs					
		438	121	559	547
Total resources expended	6	36,455	3,008	39,463	40,672

		Year ended 31 March 2009 £000	Year ended 31 March 2008 £000
5.4 Resources expended include charges for:			
Hire of plant and machinery		48	13
Other operating lease rentals		495	308
Adult remuneration:			
Great Ormond Street Hospital Children's Charity		28	26
Great Ormond Street International Promotions Ltd		10	7
Depreciation		217	185
Also included within the SOFA are:			
Profit on disposal of investments		1,829	10,314

6 Support costs

	Staff costs £000	IT and Comms £000	Other £000	Year ended 31 March 2009 Total £000	Year ended 31 March 2008 Total £000
Cost of generating voluntary income	878	331	829	2,038	1,309
Fundraising trading	90	36	93	219	327
Patient welfare	19	7	19	45	11
Staff welfare	22	8	21	51	26
Research	69	26	64	159	55
Medical equipment and capital schemes	56	21	51	128	97
Redevelopment	99	36	89	224	228
Property expenditure	6	4	13	23	19
Governance costs	52	20	49	121	109
Total	1,291	489	1,228	3,008	2,181

Support costs include the costs of the following departments: Finance, Information Technology, Human Resources, Administration and Business Support. Total support costs have been apportioned over other resources expended on the basis of time spent.

7 Grant funded activities

	Aggregate amount paid Year ended 31 March 2009 £000	Aggregate amount paid Year ended 31 March 2008 £000
Name of recipient:		
Great Ormond Street Hospital NHS Trust	19,803	24,102
Child Health Research Appeal Trust	1,794	1,940
UCL Institute of Child Health	1,833	1,149
Sick Children Trust	33	33
Total	23,463	27,224

Notes to the accounts

continued

8 Details of staff costs

8.1 Analysis of staff costs

	Total year ended 31 March 2009 £000	Total year ended 31 March 2008 £000
Salaries and wages	4,791	3,772
Compensation for loss of office	163	124
Social security costs	509	412
Pension costs	346	270
Total emoluments of employees	5,809	4,578
Agency staff	344	116
Total emoluments	6,153	4,694

	No. of staff	No. of staff
The average number of employees is split as follows:		
Support staff	21	13
Cost of generating funds	86	77
Charitable expenditure	24	21
Governance	5	5
Total	136	116

8.2 Pension contributions

Employees whose emoluments fell within the following bands received the pension contribution stated below:

Year ended 31 March 2009	Value of contributions £000	No. of staff receiving contributions
£60,000 to £69,999	35	6
£80,000 to £89,999	9	1
£90,000 to £99,999	32	3
£100,000 to £109,999	12	1

8.3 Emoluments banding

The number of employees whose emoluments fell within the following bands were:

	No. of staff year ended 31 March 2009	No. of staff year ended 31 March 2008
£60,000 to £69,999	6	3
£70,000 to £79,999	–	1
£80,000 to £89,999	1	2
£90,000 to £99,999	3	–
£100,000 to £109,999	1	–
£190,000 to £199,999	–	1

Included within the highest paid employee's emoluments for 2007/08 was a redundancy payment.

9 Trustee remuneration

None of the trustees received any remuneration from the charity or its subsidiary during the current or previous financial year. Reimbursement of travel expenses incurred by the trustees while carrying out their responsibilities for the charity totalled £0 (2007/08: £140) for the year ending 31 March 2009. No trustees were reimbursed for expenses during the year ending 31 March 2009 (2008: six).

A trustee indemnity insurance policy is held with dual corporate risks providing indemnity of £5 million. The cost of the policy in 2008/09 was £4,612 (2007/08: £5,651).

10 Prior year adjustment

Tangible fixed assets

Following a review of the accounting treatment relating to the construction of the Octav Botnar Wing (OBW), which was completed in 2006, the trustees have taken the decision to re-instate the asset on the charity's balance sheet. The costs relating to the building of this asset had previously been treated as a donation to the hospital and included under charitable activities. Furthermore, the Frontage Building has been restated at depreciated replacement cost (DRC). The following note details the adjustments that have been made as a result.

- Inclusion of building at historic cost – the inclusion in the balance sheet of the original cost of the OBW, opened in April 2006.
- Impairment adjustment – the impairment adjustment required to include the OBW at March 2007 values, being the date of the last revaluation undertaken.
- Inclusion of building at DRC – the inclusion of the Frontage Building (constructed in the 1960s) at DRC, as opposed to residual value.

	Surplus for the year ended 31 March 2008 £000	Funds brought forward 1 April 2007 £000	Total prior year adjustment £000
As previously stated	17,440	193,714	211,154
Restatement of prior year:			
Inclusion of building at historic cost	a	– 40,074	40,074
Revaluation adjustment	b	– 5,422	5,422
Inclusion of building at DRC	c	– 4,650	4,650
Total prior year adjustment	–	50,146	50,146
As restated	17,440	243,860	261,300

The prior year adjustment of £50.15 million referred to above has been added to unrestricted funds as shown in note 16.

Notes to the accounts continued

11 Tangible fixed assets Charity and consolidated

	Freehold/ leasehold land and buildings £000	Assets under construction £000	Fixtures, fittings and vehicles £000	IT equipment £000	Total £000
Total tangible fixed assets:					
Balance at 31 March 2008	57,661	661	574	429	59,325
Prior year adjustment	50,146	–	–	–	50,146
Revised balance at 31 March 2008	107,807	661	574	429	109,471
Reclassification of investment property	184	–	–	–	184
Additions	–	4,491	576	142	5,209
Impairment	(25,518)	–	–	–	(25,518)
Disposals	–	–	–	–	–
Transfers	5,152	(5,152)	–	–	–
Balance at 31 March 2009	87,625	–	1,150	571	89,346
Accumulated depreciation:					
Balance at 31 March 2008	–	–	61	267	328
Disposals	–	–	–	–	–
Charge for the year	–	–	62	155	217
Balance at 31 March 2009	–	–	123	422	545
Net book value at 31 March 2009	87,625	–	1,027	149	88,801
At 1 April 2008 originally stated	57,661	661	513	162	58,997
Prior year adjustment	50,146	–	–	–	50,146
Net book value at 31 March 2008 restated	107,807	661	513	162	109,143
Historic cost at 31 March 2009	62,591	–	1,150	571	64,312

Freehold/leasehold land and buildings are included at open market value for existing use, based on an impairment review undertaken on 31 March 2009 by Gould & Co, chartered surveyors, acting as independent valuers. The charity undertakes a full independent professional valuation every five years, with impairment reviews undertaken as necessary in accordance with SORP 2005. Due to the use of regular impairment reviews, which identify material changes to the carrying value of these assets, buildings are not depreciated.

45 Great Ormond Street was reclassified from being an investment property to within tangible fixed assets in the year.

12 Fixed asset investments

Analysis of fixed asset investments

12.1 Charity and consolidated

	2009 Total £000	2008 Total £000
Fixed asset investments:		
Market value at 1 April	94,337	137,994
Less: disposals at carrying value	(39,832)	(75,196)
Add: acquisitions at cost	51,472	36,290
Net gain/(loss) on revaluation	962	(4,751)
Subtotal	106,939	94,337
Reclassification of a property from investments to fixed assets	–	184
Market value at 31 March	106,939	94,521
Historic cost at 31 March	99,257	127,041

12.2 Market value at 31 March:

	Held in the UK £000	Held outside the UK £000	2009 Total £000	2008 Total £000
Cash investments	41,773	–	41,773	–
Investments in a fixed income portfolio	51,876	13,219	65,095	94,337
Investments listed on Stock Exchange	71	–	71	–
Investment property	–	–	–	184
	93,720	13,219	106,939	94,521

Investment powers

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

12.3 Investment in Great Ormond Street International Promotions Ltd

	2009 Total £2	2008 Total £2
	£2	£2

The net result for the company in 2008/09 is a surplus of £2,197,305 (2008: £991,756), with net assets at the end of the year of £125,491 (2008: £125,491).

Notes to the accounts continued

13 Debtors

	Charity		Consolidated	
	31 March 2009 £000	31 March 2008 £000	31 March 2009 £000	31 March 2008 £000
Amounts falling due within one year:				
Trade debtors	105	200	273	318
Amounts due from subsidiary	718	1,541	–	–
Other debtors	1,134	2,953	1,584	2,971
Prepayments	325	279	327	282
Accrued income	4,268	682	4,268	701
Total debtors falling due within one year	6,550	5,655	6,452	4,272

14 Creditors: amounts falling due within one year

	Charity		Consolidated	
	31 March 2009 £000	31 March 2008 £000	31 March 2009 £000	31 March 2008 £000
Trade creditors	1,963	3,749	1,995	3,867
Taxation and social security	164	–	261	–
Other creditors	1,491	5,178	1,491	5,178
Accruals	2,314	1,424	2,392	1,849
Deferred income	83	116	114	166
Total creditors falling due within one year	6,015	10,467	6,253	11,060

15 Creditors: amounts falling due after more than one year

	Charity		Consolidated	
	31 March 2009 £000	31 March 2008 £000	31 March 2009 £000	31 March 2008 £000
Rent-free provision	275	324	275	324
Total creditors falling due after more than one year	275	324	275	324

16 Group and charity funds

	Balance 31 March 2008 (as originally stated) £000	Prior year adjustment (note 10) £000	Balance 31 March 2008 (restated) £000	Incoming resources £000	Resources expended £000	Transfers between funds £000	Gains and losses £000	Balance 31 March 2009 £000
16.1 Endowment funds								
A Tippetts & Crux	222	-	222	-	-	-	-	222
B Lewisohn	10	-	10	-	-	-	-	10
C Barnes	7	-	7	-	-	-	-	7
D Mary Shepard Bequest	-	-	-	360	-	-	-	360
Total endowment funds	239	-	239	360	-	-	-	599
16.2 Restricted funds								
A Redevelopment	38,992	-	38,992	18,008	(8,125)	153	1,844	50,872
B Restricted purpose funds	5,788	-	5,788	5,024	(4,222)	(87)	-	6,503
C Clinical Cardiac Chair	1,124	-	1,124	59	(319)	-	-	864
D Neonatal Surgical Disorders	506	-	506	24	(132)	-	-	398
E Legacy – Cancer Research	354	-	354	(2)	-	-	-	352
F O. Hodson Cancer Fund	347	-	347	46	(104)	-	-	289
G Paediatric Intensive Care Fund	313	-	313	103	(8)	-	-	408
H Host Defence	299	-	299	93	(45)	-	-	347
I Clarissa Norman Fund	199	-	199	14	(29)	-	-	184
J Family Studies	166	-	166	168	(70)	-	-	264
K Metabolic Storage Disease Fund	66	-	66	100	(4)	-	-	162
L REACH Fund	139	-	139	32	(19)	(30)	-	122
M Hearts for Kids Fund	132	-	132	37	(17)	-	-	152
N Craniofacial Fund	121	-	121	92	(25)	-	-	188
O Other special purpose funds	5,968	-	5,968	1,439	(1,498)	(2,247)	-	3,662
Total restricted funds	54,514	-	54,514	25,237	(14,617)	(2,211)	1,844	64,767
16.3 Unrestricted funds								
General funds	14,402	-	14,402	34,726	(24,846)	(2,965)	947	22,264
Designated funds:								
Redevelopment fund	83,002	-	83,002	-	-	-	-	83,002
Fixed assets fund	58,997	50,146	109,143	-	-	5,176	(25,518)	88,801
Total unrestricted funds	156,401	50,146	206,547	34,726	(24,846)	2,211	(24,571)	194,067
Total funds	211,154	50,146	261,300	60,323	(39,463)	-	(22,727)	259,433

The above funds comprise those of the group after including the £125,489 retained unrestricted funds of the subsidiary company.

Notes to the accounts continued

Endowment funds

Name of fund

- A Tippetts & Crux
- B Lewisohn
- C Barnes
- D Mary Shepard Bequest

Description of the nature and purpose of each fund

- Capital in perpetuity bequests to be used for research in general and general purposes.
- Capital in perpetuity bequest to be used for an annual staff award.
- Capital in perpetuity bequest for general purposes.
- Capital in perpetuity bequest for general purposes.

Restricted funds

Name of fund

- A Redevelopment
- B Restricted purpose funds
- C Clinical Cardiac Chair
- D Neonatal Surgical Disorders
- E Legacy – Cancer Research
- F O. Hodson Cancer Fund
- G Paediatric Intensive Care Fund
- H Host Defence
- I Clarissa Norman Fund
- J Family Studies
- K Metabolic Storage Disease Fund
- L REACH Fund
- M Hearts for Kids Fund
- N Craniofacial Fund

Description of the nature and purpose of each fund

- To provide finance for major building and capital development.
- To provide specific items of equipment, services or projects.
- To provide support costs for the post of clinical cardiac chair.
- To support research in the Mittal Children's Medical Centre for neonatal surgical disorders.
- To fund research into cancer.
- To support projects and roles related to childhood cancer.
- To provide support for intensive care staff and patients.
- To provide support for staff and patients on host defence wards.
- To provide support for cardiac services.
- To provide support to the Psychological Medicine Department.
- To provide support for all activity relating to metabolic storage disorders.
- To provide for research and education in cancer and haematological disorders.
- To provide support for cardiac wards staff and patients.
- To provide support to the Craniofacial Unit.

Unrestricted and designated funds

The fixed assets fund is designated to facilitate the replacement or refurbishment of assets belonging to the charity. The value of this fund is set as the net book value of both tangible and intangible assets.

17 Notes to the consolidated cash flow statement

17.1 Reconciliation of cash flows from operating activities to net incoming/(outgoing) resources

	2009 £000	2008 £000
Net incoming resources	20,860	11,877
Depreciation charges	217	185
Investment income	(7,351)	(4,469)
Decrease/(increase) in stocks	114	(62)
Decrease/(increase) in debtors	(2,180)	2,080
(Decrease)/increase in creditors	(4,856)	(3,070)
Cash inflow from operating activities	6,804	6,541

17.2 Analysis of net debt

	Balance 31 March 2008 £000	Cash flows £000	Balance 31 March 2009 £000
Cash in hand and at bank	24,305	(22,499)	1,806
Increase in cash in the year	24,305	(22,499)	1,806
Current asset investments	40,274	21,634	61,908
Total	64,579	(865)	63,714

18 Commitments, liabilities and provisions

	2008/09 £000	2007/08 £000
The trustees have the following commitments:		
Redevelopment programme	110,166	83,002
Research	9,270	–
Capital projects and equipment	3,143	2,872
	122,579	85,874

No provision has been made for the above commitments in the accounts. The trustees recognise liabilities in the accounts once they have incurred either a legal or constructive obligation to expend funds. The existence of conditions in funding agreements determines the point of recognition of the liability.

19 Annual commitments under non-cancellable operating leases

	Land and buildings		Other leases	
	2008/09 £000	2007/08 £000	2008/09 £000	2007/08 £000
Operating leases which expire:				
Between one and five years	341	–	48	20
After five years	285	381	–	–

Notes to the accounts

continued

20 Related-party transactions

This note lists material transactions with other entities in which either trustees or senior employees of the charity hold positions of authority. Figures in brackets show amounts due/owing at year end.

Related party	Connected party	Relationship	2009 £000	2008 £000	Detail of transactions
Great Ormond Street Hospital	Dr Jane Collins (CEO)	Dr Jane Collins is CEO of the hospital	19,196	23,415	Grants given to Great Ormond Street Hospital
			(1,750)	(4,300)	
	Andrew Fane (associate trustee)	Andrew Fane is deputy chairman of the hospital Trust Board and other committees	1,095	967	Amounts paid for services provided, ie rent
			(285)	(637)	
Friends of the Children of Great Ormond Street (FCGOS)	Andrew Fane (associate trustee)	Andrew Fane is chairman of the trustees of FCGOS	16	15	Accounting and administration work carried out by Great Ormond Street Hospital Children's Charity staff
			(2)	(31)	
Child Health Research Appeal Trust (CHRAT)	Andrew Fane (associate trustee)	Andrew Fane is chairman of the trustees of CHRAT	1,794	1,149	Grants given to CHRAT for equipment and research
			(592)	(75)	
Jeans for Genes	Tim Johnson (executive director)	Tim Johnson is a trustee of Jeans for Genes	204	353	Grants received and amounts charged for licences
			(29)	(353)	
KPMG, LLP	David Elms (associate trustee)	David Elms is a partner of KPMG, LLP	5	–	Tax advice services received
			–	–	
Coram's Fields and Harmsworth (CFH)	Andrew Fane (associate trustee)	Andrew Fane is a trustee and governor of CFH	5	–	Hire of venue for events
			–	–	

Administrative details

Names of charity and subsidiary

Great Ormond Street Hospital

Children's Charity:

registered charity number 235825

Great Ormond Street

International Promotions Ltd:

company limited by share capital
registered number 2265303

Principal and registered office

40 Bernard Street
London WC1N 1LE
Tel: 020 7239 3000
www.gosh.org
www.childrenfirst.nhs.uk

Description of charity's objects

Any charitable purpose relating to Great Ormond Street Hospital, including research. Funds are subject to Statutory Trusts for Health Services under Section 93 of the NHS Act 1977.

Special trustees

Alan Hodson (chairman)
John Ballard
Susan Burns
Diana Dunstan (appointed 1 June 2008)
Richard Glynn
George Jenkins (appointed 1 June 2008)
Hugo Llewelyn

Associate trustees

Gabrielle Abbott
(appointed 3 September 2008)
David Elms
Andrew Fane
Gary Steinberg
Michael Weston

Board of directors

Dr Jane Collins MSc MD FRCP FRCPCH
(chief executive)
Tim Johnson (executive director)
Antonia Dalmahoy
(director of corporate partnerships)
Neal Donnelly (from 13 October 2008)
(director of major gift fundraising)
Alexandra Hartley (until 31 March 2009)
(director of HR and learning
and development)
Andrew Hibbert
(director of finance, HR and IT)
Lesley Miles (director of
marketing communications
and community fundraising)

Charity secretary

Christine Monk

Charity patrons

Vernon Kay and Tess Daly
Cat Deeley

Other relevant organisations

Auditors of the charity and the group

Deloitte LLP
3 Victoria Square
Victoria Street
St Albans AL1 3TF

Auditors of the trading subsidiary

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

Bankers

Royal Bank of Scotland
Cavell House
2a Charing Cross Road
London WC2H 0NN

Solicitors

Withers LLP
London EC4M 7EG

Investment managers

HSBC Asset Management (Europe) Ltd
London SW1A 1EJ

Royal London Cash Management Ltd
55 Gracechurch Street
London EC3V 0UF

Independent investment consultants

Edward Jewson Associates
12-14 Mason's Avenue
London EC2V 5BB

**Great Ormond Street
Hospital Children's Charity**

40 Bernard Street
London WC1N 1LE
020 7239 3000
www.gosh.org

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