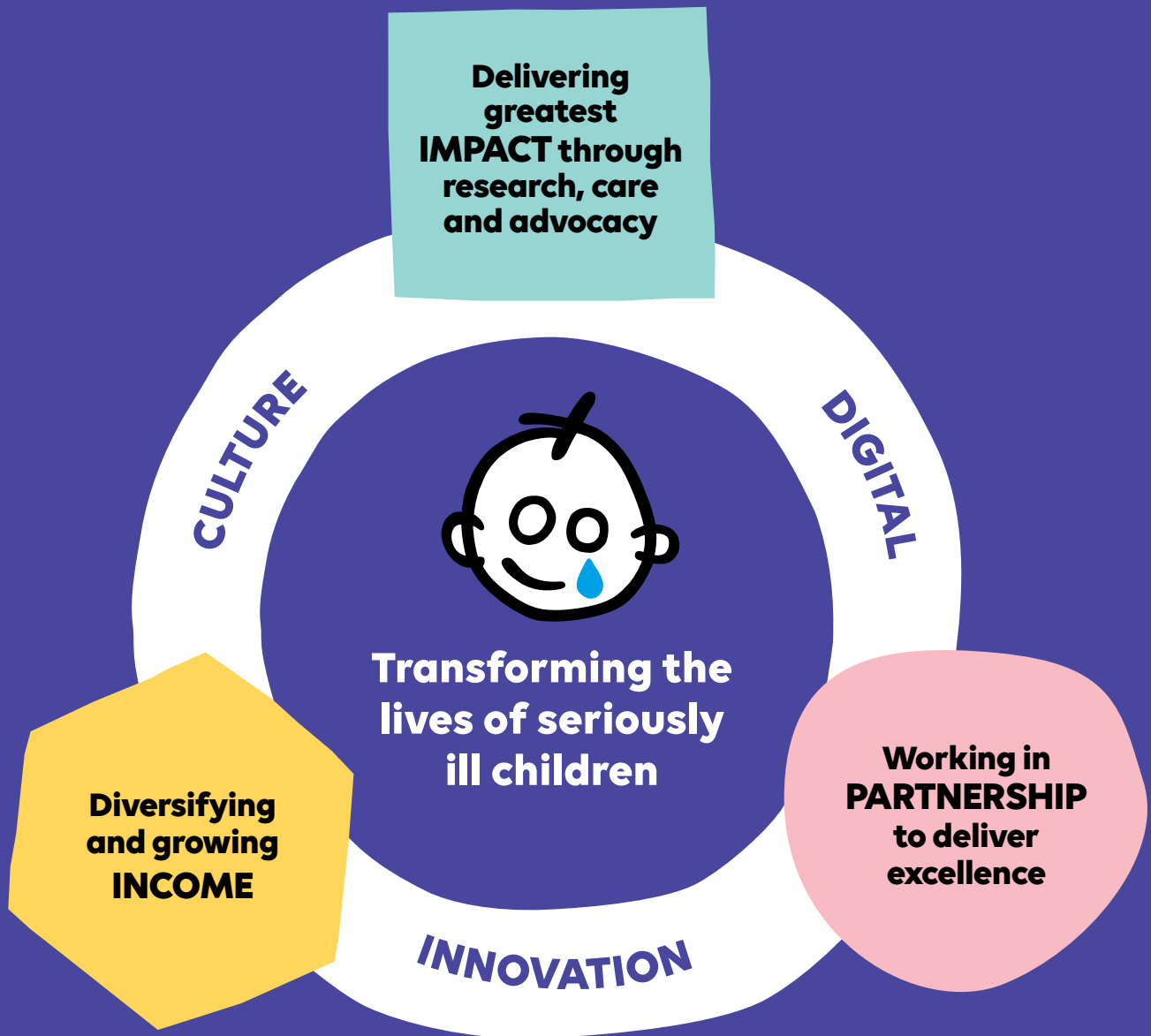




**GREAT
ORMOND
STREET
HOSPITAL
CHARITY**

Great Ormond Street Hospital Children's Charity

Annual Report and Financial Statements
2020/21



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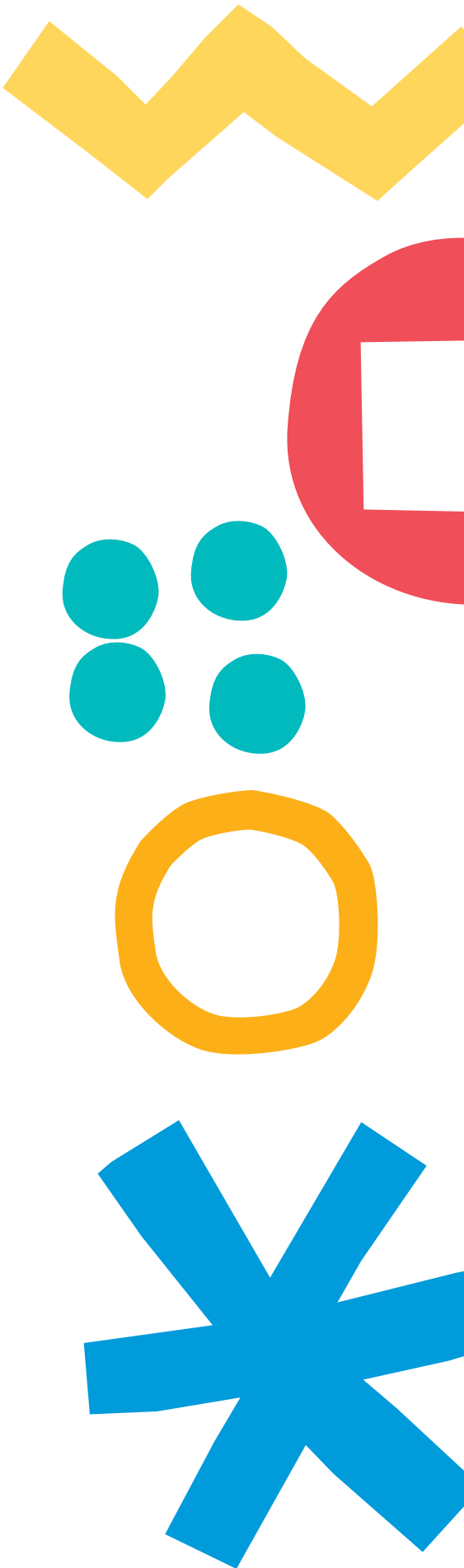
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Cover: **Gabriel** has been coming to GOSH every week since he was diagnosed with acute lymphoblastic leukaemia – a rare type of childhood cancer. He loves singing and tickles from his mum.



Kai, has hypertrophic cardiomyopathy, a rare cardiac condition, and experienced multiple cardiac arrests before receiving a donor heart in 2019. Kai attends the outpatient clinic in the Zayed Centre for Research into Rare Disease in Children and is taking part in a research project aiming to discover new biological markers of inherited cardiac conditions.



Our Purpose

Our purpose at Great Ormond Street Hospital Children's Charity (GOSH Charity or the charity) is to transform the lives of seriously ill children through research, care and advocacy. We do this by supporting Great Ormond Street Hospital (GOSH or the hospital) and the UCL Great Ormond Street Institute of Child Health (ICH) as well as through the grants made to research through our National Call.

Around 600 children and young people from across the UK arrive at GOSH every day. Most of the hospital's young patients have life-limiting or life-threatening conditions or rare, complex, serious illnesses. Every day, doctors and nurses battle with the most difficult illnesses and conditions, and the brightest minds come together to achieve pioneering medical breakthroughs.

Our supporters are united in fundraising to give seriously ill children the chance of a better future.

With their help, we're able to fund research into pioneering new treatments for children, provide the most up-to-date medical equipment, fund support services for children and their families and support the essential rebuilding and refurbishment of the hospital. On behalf of these young patients, their families and the staff at the hospital, we thank each and every one of our supporters for helping us to transform the lives of seriously ill children. We will always be grateful for your support.

Yasir receives regular treatment at GOSH. He loves doing arts and crafts with the Play Specialists.



Introduction from our Chair

It gives me great pleasure to present the Annual Report and Financial Statements of Great Ormond Street Hospital Children's Charity for 2020/21.

The past year has seen the world around us change more than any of us have ever seen before, or are likely to see again in our lifetimes. Great Ormond Street Hospital has played a pivotal role in aiding the fight against COVID-19 and the charity has worked tirelessly to support the hospital and its staff in their efforts to care for children impacted by the virus, to continue treatment for those with rare and complex conditions, and to support the wider efforts of the NHS.

The charity's priority has and always will be to address the most urgent needs of the hospital. During the year, charity support included provision of equipment for staff, securing gifts in kind for patients and staff, financial support to address the hospital's urgent COVID-19 response needs, support for the wellbeing of staff, patients and families and funding research specifically looking at the impact of COVID-19 on children.

We're hugely proud of the charity's contribution to the fight against COVID-19. On behalf of the Trustees, I would like to thank all the charity's staff for their hard work, resilience and determination throughout the year. All staff moved to remote working without issue, and teams were incredibly quick to respond to the considerable challenges of cancelled fundraising activities, and the subsequent loss of income. As a result of careful cost management and use of reserves, new and innovative ways to fundraise, and the commitment and dedication of our staff, I am pleased to report that the charity was able to continue its work throughout the year and that we start the new financial year in a healthy financial position.

While COVID-19 presented many challenges for both the hospital and charity, we were delighted to be able to complete the redevelopment of the Sight and Sound Centre, generously supported by Premier Inn and Restaurants. This is the UK's first dedicated facility for children with sight and/or hearing loss and it will dramatically improve the experience for these children. It will provide a relaxed and comfortable space for patients, tailored around their specific needs, when they meet their specialists during visits to the hospital.

COVID-19 has undoubtedly changed all aspects of our lives during the last year, but it has strengthened our resolve to transform the lives of seriously ill children through research, care and advocacy. We are delighted to set out within this Annual Report our strategy for the next five years. Our focus on delivering greatest impact will ensure that we keep the most seriously ill children at the centre of what we do. Working in partnership

and maximising our opportunities to raise income, will help us to deliver that impact. We are mindful that to do this we need to extend the digital and innovation developments accelerated this year. We are also determined to focus on our culture. Launching our Equality, Diversity and Inclusion Strategy is a critical aspect of the culture change we need to make, and Trustees and staff are committed to this change.

We are also excited to be working closely with the hospital to take the next step in our journey to build the Children's Cancer Centre, which will be a national resource for children with rare and difficult to treat cancers. The Children's Cancer Centre will transform the lives of seriously ill children by providing an inspiring and flexible space that can rapidly respond to the changing nature of cancer care and allow patients to benefit easily from the latest research. In the next year, we plan to launch an ambitious fundraising appeal for the new building which will enhance inpatient experience, introduce new and important technology and facilities, and promote a more welcoming frontage building.

I would like to take the opportunity to thank Margaret Ewing who retired from the Board this year and Ruary Neill who retired from the Investment Committee. Both Margaret and Ruary have contributed considerably to the charity and we are grateful for their support and guidance. I would also like to congratulate Professor Sir Stephen Holgate for his Knighthood, awarded in the Queen's Birthday Honours for his services to medicine. The charity is very fortunate to have Sir Stephen as a member of our Board and Chair of our Grants and Impact Committee.

We are very grateful to our supporters – you have been exceptional this year, supporting the charity and its work at the most critical time. As a result we have continued to fund all of the commitments made, and completed the year well placed to continue our work transforming the lives of seriously ill children.

Anne Bulford CBE
Chair of Trustees



Welcome from our Chief Executive

The last 12 months have been some of the most challenging of our time, but they have also presented us with some of the greatest opportunities. Drawing out the best in people, both our supporters and our staff, while demanding the acceleration and advancement of digital and innovation at unprecedented speed.

I am incredibly proud of how the charity has responded to the urgent needs of the hospital and the changing environment that impacted our ability to raise money through many of our long-established fundraising activities.

Our fundraising activity was significantly adapted throughout the year. Fundraising events such as our Christmas Carol Concert became virtual, alongside the RBC Race for the Kids challenge event which saw supporters from all over the country taking part in their local area. The amazing support we received enabled us to deliver our planned charitable commitments and more, from supporting staff and patients to funding research, while providing support for the hospital's urgent COVID-19 response requirements. The charity played a critical role in securing support to provide hospital staff with basics such as supermarket provisions, accommodation and safe carparking at a time when the UK was shut down.

There is no doubt there are more challenges to come, but we are fortunate to have been able to develop our new strategy with these in mind. Transforming the lives of seriously ill children through research, care and advocacy is why we exist and is central to our new strategy. We want to ensure that our focus is on delivering greatest impact. Given the importance of the work we support, we want to do more and grow our income, ensuring long-term sustainability through investment and growth in the areas of fundraising that we know can deliver results. We also recognise that we can achieve even more for seriously ill children by working in partnership with others. The continuation of the accelerated advancements in digital and innovation will be vital to the delivery of our strategy, ensuring that the charity stays connected to and can attract new supporters and can help seriously ill children outside of the GOSH setting.

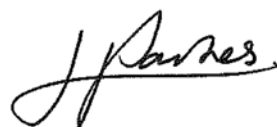
The final strand of our strategy is culture. The right culture is fundamental to our success. There is lot to do, in terms of looking at future ways of working, and ensuring our structures and processes are right to deliver the strategy and we have started on this journey, with organisational design work in progress. We also believe in a fairer future for all, and we are committed to building a more inclusive organisation. I know that by working together we can do much, much more. We believe that everyone has the right

to live without fear or prejudice regardless of race, age, gender, disability, sexual orientation, social class, religion and belief. Everyone should be able to make a full contribution to society in their own unique way and live in a world that demonstrates respect and values diversity.

At GOSH Charity our approach will enable us to achieve a more equitable, diverse and inclusive workforce by ensuring equality, diversity and inclusion (EDI) is reflected in our values and embedded in our practice and our individual behaviours. We will drive change within our organisation and beyond, while always ensuring that our beneficiaries remain at the heart of our thinking and decision making. Our EDI strategy can be found on our website and sets out our plans.

The next year will no doubt present new challenges and further uncertainty as the world starts to open back up again, but it will also present great opportunities for us to transform the lives of seriously ill children. We are excited to be entering into the next phase of our redevelopment programme which will see us build a specialist Children's Cancer Centre. This will be the biggest redevelopment project we've ever undertaken and will transform the care of children with cancer. To be successful, we're embarking on the most ambitious fundraising campaign in our history, and as ever we need our incredible supporters to help us. We are so grateful for the support we have received which has enabled us to achieve so much, and look forward to continuing to transform the lives of seriously ill children with your help.

Finally, I'd like to take this opportunity to thank colleagues from across the charity for their hard work and perseverance in challenging times. Through their efforts, the charity has continued to raise money for the hospital to transform the lives of seriously ill children.



Louise Parkes
Chief Executive



Tulsi had delicate spinal surgery at GOSH within hours of being born. Her mum Laxmi says: "Tulsi is doing really great. She's crawling, standing up, and she loves going to play group."



Charitable objectives

The charity's objectives are to further such charitable purposes relating to:

- a) the hospital services (including research) of Great Ormond Street Hospital and
- b) any other part of the health service associated with Great Ormond Street Hospital as the Trustees think fit provided that such support is not of a kind that would ordinarily be given by the statutory authorities, and
- c) research into children's disease

To achieve this, the charity makes grants to fund the following areas:

- Patients and Families
- Research
- Environment
- Technology
- People
- Education

With our impact goals being:

Researching breakthrough cures and kinder treatments

Transforming care through digital and technological innovation

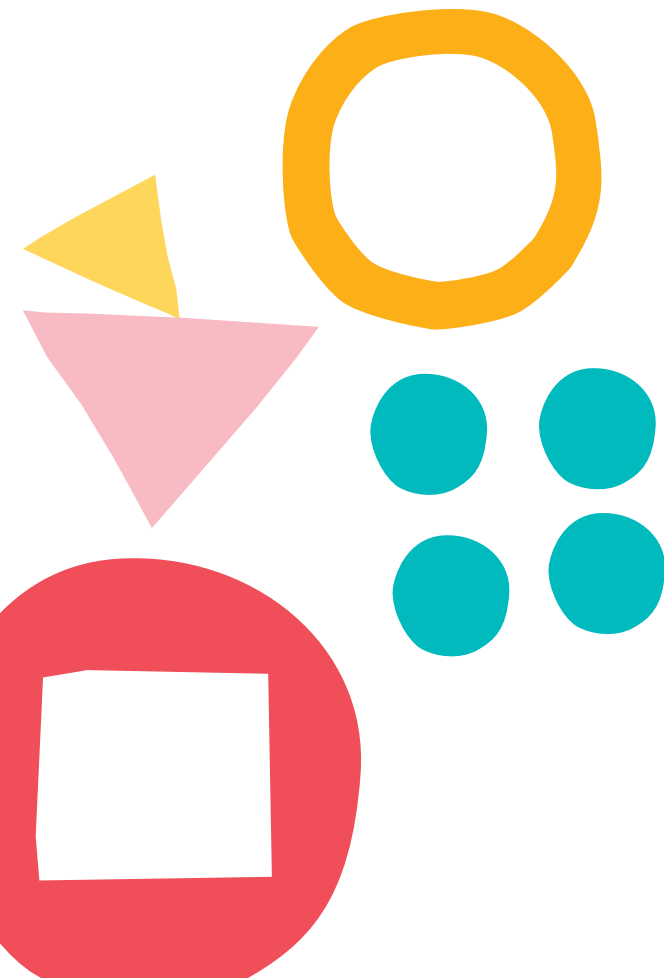
Supporting resilience and wellbeing of patients and their families

Providing a child and family friendly environment that helps create the best possible experience

Supporting staff at the hospital to deliver exceptional care

Amplifying the voices of seriously ill children and their families

Sharing knowledge for the benefit of seriously ill children everywhere



Jack visited GOSH for treatment during the COVID-19 pandemic.



Impact: Research



National Call

The GOSH Charity and Sparks National Call – the UK’s largest dedicated fund for child health research – seeks to support the development of lifesaving treatments, from the laboratory bench to the children’s bedside, as efficiently and as safely as possible.

In this year’s National Call, awards totalling £2.5 million were made to fund 11 new child health research projects. The research will take place at seven institutions across the UK, including three leading research institutions.

Of the £2.5 million pledged to support research into some of the most difficult and hard to treat childhood diseases, £112,500 has been made available by two condition-specific charities (Acrodysostosis Support & Research, and Dravet Syndrome UK) to co-fund research into these areas.

Studying a potentially more effective and less toxic treatment for Diamond-Blackfan Anaemia, examining how increasing the amount of a specific protein can help to treat the life-limiting neurological condition Dravet Syndrome and investigating human cells with Acrodysostosis in a dish to better understand the condition and possible pharmacological intervention.

Kiki Syrad, Director of Grants and Impact at GOSH Charity said:

"It has been great to receive so many high quality and diverse research applications from a variety of institutions across the UK. Each project brings about its own unique life-changing potential for children with rare and hard to treat conditions and I am enthused to see how these projects progress.

"I am thrilled that GOSH Charity has collaborated with two condition-specific charities this year through the funding call. Partnerships like these help to unite and streamline our efforts and drive research forward to improve the diagnostics and treatments, and help to develop cures for rare diseases that affect children."

Louise Parkes, Chief Executive at GOSH Charity, said:

"The impact of research has never been more visible than over the past year, following the development of the COVID-19 vaccines. It shows that essential funding into research can have a life-changing effect on so many people. We're thrilled that this year's GOSH Charity and Sparks National Call is investing over £2.5 million into paediatric research projects, with huge thanks to our partner charities. These projects have the potential to deliver kinder and more effective treatments for some of the rarest and most complex conditions and, more importantly, offer children and their families hope for a better future.

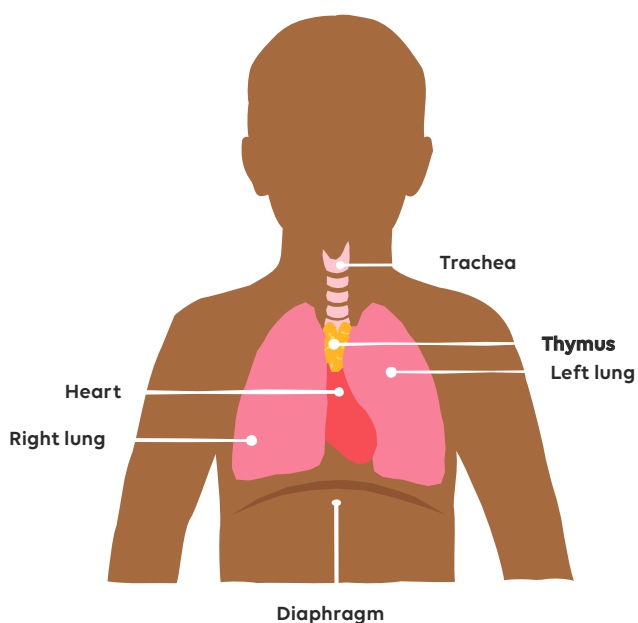


From bench to bedside

Thymus transplantation 50th patient

In February 2021, GOSH treated its 50th patient with a pioneering thymus transplant.

Location of the Thymus



In 2018, funding was awarded to two GOSH researchers – Professors Graham Davies and Adrian Thrasher – to help further develop a cutting-edge new treatment for children with a rare immunodeficiency condition called complete DiGeorge syndrome (cDGS). The funding supports the LetterOne GOSH Charity Research Group in Thymus Transplantation and enabled researchers to look at how to maximise the number of T-cells produced after thymus tissue is transplanted into children with cDGS.

The process uses healthy thymus tissue which has been removed by surgeons during surgery for congenital heart disease in infants. This tissue would otherwise be discarded but, with parental consent, can be donated for transplantation.

GOSH is one of two centres in the world to perform such transplants

The removal has little effect on the thymus donor as their immune system has already developed and not all the gland is usually removed. The tissue is then grown in the laboratory before implantation into the thigh muscles of the recipient. It has been demonstrated that around 75% of patients with cDGS had a successful outcome after receiving a thymus transplant. This means they developed immune cells and the ability to fight common infections, come off preventative measures such as antibiotics and were able to attend nursery and school.

Some patients do develop complications after transplantation, as a result of the new T-cells being poorly regulated, which can cause some damage to the body's own tissues. These problems are usually treatable. However, the research team at GOSH are working to optimise the process and reduce the chance of such complications.

Despite the COVID-19 pandemic, the team at GOSH made great progress in 2020. They treated 10 patients; double the average number performed in each of the previous three years.

GOSH is one of two centres in the world to perform such transplants, the other being Duke University in the USA. Patients travel to GOSH from all over Europe and beyond, with one child travelling from as far as New Zealand.



Professor Adrian Thrasher

Oscar's thymus transplant



Oscar with his Mum, Bryony

Oscar, from Ammanford in Wales, received his thymus transplant at GOSH in September 2019.

Oscar's health complications began as soon as he was born in May 2019. Early tests revealed that he had CHARGE syndrome. This is a rare genetic disorder that affects many areas in the body, including the eyes, heart and ear.

The severity of Oscar's conditions became more apparent when further blood tests revealed that he had an absence of T-cells, which play a central role in the adaptive immune response.

When Oscar was three months old, he was transferred to GOSH for a thymus transplant. The transplant was a success, and despite a few health scares in between – including a cardiac arrest – Oscar is now home for the first time in his life.

Oscar's mum, Bryony, said:

"I can't fault the thymus transplant team – they were amazing. I never felt that I didn't know what was going on. They were there for me as well as Oscar.

"Oscar is very complex – he's deaf and blind in one eye. He's not crawling or walking yet either, but we hope he will pick that up. I'm also not sure whether speech will be possible in the future, but I always say 'never say never' with Oscar."

Research and projects focusing on the management of COVID-19

The COVID-19 pandemic has seen the research teams at GOSH and its research partner ICH undertake and support pioneering research which will not only benefit the patients it serves, but also contribute to the international effort in the management of COVID-19.

GOSH Charity opened a rapid response funding call to GOSH and ICH researchers, making £750,000 available for 14 projects investigating, tracking and managing the spread of COVID-19.

One of these projects was looking at the neurological impact of a post-infection hyper-inflammatory syndrome, termed PIMS-TS, (paediatric inflammatory multisystem syndrome temporally associated with SARS-CoV-2) which has been identified in children.

As the hospital has adapted to the ever-changing COVID-19 pandemic, it was discovered that children who were once thought to be mostly unaffected by the virus have the potential to develop this rare inflammatory disorder.

Here, children present with COVID-19, which then triggers inflammation affecting organs like the heart, kidneys and brain. This can be life-threatening and make a small number of children very ill, needing full

body support in intensive care. As children recover, unanswered questions remain, including future relapse potential, and how the condition impacts on health, neurological, psychological and cognitive outcomes.

To address these, GOSH Charity, Guys & St Thomas' Charity and Imperial Health Charity collaborated in a first-of-its-kind funding partnership. This enabled researchers from UCL, Imperial and King's College London, and clinicians from GOSH, St Mary's Hospital and Evelina London Children's Hospital, to gather crucial information about the progression and long-term impact of PIMS-TS. The team will use detailed imaging to measure the effects of brain inflammation on brain growth and cognitive development, alongside monitoring muscle weakness.

14 projects investigating, tracking and managing the spread of COVID-19



Staff at GOSH during the COVID-19 pandemic



Zayed Centre for Research into Rare Disease in Children: Pivotal in COVID-19 research

The state-of-the-art facilities in the Zayed Centre for Research into Rare Disease in Children, made possible thanks to a transformative £60 million gift to GOSH Charity from Her Highness Sheikhha Fatima bint Mubarak, wife of the late Sheikh Zayed bin Sultan Al Nahyan, Founder of the United Arab Emirates, has meant that GOSH had capacity to better cope with the emerging COVID-19 pandemic. The Zayed Centre for Research, a partnership between GOSH, UCL and GOSH Charity, became a hub for testing patients, families and staff members for SARS-CoV-2 to help with infection control at the hospital.

Dr Kathryn Harris, former Principal Clinical Scientist at GOSH, explains:

"When the pandemic hit in March 2020, we needed to massively increase our testing capacity at GOSH. If it hadn't been for the Zayed Centre for Research we would not have been able to have the testing service needed to help keep children, families and staff safe at GOSH."

At the time the number of UK COVID-19 cases admitted to ICU rose and the UK was put into a national lockdown. In line with national NHS guidance, GOSH paused non-urgent surgery. The hospital also moved patient appointments online where possible, and took in children from nearby hospitals to free up space for those hospitals to treat adult patients with COVID-19.

In addition, the researchers at this facility had the capabilities to contribute to national and international research efforts into the virus.

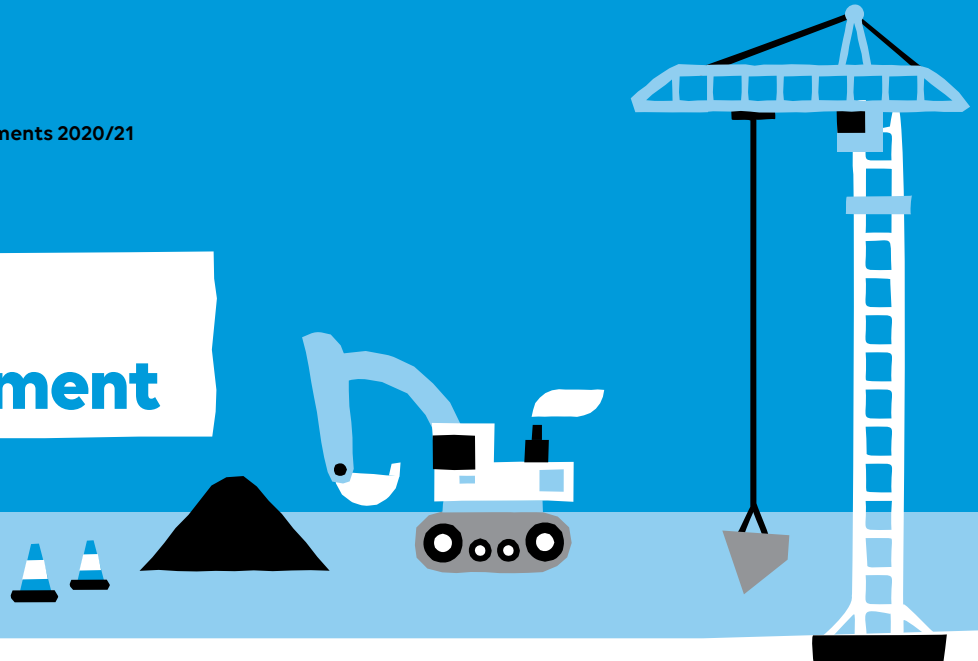
The COVID-19 Genomics UK (COG-UK) consortium was created to deliver large-scale and rapid whole-genome virus sequencing to local NHS centres and the UK government. Sequencing genetic information from the virus allows us to better understand how the virus is changing over time and can reveal how it is spreading to different parts of the population. This research will inform decision making around infection control in hospitals to help prevent further spread of the virus, and how hospital infections are monitored in the future.

Professor Judith Breuer of GOSH and UCL has played a key part in the national research effort:

"We've been continuing the UK effort to sequence SARS-CoV-2 genomes, which is being used to understand the spread of the virus in the UK. We're also using sequencing to try and understand the impact of drugs, and that follows on directly from the work that is already underway in the Zayed Centre for Research to understand more about how viruses affect children."

"The Zayed Centre for Research is a wonderful place to work, it's so light and beautiful. It's been particularly good when we've had to socially distance, as the large space is incredibly adaptable to the requirements for safe working during the pandemic. We have been fortunate to have access to these exceptional facilities to match the expertise of the teams working around the clock to help us improve the care we can offer to seriously ill children."

Impact: Redevelopment



Sight and Sound Centre supported by Premier Inn

GOSH aims to deliver high-quality specialised care to patients every day. That is why GOSH Charity, with the support of Premier Inn, pledged £25 million to fund The Sight and Sound Centre, the first medical facility in the UK specifically designed for children with sight and hearing loss.

The state-of-the-art facility was opened in June 2021 and will be the new home for GOSH's Audiology and Ophthalmology teams, who see the largest outpatient group at GOSH with more than 8,000 patients annually, resulting in more than 30,000 appointments each year. The Centre will also house Speech and Language Therapy, Cochlear Implant and the Ear, Nose and Throat (ENT) team.

Built with the specific needs of children with sight and hearing loss in mind, the new Centre with its outdoor space, brings a very much desired and a welcome change to the indoor hospital environment for patients, families and staff.

The Valentine Sensory Garden within the Centre has been designed to not only stimulate the senses but also provide a calming environment. The four droplet-like structures join to form a uniquely shaped walking space, with benches to enjoy the sensory elements dotted throughout the garden. There is an emphasis on touch especially in some of the planting, with plants such as lamb's ear used for its velvety evergreen leaves. There are herbs to provide new smells depending on where you are in the garden. The snow globes light up in different colours and are carefully positioned among the greenery.

Herra Bhutta, Deputy Lead Audiologist at GOSH, said:

"We were very much looking forward to moving into the new Sight and Sound Centre and it did not disappoint! The new equipment, facilities and extra space provide a smoother, improved experience for patients, families and staff. Although it is still early days, we hope that the new centre will be much more friendly and accessible than our older department.

"Some of the most notable improvements are the waiting area for patients, the increased number of rooms to perform testing in and new equipment amongst everything else. The audiology and cochlear implant team are even more integrated than before which allows for greater sharing of knowledge between the teams. The Sight and Sound Centre supported by Premier Inn, allows us to consolidate our vision as an unparalleled audiology and cochlear implant department and to be the benchmark for audiology services. The facilities are innovative and cutting edge and it is an exciting new space to work in."



The garden of the Sight and Sound Centre



Accommodation

We know that having a child in hospital is a difficult and stressful time for any family. This is why GOSH Charity funds family and patient accommodation at GOSH so that families can stay close together while their child or family member is receiving life-changing care.

The hospital has begun to change its model of care, assisted through the provision of both short-stay accommodation to help day treatment patients and long-term accommodation for families of children with complex needs. These families can practice taking care of their child's medical needs in a homely environment, before taking their child home. Parent and family accommodation has been vital during the COVID-19 crisis as hotels and B&Bs were closed across London. The family accommodation stayed at high capacity, allowing families to be near their loved ones while they were receiving vital treatment at GOSH.

Powis Place

Our patient and family accommodation provides a 'home away from home' for patients and their families, with kitchens and facilities where families can eat together. For families, being able to stay the night before an appointment not only minimises the disruption to a child's routine but reduces stress for everyone. For those with a child in intensive care at the hospital, a place to stay close to the hospital is essential.

No. 2 and No. 3 Powis Place are two adjoining town houses located in the small drive, just 25 metres to the left of the main entrance of GOSH. Comprising a mixture of room sizes and a communal kitchen and dining area to accommodate different family sizes, Powis Place helps families feel comfortable while their child is receiving vital care and treatment. However, in recent years and due to the popularity of the family accommodation, the facilities were in need of refurbishment, and additional rooms were required. Support from Royal Bank of Canada and McColl's has enabled us to redevelop this accommodation. The building is now really starting to take shape with completion expected later in 2021.

Impact: Supporting GOSH staff and families



Health and wellbeing for staff

To give the best care to seriously ill children from across the UK, the health and wellbeing of GOSH staff needs to be carefully considered. Over the last year this has been more important than ever, with the added stress of the pandemic. Throughout the pandemic, the charity has supported the Health and Wellbeing Programme at GOSH, helping ensure staff have the necessary support to perform the best they can and deal with mental and physical stress.

Among the benefits staff can access are:

- Rapid 24/7 access to qualified professionals for counselling, support, advice and information.
- Face-to-face counselling, trauma and critical incident support and debriefing, plus additional support for managers to help them deal with health and wellbeing issues in the workplace.
- Physiotherapy to help staff return and remain at work.
- Subsidised massage therapy – which can provide staff with relief from long hours on their feet in PPE.
- Stress and resilience training.

As many staff at the hospital increased their clinical hours, it's important to keep them fit and well to ensure a robust workforce. This service continues to play a vital role.

Lisa Liversidge, Head of Staff Health and Wellbeing at GOSH said:

"The Health and Wellbeing Programme has been hugely helpful in ensuring GOSH staff remain fit and well, both before and during the pandemic, and will continue to play a vital role once the crisis is over."

In addition, the charity made funds available to support GOSH staff to...

...come to work

For those staff with childcare responsibilities, we have supported the staff nursery, which has allowed many staff to continue their essential work at the hospital. We have also provided laptops for staff to work from home.

...stay energised

We installed the GOSH pop-up shop – a free shop where staff could pick up household essentials – and funded an onsite coffee cart. Hot meals were delivered for frontline workers, thanks to the generosity of our corporate partners, local companies and food chains.

...stay safe

The charity funded a project led by Professor Silvia Schievano as part of the rapid response COVID-19 funding call to ensure staff had the correct fitting PPE. The charity also helped fund scrubs for hospital staff that wouldn't normally wear them.

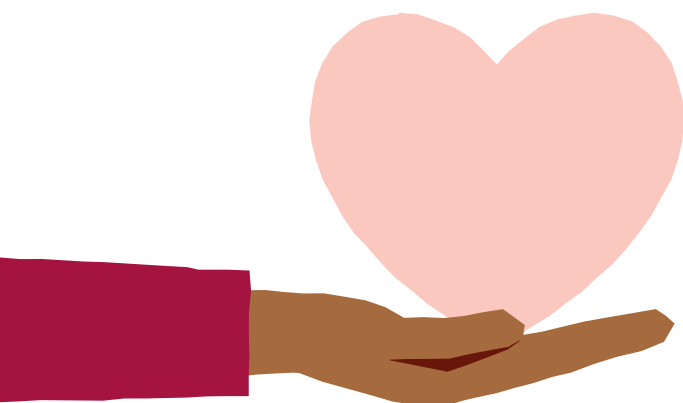


The staff pop-up shop



Food vouchers for families

It's essential that children and their families at GOSH remain well-nourished and the Family Assistance voucher scheme goes some way in supporting those with financial difficulties. Lunch vouchers funded through the charity's COVID-19 Appeal were distributed by the Social Work and Family Support team at GOSH; more than 1,800 breastfeeding mothers alone are supported through the scheme.



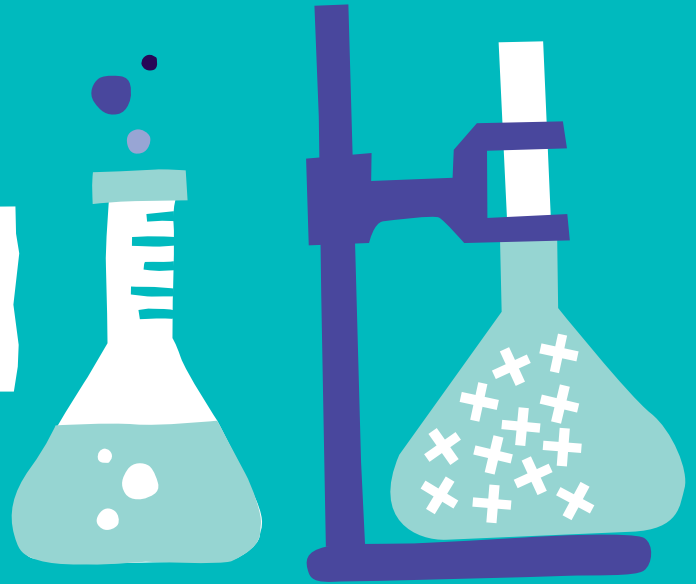
Elleni, Head of Social Work and Family Support at GOSH, said:

"The vouchers serve to lift a lot of the financial stress associated with having a child in hospital, with some staying for months, in a particularly high-cost area of central London. During the COVID-19 pandemic there were very limited low-cost food outlets open, so the vouchers have been a lifeline. Financial pressure and hunger for low-income vulnerable families can impact severely on their ability to cope and be there for their sick child. We have remained open throughout the COVID-19 crisis and will continue to be to support families.

"Parents tell us they feel overwhelmed and relieved by the prospect of being able to get 'free food'. It takes a huge amount of pressure off them to be able to feed themselves, especially as the food trollies on the ward only serve the patients.

"Vouchers fill a big gap, helping families to have access to basic meals while waiting for Universal Credit, or after redundancy and losing their job. It's particularly helpful to some families relying on food banks, which they cannot afford to travel to once their child is admitted to hospital."

Impact: Medical equipment



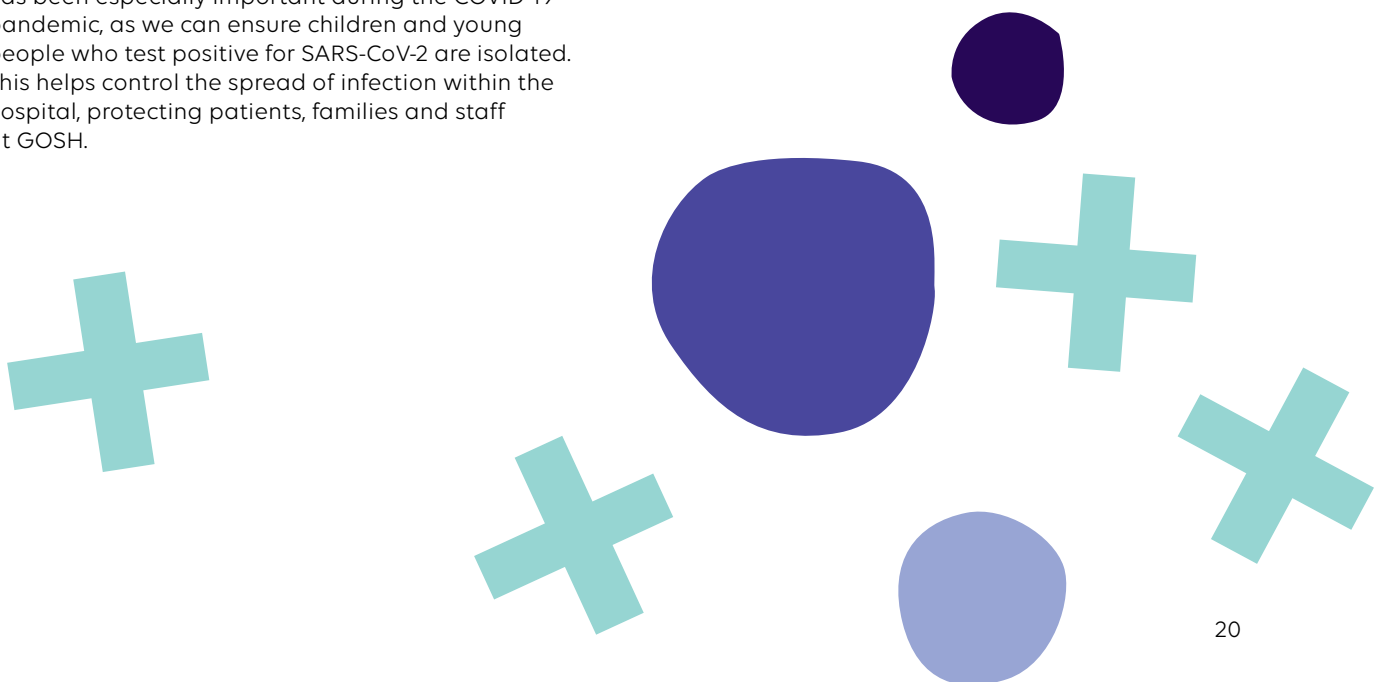
Every year, GOSH Charity funds start-of-the-art medical equipment for the hospital. During the pandemic, the charity also funded additional vital testing equipment to increase the testing capacity at GOSH for SARS-CoV-2 and other virus strains. Through the COVID-19 appeal, the charity funded two pieces of equipment, the ABI PCR Analyser and the DiagCORE.

The ABI PCR Analyser helps identify and diagnose patients with severe infections. Being able to precisely diagnose difficult-to-treat infections enables clinicians to tailor and personalise treatment for a specific patient. The ABI PCR Analyser at GOSH is the same as that used by Public Health England for SARS-CoV-2 testing and it has allowed GOSH to carry out testing on its patients and staff. The analyser also allows the hospital to implement a surveillance service that will hopefully enable us to better understand how, and if, the virus is carried and spread by children, as well as understanding why they are asymptomatic if they test positive.

The DiagCORE allows the rapid testing of respiratory infections, including SARS-CoV-2. They are normally used in an intensive care setting to ensure a child is treated quickly and in the best way possible. This has been especially important during the COVID-19 pandemic, as we can ensure children and young people who test positive for SARS-CoV-2 are isolated. This helps control the spread of infection within the hospital, protecting patients, families and staff at GOSH.

Unlike other methods that may take days to test someone for a respiratory infection, the DiagCORE is rapid and can process a test in hours. Additionally, the DiagCORE can be used to test clinicians who need to come into work but may have a family member with COVID-19 symptoms, further helping to manage infections and ensuring patients stay safe while receiving their treatment.

Having two additional machines resulted in testing capacity increasing from 6-12 a day to around 100 per day!



Charity partnerships supporting enhanced testing at GOSH

Thanks to a donation from Mail Force, GOSH Charity was able to fund a further three machines which has further supported rapid and accurate testing for SARS-CoV-2. The equipment identifies individuals who are infected with SARS-CoV-2 at the time of testing, as well as other respiratory viruses, meaning that the hospital will be able to quickly differentiate between those with COVID-19 and those with other diseases.

The testing equipment is made up of three components:

■ **Hamilton STAR**

The first of its kind in GOSH, this helps enable pre-admission testing to ensure that those entering the hospital, including patients and staff, are free of SARS-CoV-2. This piece of equipment is vital for creating the additional capacity needed to screen all patients for SARS-CoV-2 prior to admission, and for symptomatic staff.

■ **QIAsymphony**

This is used to run regular full screening for all inpatients. As well as testing for SARS-CoV-2, this equipment tests for a range of other respiratory viruses.

■ **QuantStudio**

This is used to analyse the samples from QIAsymphony and allows the hospital to identify who has SARS-CoV-2 and other viruses.

The new equipment is housed in the Camelia Botnar laboratories at GOSH, and has revolutionised GOSH's COVID-19 testing capacity, allowing staff, patients and their families to be rapidly and accurately tested at any time of day. It is the first time the hospital has had access to a testing kit like this. The equipment has delivered a pre-admission screening process for patients as well as large-scale testing across the entire hospital, targeting inpatients, their families and staff. Earlier on in the pandemic the hospital had to borrow testing equipment and repurpose other testing equipment to meet demand. With the new suite of equipment, the hospital has been able to expand its capacity, and reassure patients and their families that they are coming into a safe environment.

With the new suite of testing equipment, the hospital has been able to expand its capacity, and reassure patients and their families that they are coming into a safe environment.



Rhiann, is a talented rhythmic gymnast and is treated at GOSH for a rare and serious brain condition called arteriovenous malformation.



Strategy

Looking back – progress against aims set out in last year's annual report

Support the hospital in line with our charitable commitments for 2020/21 and respond to the emerging needs of the hospital

Our principal aim has always been to support the hospital, whenever and however it needs our support the most. The pandemic brought this aim to life with a greater urgency than we've ever seen before. Right from the start, the charity worked closely with the hospital to determine areas requiring support. The impact section (pages 11 to 22) sets out in greater detail some of the initiatives the charity was responsible for. We provided funding for initiatives such as research projects, and liaised with corporate partners to coordinate a wide range of gift-in-kind support for staff in the hospital.

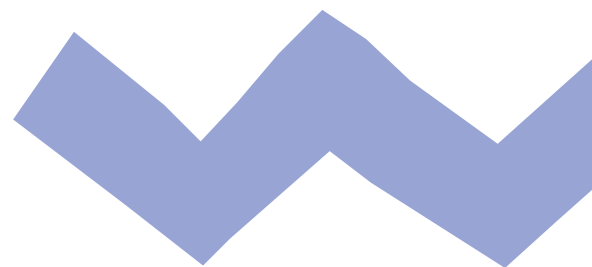
In addition to the emergency response, the charity continued to fund the areas that it had already committed to. A number of these, such as research projects, were impacted by the pandemic, but the charity has adjusted terms to facilitate projects delayed as a result of COVID-19.

Support the health and wellbeing of our staff

Staff at the charity have been exceptional during the last year, responding brilliantly to the needs of the hospital at the same time as transferring operations to working from home. The uncertainty and challenges of the pandemic have been extraordinary for both work and home life. The charity has supported staff through several initiatives, including regular 'Time to Talk' sessions to provide those members of staff who would like to talk with an opportunity to do so, and access to Care First, an independent support provider. We have also introduced regular updates for staff to highlight different ways they can look after their wellbeing, and the support available. Listening to our staff has been a priority during the last year and regular staff forums have been introduced to provide opportunities to ask questions of the senior leadership team, with a wellbeing poll taken each week. In addition, we have provided support for staff in the form of financial assistance to ensure they have an appropriate set up for working from home.

Maintain fundraising income streams where possible and identify new or different opportunities

At the start of the pandemic, our financial forecasts provided a stark warning about potential loss of income, with initial indications showing the loss could be as much as £25 million compared to targets. All of our fundraising income streams were impacted by COVID-19 and the social distancing regulations introduced. Cancellation of all event activity had an impact on our Special Events and Community Fundraising, with the cancellation of the London Marathon being particularly significant. Despite being impacted by the pandemic themselves, many of our corporate partners continued to look for new ways they could support us. Our fundraisers worked tirelessly to come up with new and innovative solutions to maintain our fundraising income streams where possible. This included realigning our individual giving activity to allow for the cancellation of face-to-face activity, as well as seeking digital solutions to previously held events. RBC Race for the Kids, our flagship family friendly 5k run event was hugely successful as a virtual event, and we also increased our online fundraising activity using Facebook fundraising. Our supporters were incredible in responding to the urgent call for help through our emergency appeal, raising in excess of £4 million. The combined efforts of staff and supporters meant our fundraising income loss reduced to £7 million compared to budget.



Ensure ongoing engagement and communication with all key stakeholders and supporters

Relationships are key to the success of the charity and throughout the pandemic, became more important than ever. The close relationships we have with corporate partners enabled us to keep them up to date with the hospital's most pressing needs and they responded fantastically, providing support where it was needed most. Communicating with our staff has also been critical and the introduction of a unified communications system pre-pandemic enabled a seamless transition to home working. Our relationships with those we fund are extremely important, across the hospital, ICH, and researchers across the country. The strength of these relationships enabled us to respond quickly and efficiently to the areas of most critical need, and ensure the greatest impact.

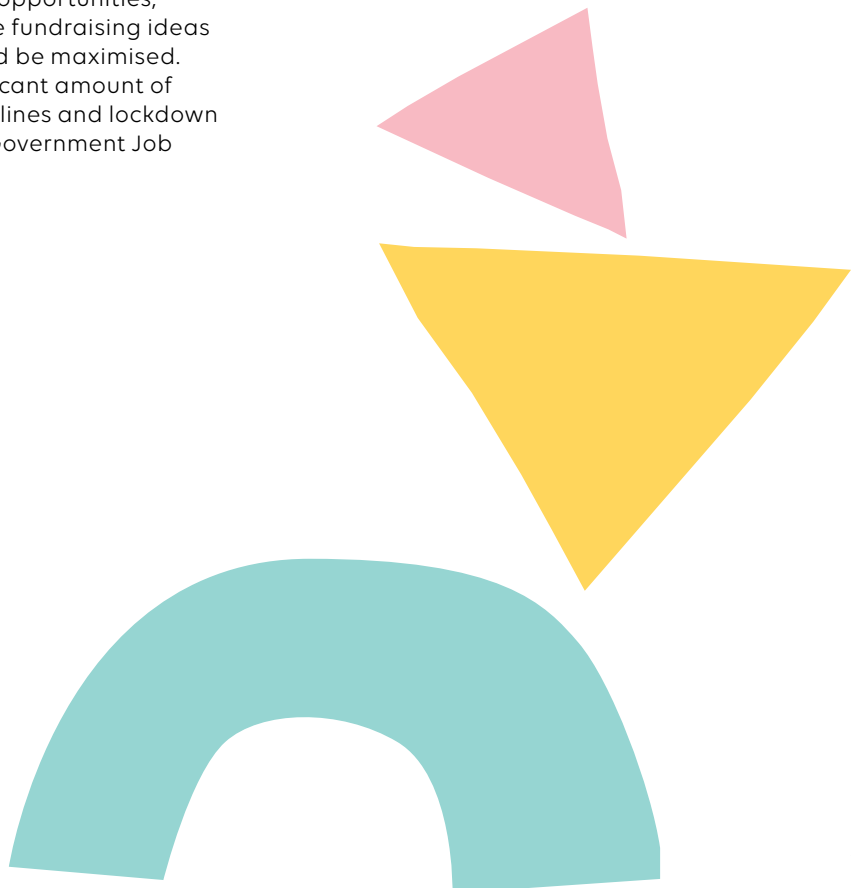
Monitor, and mitigate wherever possible, the impact of the anticipated financial downturn

With our initial projections for a significant financial shortfall it was essential for us to seek ways to not only replace lost income, but also save costs. Some savings were made due to the cancellation of events, but we also identified and implemented several cost saving schemes across the charity. In addition, we increased the frequency of our forecasting to ensure that we could respond quickly to opportunities, enabling us to invest in innovative fundraising ideas to ensure that opportunities could be maximised. Given the cancellation of a significant amount of activity due to government guidelines and lockdown restrictions, we also utilised the Government Job Retention Scheme.

Ensure preparations are made for a 'new' normal, including 'return to office' planning and continuation of key projects

The switch to home working was successful, with the charity being able to continue operations. However, we need to ensure that the office environment was safe for staff who needed to come onto the premises, so full health and safety guidance was developed and has been regularly updated in line with government guidance. The pandemic provided an opportunity to realise some of the benefits of staff working from home, and following positive feedback from staff, we have reduced our office capacity to allow us to fully embrace a hybrid way of working, with staff undertaking a mixture of home and office working. We have set up a Future Ways of Working Group to consider the principles required for operating in a smaller office space.

We successfully delivered our Content Management System (CMS) project for the charity and hospital websites to provide better user experience and give great stability to the platform. We have also continued preparation work for the Children's Cancer Centre, our next significant development project with the hospital.



Looking forward

At GOSH Charity we have built a phenomenal legacy of helping to transform the lives of seriously ill children by raising vital funds, so the hospital can deliver life-saving care and discover new treatments and cures.

Through our work we have already saved and touched the lives of so many, but we know all too well that diagnosis can be difficult, and the burden of disease can have a profound impact on the child and their family. There is an urgent need to improve this situation.

It is against this backdrop and the impact the pandemic has had on our ability to fundraise, at a time when the hospital has needed our support more than ever, that we have shaped our vision and ambition for the future.

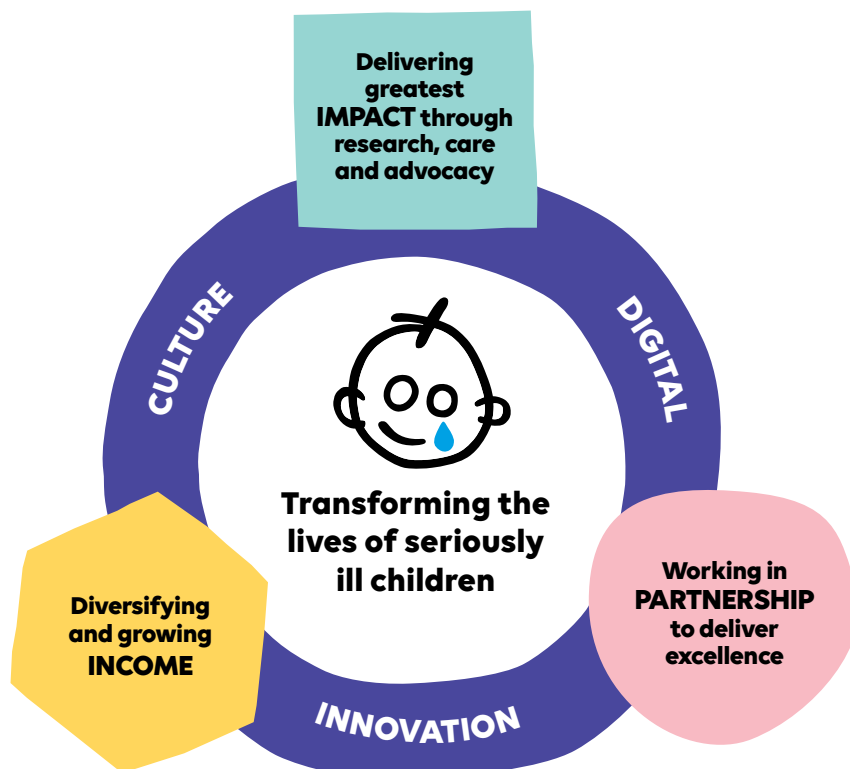
We know that we can make an extraordinary difference to a child's quality of life and can even offer the hope of cures in the future. Now is the time to be bold and invest in our fundraising so that we can do this and capitalise on the innovation and digital creativity we have shown during the pandemic.

With children and their families at the heart of everything we do, our new strategy focus will be to fund the areas that will enable us to have the greatest possible **impact** on their lives.

We already know that we can do so much more for children when we work with others, which is why **partnership** forms an integral part of the strategy. Alongside this, we will also focus on diversifying and growing our **income** as it is only through the generosity of our supporters that we will be able to realise this ambition.

As part of this strategy, our vision to create a new Children's Cancer Centre - which will help to transform cancer care for children and is a key deliverable from this new strategy - perfectly captures this ambition and new approach. To succeed we will need to draw on our proven track record of success while combining our focus on research, advocacy, and partnerships to create a once in a lifetime appeal and a legacy for children living with cancer.

We have an ambitious vision, but it is one where we can help transform the lives of even more seriously ill children, enabling them to enjoy their childhood and a better future. Together, we can do it.



Building on our phenomenal legacy

Since the hospital was founded in 1852, generous supporters have come together to help fund the hospital's most urgent and pressing needs. This generosity continues today, enabling us to raise vital funds for this truly extraordinary hospital which delivers the very best in life-saving care and enables the discovery of new treatments and cures.

To date, we have supported some astounding medical breakthroughs. These include funding pioneering gene therapy to cure rare childhood illnesses such as Severe Combined Immunodeficiency (SCID) and funding a programme, which led to the first operation in the UK to treat the damaged spinal cord of a baby in the womb.

We have also helped introduce state-of-the-art equipment and facilities like the UK's first paediatric CT scanner, intraoperative MRI and the single largest GMP facility in a paediatric setting, where gene and cell therapy medicinal products are made to be used in research and treatments. And we've made what could be the most difficult time in a family's life that bit more bearable. Whether that be accommodation for parents close to, or at, the bedside of their seriously ill child, or the sharing of practical and emotional advice and support.

Our bold and ambitious five-year strategy will build on our rich legacy of transforming the lives of seriously ill children and ensure we have even greater impact.

Working with the hospital and ICH

We are part of a wider GOSH family that includes Great Ormond Street Hospital and the UCL Great Ormond Street Institute of Child Health (ICH). We all have a shared goal of making a difference to the lives of the children we support.

Seriously ill children and their families remain at the heart of everything we do and the decisions we take. We will work in partnership with the hospital, ICH and other organisations who support our purpose to ensure we can do this in the most impactful, effective and efficient way. This will be achieved through our funding priority areas, which are:

- Patients and Families
- Research
- Environment
- Technology
- People
- Education

Mat Shaw, Chief Executive of GOSH said:

"At GOSH, our fantastic charity and its supporters have been vital in ensuring we can deliver the very best in life-saving care and discover new treatments and cures. Every day I see the difference that this support makes at one of the most difficult times of children's lives. It is hugely exciting that the charity is looking to the future with such an ambitious vision and by putting the voices and lived experience of children at the heart of their new approach, I know they will help to save and transform even more lives."

Professor Rosalind Smyth, Director of ICH:

"Our mission at the ICH is to improve the health and wellbeing of children and the adults they will become, through world-class research, education and public engagement. Our partnership with GOSH and GOSH Charity is absolutely critical in enabling us to do this and to save and transform even more lives."



IMPACT

A brighter future which maximises our impact.

We believe we can be most effective by focusing on seven new impact goals. We can create lasting change for our beneficiaries through the support that we provide to the hospital, ICH, and through our work nationally and internationally. We believe these impact goals will see us transform from an income-driven organisation to an impact-driven one that will enable us to achieve our purpose of **transforming the lives of even more seriously ill children through research, care and advocacy.**

OUR IMPACT GOALS ARE:

- **Improving outcomes for children** through scientific discovery and researching new treatments.
- **Transforming care** through digital and technological innovation.
- **Supporting resilience and wellbeing** of patients and their families.
- Providing a child and family friendly environment that helps create the **best possible experience.**
- **Supporting staff** at the hospital to deliver exceptional care.
- **Amplifying the voices** of seriously ill children and their families.
- **Sharing knowledge** for the benefit of seriously ill children everywhere.

How will we measure our impact?

Our overall vision is to deliver the greatest possible impact to transform the lives of seriously ill children. A key priority for the first year is to develop a comprehensive impact framework so we can effectively measure how we do this.

We are already taking a more impact-driven approach with the Children's Cancer Centre for example. We are working with clinicians and researchers much earlier on in the planning process – at the very outset – to help agree the type of change we want to see for children with cancer and using this understanding to inform the design of the building.

CARE

GOSH is an extraordinary hospital that delivers life-saving care for children suffering from some of the rarest and most complex diseases. It is the largest paediatric research and training centre in the UK, and one of only a handful of internationally recognised centres of excellence in the field of child health. But resources across the NHS are stretched. However, continued support from GOSH Charity means GOSH is able to continue delivering the best life-changing, personalised, wraparound care, and uphold its ethos to put the child 'first and always'.

RESEARCH

GOSH Charity is the UK's largest dedicated charitable funder of child health research. In 2016 we launched our first five-year research strategy bringing together the ICH, GOSH and GOSH Charity with a projected investment of up to £50 million. Part of this funding was spent on our National Call - where we invite researchers from across the country to apply for funding for their child health research projects. Over the past five years we have invested more than £9.8 million in 54 different research projects based in 30 different institutions across the UK, from the University of Dundee in the north to the University of Plymouth in the south.

We are now in the process of refreshing our research strategy at a time when the impact and importance of research has never been more visible. The development of the COVID-19 vaccines shows how, when research is properly funded, it can have a life-changing effect on so many people. GOSH Charity-funded research not only benefits children at GOSH, other hospitals in the UK and around the world, but also generations of children yet to be born.

ADVOCACY

As a globally recognised and well-respected brand, we believe we have a role to play in using our voice to support children and their families on child health-related issues. We believe this will help us become a force for good for even more children. We have already started to do this with the launch of our first ever State of Play report in March 2021 that looked at the impact of the pandemic on how children play, through the eyes of their parents.



Our new, ambitious fundraising strategy brings together all areas of income generation under our new Fundraising Directorate. It aims to build on our past and current fundraising strengths, to respond to the uncertain external environment and to leverage the opportunities open to GOSH Charity.

This new strategy aims to deliver greater sustainability in our fundraising by transforming the amount we raise in unrestricted funds so we can spend it where the need is greatest. It is only through significant investment and by diversifying and growing our income that we will be able to scale up our impact and deliver transformational change for seriously ill children. This includes fulfilling our commitment to the Children's Cancer Centre and our research programme.

Priority areas include committed giving, legacy giving and philanthropy with a focus on investment, innovation and digital transformation. Our new, ambitious fundraising strategy has a target contribution of £840 million that can be spent directly on research, facilities and support services for children and their families over the next 10 years.

OUR INCOME GOALS ARE:

- **Maximising long-term net income** to support the strategic objectives of the hospital, our commitment to the Children's Cancer Centre and our life-saving research programme.
- **Delivering sustainability in our fundraising**, giving the charity choices about how to increase its impact for seriously ill children by transforming our unrestricted funds for the duration of the strategy and beyond.
- **Focusing on the areas of greatest potential gain** and inspiring more donors and supporters to get involved and support us.
- **Investing in growing our supporter base**, innovation and digital transformation to support the new income opportunities.
- **Identifying additional income generation opportunities** outside of fundraising.



PARTNERSHIP

No one can solve the toughest paediatric challenges alone, and that is why working in partnership is such an important way for us to drive forward change for seriously ill children.

We already have a proven track record of doing this at a national and international level, and alongside a deepening of the symbiotic relationship with the hospital and ICH, will be amplifying new and existing partnerships to deliver our joint goals.

We have identified three partner groups who are key to the delivery and success of our strategy:

- **Charities and funding bodies** – we will continue to develop existing and new partners who share our purpose. We will form alliances in key priority areas, such as cancer, and with organisations who can accelerate our research ambitions.
- **Academic, industry and corporate partners** – we will engage with partners to share talent, knowledge and expertise aiming to achieve greater impact and maximise our investments.
- **Patients, families and the public** – we will pro-actively engage with patients and their families to involve them in the work of the charity and the funding decisions we make.

Working with patients and families to create a future legacy for children

Our new strategy gives us an opportunity to give the children and families we work for an even more powerful voice. Collaboration with patients and families will become more one of co-creation - they are the partners who will help us shape and deliver the greatest impact for children now and in the future.

This work has already started. During the development of our new charity property strategy, we consulted more patients and families than ever before. We used questionnaires and focus groups to collect both qualitative and quantitative data on parent accommodation, enabling those using the service to share their opinions about how we could improve it in the future. We also consulted the Young People's Forum, which represents patients and siblings aged 10 to 21, to capture their views too. The input from our beneficiaries at this initial stage will help us shape the short-term and long-term parent accommodation offering within the property strategy, ensuring it delivers the best experience for children and their families in the future.

Lyn Farrugia, a GOSH parent who took part in the focus group said:

"I was absolutely delighted to be part of the parents' accommodation focus group. As a family who lived in patient accommodation for two months, we had valuable insight into how it actually works, rather than how the charity thinks it works! We knew the reality of the situation and were in the best position to say what worked well and what needed developing. Patient accommodation is an incredible resource, and it is fantastic that the charity is continuing to develop it so that it can benefit families in the best possible way."

THE CHILDREN'S CANCER CENTRE

Every day, four children are diagnosed with cancer in the UK. This is often the start of the most difficult journey that these children and their families must face.

At GOSH they see those children with the most rare and difficult-to-treat cancers. Often the hospital represents the last hope of life. While investment in research and treatment has dramatically improved survival rates, cancer remains the most common cause of death in the UK in children aged 5-14 years.

No one should have to suffer the pain and trauma of such a diagnosis, but for a child to do so is especially cruel. That moment takes away their childhood and the freedom to dream of their future.

There is an urgent need for more innovative and gentler treatments that treat the child, not just cancer. That is why GOSH is advancing treatments guided by pioneering research and care tailored to each individual child.

This personalised and precise approach is the future of treatment for childhood cancer. Being able to better understand the genetics of a child's cancer makes it possible to create the most effective treatment with fewer long-term side effects. A collaboration between ICH and University College London Cancer Institute has already led to the development of a CAR-T therapy treatment that has cured children with relapsed leukaemia.

But GOSH needs a state-of-the-art facility that will keep pace with these advancements in genetic and immune therapy, enable more space for life-saving research, and help a child on the road to recovery from the moment they are diagnosed.

Together we can achieve this

Our bold and ambitious vision of a new Children's Cancer Centre gives us the opportunity to create real and lasting change in one of the toughest areas of paediatric healthcare.

It will require us to raise a transformational amount of money to deliver a new world-class centre, designed with children at its heart.

It will be digitally advanced, with more space for research and the technical capability to share these research findings quickly and easily with other cancer centres across the world, benefiting children far beyond the hospital's walls.

It will enable hospital staff to work more efficiently and facilitate a bedside-to-laboratory approach that will help accelerate adoption of new innovations and models of care and provide a more seamless and integrated treatment journey.

So, while a child may have a unique, hard-to-treat cancer, they won't be alone. They will be part of a global network of research and care that produces better treatments and better lives for children across the world.

The Children's Cancer Centre perfectly captures our new ambition and is one of the key deliverables of our new strategy. It will draw on our proven track record of success while combining with our focus on research, advocacy, and partnerships to create a once in a lifetime appeal and a future legacy for children living with cancer everywhere.



To support the delivery of the strategy we need to be a great organisation that is ambitious, driven, and attracts talent, as well as being accountable, transparent and effective in the way it operates. We have identified three key areas that will help us to achieve this ambition.

DIGITAL

We will make a step change in our digital capacity and capability to reach supporters, partners, patients, families and the public in an efficient and engaging way. We will use digital channels to raise money, build our brand, tell our story, and reach new audiences.

Louise Justham, GOSH Charity Trustee and a digital expert who has held senior positions within the charity, public and commercial sectors, said:

"The pandemic has created many challenges for us as a charity, but it has also shone a spotlight on the importance of digital and the crucial role it will play over the lifetime of our new strategy. Enhancing our capability and capacity to improve our supporters' digital experience will be invaluable if we want to better engage patients, families, supporters and new audiences. We have already shown how innovative we can be in this space but there is so much more we can do. The opportunities it offers are really exciting."



CULTURE

We will be ambitious, agile and embrace change. We will make bold decisions and be driven to deliver our purpose. We will constantly strive to improve and learn from mistakes. We will create an inclusive environment which enables people to be at their best and thrive, professionally and personally.

Wendy Honeyghan, Deputy Director of People, Culture and Transformation, said:

"Creating a diverse and welcoming culture that enables staff to be ambitious and bold is crucial if we want to deliver against our new goals. We have developed our first ever Equality, Diversity and Inclusion strategy and action plan to help us realise this ambition and create a more inclusive workplace where everyone we work with and for feels like they belong. It is only by fostering the right kind of culture that staff will be able to thrive and deliver the transformational change for seriously ill children that we all want to see."



INNOVATION

We will be a highly innovative charity with everyone using innovation tools to continually think differently, to develop new products and fundraising activities, improve our processes and disrupt the charity sector.

Nina Oakes, Head of Innovation at GOSH Charity, said:

"To be a truly innovative charity we have to put the existing or potential new supporter at the heart of everything we do. This might involve conducting focus groups at mosques to develop a new fundraising idea that resonates with the Muslim community or immersing ourselves in the world of gaming to better understand how we might engage. It is only by taking a structured approach to innovation that is insight led that we will be able to push the boundaries and make our cause relevant to an even wider audience."



Our priorities for 2021/22



IMPACT

- 1** We will develop an impact framework aligned to the charity's impact goals.
- 2** We will develop a refreshed five-year research strategy with the hospital and ICH (2021-2026) and continue to fund world-class paediatric research through the National Call.
- 3** We will work alongside the hospital to ensure the vision for the Children's Cancer Centre building is delivered through an optimised design and that milestones are met in line with the project timeline.
- 4** We will finalise and implement the outcomes of our property strategy, working with our partner Morgan Stanley.
- 5** In conjunction with the hospital, its patients and their families, we will support the implementation of the new patient experience strategy at the hospital.
- 6** We will provide ongoing support to the hospital to support the recovery from the COVID-19 pandemic.
- 7** We will scope the opportunity for advocacy, identifying the areas of focus where we can add the most value/use our voice to have the biggest impact.



INCOME

- 1** We will launch and embed our new fundraising strategy.
- 2** We will develop the fundraising appeal for the Children's Cancer Centre, and launch the first phase.
- 3** We will build engagement with the hospital to increase awareness of the critical role the charity plays in supporting staff, patients and their families.



PARTNERSHIP

- 1** We will build on the critical relationship links with the hospital and ICH to shape and strengthen the partnership between the 'joint organisations' and to co-create our joint proposition.
- 2** We will map existing and new opportunities for partnership across our charitable expenditure areas and impact goals at a local, national and international level.
- 3** We will formalise and further develop existing partnerships.
- 4** We will continue to work and strengthen our relationships with other NHS charities and NHS Charities Together.

DIGITAL



- 1** We will create the capacity and capability to deliver against our digital ambition and ensure effective delivery, reporting and analysis.
- 2** We will optimise the supporter experience across the hospital and charity websites to engage patients, families, supporters and new audiences.
- 3** We will develop a data strategy to underpin and support our fundraising strategy.
- 4** We will map and update supporter journeys to maximise supporter engagement.
- 5** We will develop a strategic approach to patient and family led content, ensuring it is inclusive and representative of the communities we work with and support.

CULTURE



- 1** We will deliver the year one objectives of our Equality, Diversity and Inclusion strategy and action plan.
- 2** We will implement the outcomes of our organisational design work including values, design principles and target operating model to ensure we are set up to deliver our ambitious strategy.
- 3** We will create a physical environment with an office move and design that enables innovation, inclusion, flexibility and agility, which will help us to deliver against our fundraising strategy.
- 4** We will develop our Future Ways of Working framework including policies and procedures.

INNOVATION



- 1** We will embed a culture of innovation where innovation is everyone's responsibility.
- 2** We will develop innovation priorities to align with our fundraising strategy and the opportunities for greatest long-term benefit.
- 3** We will review processes with an ambition to create a lean organisation with the supporter and the beneficiary at the heart of everything we do.
- 4** We will develop at least one new fundraising product that has the potential to have a multi-million pound lifetime value.



Enzo is receiving treatment as part of a clinical research trial at GOSH. He loves superheroes and playing on his games console.

Financial Review

Our income sources

Grants by the charity to the hospital and ICH are funded from various fundraising activities, classified under five main streams:

- Philanthropy (including Special Events)
- Corporate Partnerships
- Individual Giving (including Retail)
- Community Fundraising
- Legacy Fundraising

The five streams (the first four being classified as 'donations' in the table below) ensure diversity of income across a wide supporter base and help provide resilience against changing market dynamics in one or more fundraising streams.

Our total income for the year 2020/21 was £79.0 million, £9.3 million lower than prior year, as explained below.

As anticipated, donations decreased by £13.6 million in the year, mainly due to exceptional income received in the prior year of £10 million from the principal donor (Her Highness Sheikha Fatima bint Mubarak) for the Zayed Centre for Research.

Legacy income is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably. This income does not naturally fluctuate and the decrease of £5.2 million against prior year was mainly due to an exceptional legacy of £3.4 million received in 2019/20.

Trading income from activities such as retail, royalties and licencing was £2.1 million. The decrease of £4.8 million against prior year was due to the impact of COVID-19 restrictions on activity such as theatre performances, merchandise sales and licensing.

Investment income represents income from fixed term cash deposits and bank interest. The decrease of £1.0 million against prior year is mainly due to the impact on bank saving rates of the decrease of the Bank of England base rate from 0.75% to 0.10%.

Charitable income increased by £1.6 million, this was mainly as a result of the occupation of the Zayed Centre for Research (as it is now completed) and subsequent rental income.

The investment gain of £10.5 million arose as we liquidated existing investments to reinvest in line with the new investment strategy as well as further gains on the valuation of these new assets.

Income	2020/21 £ million	2019/20 £ million
Donations	44.1	57.7
Legacies	18.1	23.3
Trading	2.1	6.9
Total fundraising income	64.3	87.9
Investment income	1.5	2.5
Charitable and other income	2.7	1.1
Income before gain/(loss) on investments	68.5	91.5
Gain/(Loss) on investments	10.5	(3.2)
Total income including investment gains/(losses)	79.0	88.3

How our money was spent

The table below shows how the charity applied the 2020/21 income plus some of the unspent and uncommitted funds raised in prior years.

Our total expenditure in the year, including charity capital projects, was £47.6 million, £34.6 million lower than prior year. Total charitable expenditure, including capital projects, was £28.9 million, £28.1 million lower than prior year.

Funding is provided for research, medical equipment and systems, and patient, family and staff support on an annual basis. However, commitments are made to the hospital's redevelopment and major infrastructure, systems and equipment projects when they are ready to proceed and usually extend over a number of years. These large commitments can give rise to significant variations in expenditure from one year to the next, with some years requiring large amounts to be held in redevelopment funds/reserves in anticipation of large scale upcoming projects.

Expenditure on charitable activities in 2020/21 totalled £27.4 million, a decrease of £26.1 million from prior year. This decrease reflected the commitment made in 2019/20 to the hospital for the GOSH Learning Academy, which sits in patient, family and staff support projects, as well as additional medical equipment. Other areas of charitable activity had reduced expenditure due to the fluctuating nature of project spend, as well as the impact of COVID-19 on the hospital. However, our funding of research increased by £7.8 million to £11.4 million

demonstrating our continued commitment to this vital area of future benefit for seriously ill children.

In 2020/21 the charity had capital expenditure of £1.5 million (2019/20: £3.5 million) on property it owns as part of its charitable commitment to the hospital. A peppercorn rent is charged to the hospital for office or clinical space. Accommodation services for staff, patients and family is provided free of charge. Accounting rules require this expenditure to be capitalised and it is not therefore directly reflected in charitable expenditure in year of expenditure (see note 9 to the financial statements).

A total of £18.7 million expenditure (£6.5 million less than prior year) was required to enable us to generate our fundraising income, invest for future growth, steward charitable expenditure and ensure that appropriate controls and governance were maintained and strengthened. Of this, £10.8 million was spent on direct fundraising costs and £7.9 million spent on support costs. Ongoing focus is given to ensuring that the charity maximises the cost effectiveness of its activities, obtains value for money and provides high standards of supporter care and compliance. The savings against prior year were mainly due to the impact of COVID-19, e.g. lower spend on face-to-face fundraising, and reducing recruitment to only replace leavers where roles were considered business critical during the pandemic. The impact of reduced spend on face-to-face fundraising will be seen in reduced income in future years.

Use of funds

	2020/21 £ million	2019/20 £ million
Research	11.4	3.6
Medical equipment and systems	4.0	9.0
Patient, family and staff support projects	7.7	24.0
Accommodation and other	4.3	16.9
Charitable activities	27.4	53.5
Charity asset redevelopment – Zayed Centre for Research	-	3.5
Other properties	1.5	-
Charitable activities including charity capital items	28.9	57.0
Raising funds – Direct costs	10.8	15.7
Raising funds – Support costs	7.9	9.5
Raising funds total	18.7	25.2
Total charitable expenditure including charity capital items	47.6	82.2

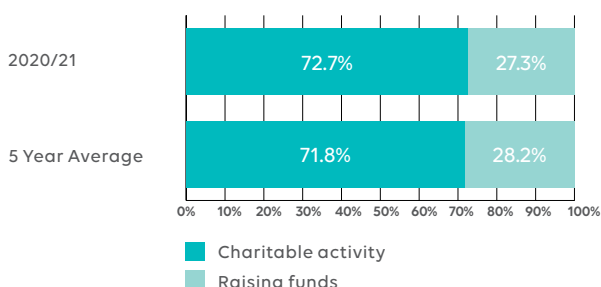
Cost:income ratio

We are very aware that our work relies on the generosity and support of our donors, it is therefore very important that the charity optimises the amount of donated funds available to fund charitable activity over time.

To measure this, we monitor the cost:income ratio:

Total 2020/21 non-charitable activities expenditure/ total income (excluding gain on investments) = £18.7 million/£68.5 million = 27.3%, slightly lower than 27.6% for prior year.

As well as making annual calculations, we monitor and report the average cost:income ratio over a five-year period. We do this because the ratio inevitably varies from year to year due to the programme and phase of large-scale projects (e.g. hospital redevelopment) against which to raise specific funds (particularly from major donors and corporate partners). This can give rise to material fluctuations in the amount of annual income we receive, and changes in the amount we invest each year in raising funds. The five-year average gives us a truer picture of the long-term relationship between charity costs and income raised.



As part of our strategic planning activity, we also forecast future ratios because investing in income growth strategies and in business systems can increase the cost:income ratio in the short term but have a beneficial impact in the longer term.

Tangible fixed assets

Tangible fixed assets at 31 March 2021 of £311.2 million (2019/20: £325.7 million) mainly consist of properties, the freehold of which is owned by the charity and used for clinical, residential and administrative purposes by the hospital, with the charity carrying the associated risks and rewards for each asset.

While the largest part of the charity's property portfolio is provided to the hospital to support clinical and research activities, certain of the residential properties are let to key hospital employees to assist with staff recruitment and retention. Other residential property is provided, free of charge, to parents of children undergoing treatment at GOSH.

A full property revaluation as at 31 March 2021 was carried out by Cluttons, a property consultancy. The valuation basis applied was 'fair value', which aims to reflect a market value for buildings and associated land. Cluttons took into consideration the future use of buildings in relation to the Children's Cancer Centre, including impact on current leases. The revaluation resulted in a net decrease in property valuations of £13.4 million. This was made up of property value increases of £17.0 million offset by impairments of £34.8 million and depreciation write-backs of £4.4 million.

The buildings in the property portfolio have a mixture of uses. Clinical buildings are valued at depreciated replacement cost. The remainder of buildings are principally used as office space or accommodation for staff and patient families, and valued on a comparable value or investment basis, as applicable.

These assets are held by the charity to further its charitable purposes and are used by the hospital or the ICH. The clinical buildings are under long-term leases issued to the hospital or ICH and are another way in which the charity fulfils its charitable objects. The Zayed Centre for Research, now completed, is leased to the hospital and ICH at commercial rates. While leases are used, the charity still holds these assets and bears the risks and rewards of the assets.

Investment policy and performance

The investment policy of the charity is cautious, with the Trustees' priority being to preserve capital in order to meet existing and future commitments on capital programmes and other grants made. The Investment Committee continues to keep under review the charity's investment policy and strategy and, in compliance with the policy, explore ways of improving investment returns that minimise the risk of capital loss. The Investment Committee will continue to review the allocation of the investment portfolio to ensure it remains appropriate for the commitments and future funding expectations of the charity.

During the year, the charity used the services of a number of investment managers. The charity's investment managers followed strict investment guidelines in line with the charity's moral and ethical policy. This specifies that the charity does not invest in tobacco or arms manufacturing, or any stock in which either tobacco or arms manufacture are the main or a material element, due to the negative impact they have on child health. In addition, Environmental, Social and Governance (ESG) factors must be central considerations in the investment process of each manager.

The total investment portfolio including cash at 31 March 2021 was £239.8 million (31 March 2020: £216.9 million) divided between the long-term portfolio, short-term portfolio and remaining funds.

The value of the long-term portfolio at 31 March 2021 was £86.4 million (31 March 2020: £45.1 million). This portfolio holds the charity's invested risk assets and made an overall gain during the year. The portfolio held at 31 March 2020 by Blackrock, Investec and Ruffer was liquidated in June 2020 and, alongside additional funds from fundraising, split between Legal and General Investment Management (LGIM), comprising of listed equity holdings, and Aberdeen Standard, comprising of corporate bonds.

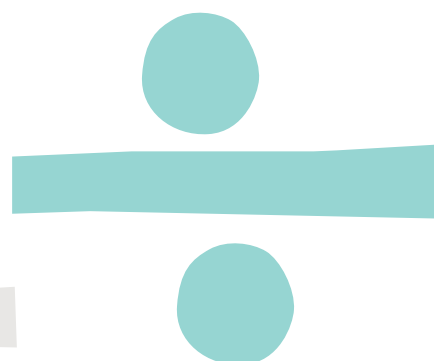
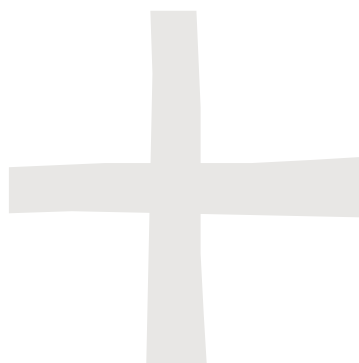
Prior to liquidation the funds held with Blackrock, Investec and Ruffer made gains of 9.13% against benchmark of 0.67% in part due to recovery of losses made in the final two months of 2020 as a result of COVID-19. Since investment, gains have been made with LGIM of 19.48% against benchmark of 19.08% and Aberdeen Standard of 1.40% against benchmark of 1.09%.

The short-term portfolio of £98.4 million at 31 March 2021 (31 March 2020: £137.8 million) is held across a number of direct deposits with UK banks, investments with Royal London Cash Management and a short-term fixed income portfolio managed by HSBC. These short-term funds are retained to meet the charity's expected commitments over the next three to four years. A 0.92% return on the short-term portfolio, comprising cash assets and other low risk investments, was slightly below the 1.02% benchmark SONIA.

During 2020/21, there were significant fluctuations in global equity markets. Net income, gains and losses earned from the charity's investments totalled a net gain of £12.0 million (2019/20: net gain £0.7 million). This gain was split between investment income of £1.5 million (2019/20: £2.5 million), a net realised gain of £4.1 million (gains realised from liquidating funds held with Blackrock, Investec and Ruffer to facilitate our updated investment strategy), and unrealised gains of £6.4 million (as a result of continued growth in the value of these assets once placed with LGIM and Aberdeen Standard), giving total gains on investments of £10.5 million (2019/20: net loss £3.2 million), as included in the statement of financial activities.

Remaining funds are held as cash to facilitate working activity. The balance at 31 March 2021 was higher than usual at £55.0 million (2019/20: £35.1 million) due to low rates available on fixed term deposits.

As part of the ongoing governance of our investment portfolio, the Investment Committee carry out regular reviews of investment performance and aim to meet with investment managers once a year.



Funds

	2020/21 £ million	2019/20 £ million
Restricted funds	13.5	(10.6)
Endowment funds	0.7	0.7
Total restricted and endowment funds	14.1	(9.9)
Designated fixed asset fund	214.6	216.7
Designated redevelopment fund	98.9	118.1
Designated research fund	46.2	13.6
Total designated funds	359.7	348.4
Designated property revaluation reserve	96.7	109.0
Total designated funds including revaluation reserve	456.4	457.4
General funds	28.3	31.8
Total unrestricted funds (including designated)	484.7	489.2
TOTAL FUNDS	498.8	479.3

Funds

The charity's total funds increased by £19.5 million to £498.8 million at 31 March 2021. The vast majority of these funds finance the charity's substantial existing property portfolio (£311.2 million – total fixed assets £214.6 million, and property revaluation reserve £96.7 million, derived from initial value and revaluation and impairment adjustments) or are required for the charity's commitments and anticipated future commitments (a total of £98.9 million, including assets under construction) including the prospective Children's Cancer Centre, our next redevelopment project with the hospital, and other redevelopment projects and parent accommodation projects. A further £46.2 million is committed to the implementation of the charity's research strategy over the next five years. After allowing for these existing plans, general funds (that is, funds not restricted, endowment or designated in respect of use) amount to £28.3 million, £3.5 million lower than prior year, reflecting the fall in total income but also the reduced expenditure on raising funds explained above.

Restricted

The charity holds a number of different funds to support specific activities chosen by donors, which fall within the objectives of the charity.

At 31 March 2021, there was £13.5 million (2019/20: deficit £10.6 million due to pledged funds not yet received at 31 March 2020) in funds restricted for specific areas of work as set out in note 19 to the financial statements.

Endowment

The charity holds five endowment funds totalling £0.7 million (2019/20: £0.7 million), which have been granted in order to generate funds to support specific charitable purposes.

Unrestricted

Unrestricted funds are expendable at the discretion of the Trustees to further the charity's objectives. The charity's unrestricted funds at 31 March 2021 were £484.7 million (2019/20: £489.2 million) and included £456.4 million (2019/20: £475.4 million) of designated funds.

Each year, the Trustees review the need to designate unrestricted funds raised for existing assets, the redevelopment of the hospital or for other specific projects to be committed and spent in future years. This helps to provide financial stability and confidence in the charity's ability to fund vital areas of work within the hospital.

At 31 March 2021 the Trustees designated unrestricted funds as shown in the above table.

Designated

Fixed assets – tangible and intangible

The charity owns fixed assets, the majority of which are operational properties used by the hospital. As these properties serve a charitable purpose and are not held as investments, they cannot easily be converted into funds for day-to-day use. Therefore, the Trustees have decided that reserves equating to fixed assets (excluding assets under construction which are held in the redevelopment fund) should be placed in a designated fund, which, by definition, will increase or decrease to reflect the net book value of these assets. If a decision is taken to dispose of any properties, the attributable value is transferred from the fixed asset designated fund to general funds.

Property revaluation

Similar to the fixed asset fund, the charity also holds a reserve in respect of the changes made in its property portfolio valuations arising from independent revaluations. As these reserves directly relate to the underlying properties included in the fixed asset fund, it is appropriate to hold a reserve equivalent to the fluctuation in property values.

As and when property valuations change, such changes are reflected in this fund.

Redevelopment

The Trustees have set aside £98.9 million (including assets under construction) to cover future expenditure on redevelopment projects, including redevelopment projects currently in progress or in the planning stages where costs and potential fundraising income are not yet confirmed.

Research

As part of the charity's five-year strategy, the charity has committed £46.2 million to research. Funds have been designated to confirm the charity's commitment to research ahead of restricted funds being raised. As restricted funds are raised, and/or unrestricted funds are spent on research, the balance on the designated reserve fund will reduce accordingly.

Reserves and liquidity policy

The Trustees are keen to ensure that funds donated to the charity are not only used on the highest priorities delivering substantial impact but also that these funds are promptly used so that impact and benefits can be realised as soon as practical. The Trustees need to balance this objective with the need to maintain financial prudence and ensure the long-term financial sustainability of the charity. The Trustees recognise the 'going concern' nature of the charity's financial performance, which enables future commitment of funds to charitable activities. This will be particularly important when the charity commits to further significant redevelopment projects for the hospital, e.g. the Children's Cancer Centre.

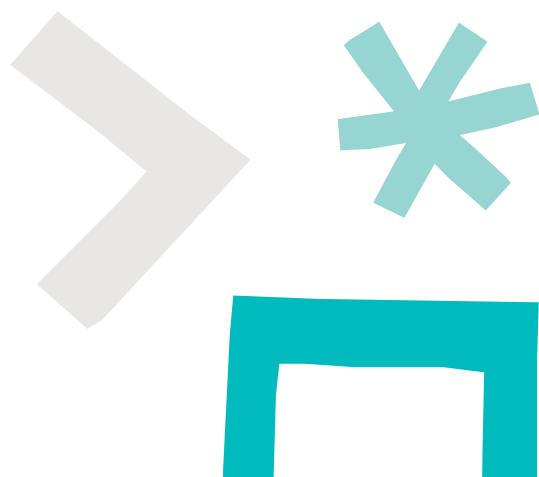
To support the adoption of the going concern approach, the charity introduced guidelines for minimum liquidity levels which require the charity to be confident it can meet at least two years' future liabilities, when they fall due, under circumstances where its income would be significantly reduced. Financial modelling has been undertaken which considers various scenarios and additional stress testing. The checks on our financial position as at 31 March 2021, at the date of signing and for our five year projection horizon, indicate that the charity will be able to meet such liabilities as they fall due.

Sparks

Due to the financial impact of COVID-19 on fundraising activities, Trustees of Sparks and GOSH Charity took the decision to fully merge operations. Sparks therefore ceased trading on 31 March 2021 with assets and liabilities transferred to Great Ormond Street Hospital Children's Charity. The restricted funds of Sparks had a deficit of £0.4 million (31 March 2020: deficit £0.2 million) for which payment plans are in place. General funds were £1.4 million (31 March 2020: £1.1 million), giving total funds of £1.0 million (31 March 2020: £0.9 million).

GOSIPL

As a trading subsidiary of GOSH Charity, Great Ormond Street International Promotions Limited (GOSIPL) gift aided profits of £0.6 million to GOSH Charity at 31 March 2021 (31 March 2020: £1.1 million).





Lily has treatment at GOSH for a type of cancer called acute myeloid leukaemia.

Our People

Looking back at 2020/21

We are very fortunate as an organisation to have passionate and dedicated staff and volunteers who strive daily to transform the lives of seriously ill children and young people.

Over the last year, no organisation has escaped the effects of the pandemic, especially hospitals, including GOSH. We have seen the disruption on the lives of the people who work for us and the people who we support and on society at large.

We have had to move faster than ever before to respond proactively to new Government requirements and frequently changing COVID-19 restrictions. We have supported staff who through their goodwill and passion for the cause have reacted by achieving an almost overnight adaptation to how we work and where we work. Almost all of our work in 2020/21 was carried out remotely, including virtual fundraising events.

The Trustees would like to thank all staff, volunteers and supporters for the way in which they have responded and continued to ensure we delivered our purpose in 2020/21 to transform the lives of seriously ill children.

Equality, Diversity and Inclusion

Over the last year everyone at the Charity was deeply moved by the death of George Floyd in America and the Black Lives Matter movement. These events caused us to reflect that while it was clear we all believed in the importance of an inclusive and diverse culture at GOSH Charity, we hadn't always done enough to make that a reality. This last year has seen us commit to changing that. Having initially engaged in a series of workshops with staff, led by our Chief Executive, for staff to consider and share their experiences and discuss ideas for change, we then worked with an external provider to create a long-term plan to help us become the diverse and inclusive charity we all know we can be.

The result of this was the creation of GOSH Charity's Equality, Diversity and Inclusion (EDI) strategy focused on identifying and addressing inequality. The strategy includes a co-created vision statement and measures of success that we have committed to achieving over the next three years that will see EDI embedded across the entire charity at the heart of all we do.

Some of our priorities for this coming year include setting up an EDI Programme Board and employee forum, providing awareness training for all staff and trustees and revising our recruitment processes so they are in line with best practice to ensure we attract a more diverse range of candidates.

While we are all clear there is still a lot to be done, we are fully committed to lasting change. We will learn about and celebrate our differences, respect every voice and will not be afraid to step out of our comfort zone and challenge those behaviours that do not reflect our beliefs.



Wellbeing

Over the last year we have responded to the demands facing our people by creating a wellbeing programme, covering physical and mental health, to ensure colleagues were supported throughout the pandemic.

GOSH Charity is committed to protecting the health, safety and wellbeing of its people and in creating an open and supportive culture where everyone feels able to ask for help when they need it. Our wellbeing programme provides opportunities for staff to engage in a wide range of initiatives and access information and services which support their mental, physical, social and financial wellbeing.

We initiated the process of the entire charity working from home on 17 March 2020. The move to working from home was a huge change and immediate support and guidance was provided to managers in relation to leading remote teams and to our staff on how to stay happy and healthy during remote working. Advice included creating the right environment to work at home, setting up home workstations and guidance on maintaining personal connections with colleagues.

As working from home continued, staff were supported financially to purchase equipment to enable them to work safely and comfortably at home and, in addition to our standard wellbeing offering, other key initiatives were introduced through the year to address the changing needs of our people.

These initiatives included:

- the launch of a new Peer Support Scheme
- mental health Lunch & Learn sessions for people managers
- Time to Talk drop-in sessions
- team reflection sessions - helping teams to acknowledge their experiences and emotional responses since the start of the pandemic
- Mental Health Awareness Week activities
- post-Christmas Employee Wellbeing Week – Beat the January blues
- virtual desk yoga sessions
- roll-out of a virtual Chat Mate scheme
- introduction of Wellness Action Plans
- giving all staff three days off between Christmas and New Year as a wellbeing thank you in recognition of the additional work and challenges that staff dealt with so well

Communication and regular charity wide updates have been a key factor in supporting our staff, providing reassurance and keeping them up to date with the rapidly changing situation. The People Team, in collaboration with Internal Communications, have created and established a weekly 'what's on' email, which highlights new and existing wellbeing activities and support, as well as providing general advice, e.g. signposting to external support on a range of important topics such as domestic abuse, stress, bereavement and mental health at work.

Our Staff Reps have also played a key role in helping to shape and roll out our wellbeing programme this year.

Coronavirus Job Retention Scheme (furlough)

As part of its response to the COVID-19 pandemic, last year the government introduced the Coronavirus Job Retention Scheme (CJRS), which allowed all UK employers (with employees on a PAYE scheme) who had been severely affected by the ongoing situation to place employees on a paid temporary leave of absence.

Like many other charities, we have faced significant disruption to our fundraising over the past year, with many activities cancelled or postponed. As the scale and longevity of the coronavirus crisis became clear, the Senior Leadership Team and the Board of Trustees decided that we would utilise the furlough scheme as a number of staff were unable to undertake their usual duties, and to help us minimise our financial losses during this period. This ensured that we were using donated funds in the best way possible to support the hospital during the ongoing crisis.

From 01 June 2020 the charity utilised the scheme for a proportion of employees in both a full-time and part-time capacity and in varying numbers month-on-month dependent on changing business needs. The total financial saving was £337,000 in the year.

Support was provided for those staff who were furloughed through regular contact with line managers and the People Team, as well as putting furloughed staff in touch with each other.

The spirit and dedication all staff have shown to help GOSH Charity respond to this crisis and support the children, their families and staff in the hospital who need us more than ever, has been inspiring.

Future Ways of Working

We took action to reshape how we will best support our charity strategy by engaging staff in our Future Ways of Working (Future WOW) programme which is about moving us from our pre-COVID-19 office (which we gave up on 31 March 2021) and ways of working into a new office in the same building but with more flexible and collaborative space. While we are not yet fully using our new office because of COVID-19 restrictions, Future WOW is geared-up to have the new office layout and ways of working in place for when staff return in 2021/22.

Our new office is half the size of our previous office, and no one has their own desk. This has not only provided a considerable saving for the charity when compared to remaining in our old office, which would have required significant refitting costs under our lease, but also enables us to meet staff preferences to work two-three days a week in the office where the role allows, rather than five days a week as was the case pre-COVID-19.

We are an organisation that listens; 85% of our staff completed our Workplace Survey on Future WOW and we will continue to involve our people in the decisions that affect them.

Our next steps will be to manage the transition back to the office for staff under a 'test and learn' approach to our new office and ways of working, to ensure we can maximise the effectiveness of the charity.

Listening to our employees

It is hugely important to us that our employees have the opportunity to tell us what they think and feel empowered and enabled to do so. We sought staff input into a number of projects during the year to ensure that they had the opportunity to tell us what they thought and give insight into how we might improve.

These included a survey, interviews and listening sessions around our approach to EDI, surveys and regular questions around wellbeing and home working as well as focus groups and surveys about our new office and the hybrid home/office working environment.

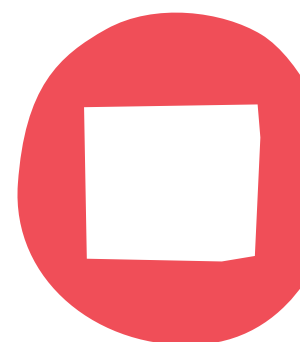
In addition, a regular employee pulse is now taken with the same questions each month so that trends can be determined and action taken where necessary. We have also continued to listen to our staff through forums such as our Staff Reps group, fortnightly Forum sessions including Q&A with the Senior Leadership Team and monthly town halls led by the Chief Executive. The results of the surveys and questions raised at the Forum help to shape our future communications, as well as the support we are able to provide to staff.

Remuneration

Our approach to remuneration is led by our reward principles in paying in the upper quartile of the charity sector to attract and retain people who can deliver great results in a great place to work. We take into account external benchmarking in the Charity Brand Index top 10, the charity sector and industry as a whole, our overall charity financial performance and reference CPI/RPI and reward trends. The Finance and Resources Committee considers the Remuneration Policy and Awards proposal on an annual basis and makes recommendations on these matters to the Trustee Board for approval. As a result of the financial impact of COVID-19, the April 2020 pay review was suspended and no increases in pay were made. The April 2021 pay review (approved by the Trustee Board in March 2021) saw that all eligible staff received the same flat increase to their salaries, giving an average increase in staff costs of 2.0%.

Executive pay

In determining executive pay, the Board of Trustees pays close attention to the fact that our income comes from generous supporters who ultimately want the best for children and families at GOSH, and that our income fluctuates year-to-year depending on the projects we are fundraising for at the time. As with the salaries of all staff, the salaries of the Executive Team are benchmarked both across the sector and industry as a whole and we pay market rate both in the sector and professionally. Charity executives also received no April 2020 pay review and the same flat increase as all staff in April 2021.



Gender pay reporting 2021 – for staffing as at April 2020

We remain committed to building upon the work that is underway to attract and develop the most diverse workforce, to champion gender equality and diversity and to reduce our current gender pay gap, the percentage difference between average hourly earnings for men and women.

Although the Government Equalities Office and the Equality and Human Rights Commission (EHRC) made the decision to extend gender pay gap reporting deadlines this year, we are committed to transparency and maintaining focus on equality, diversity and inclusion and have therefore chosen to voluntarily report as close to the original date as possible.

Like many charities, we have a predominantly female workforce, with 77.5% female and 22.5% male. We have delivered on the commitments we made to our staff last year on our gender pay gap and as a result our mean gender pay gap at April 2020 was 17.7%, a decrease of 4.6% against April 2019. Our median gender pay gap (which is typically a more representative figure) is 19.1% which represents an increase of 1.8% from last year and shows there is still work to do.

However, there have been changes to the Senior Leadership Team since April 2020 and as at 31 March 2021 it comprises four women (including the CEO) and one man. As such, we expect to see an improved gender pay gap position as at April 2021.

As an organisation we employ fewer than the specified 250 minimum staff reporting requirements, but are reporting our figures because we believe in openness and transparency and the importance of this issue. However, in an organisation our size, a small number of senior recruitments can have a big impact on our gender pay gap.

While not paid positions, as at 31 March 2021, our Board of Trustees comprised six women (including the Chair) and six men.

Equal pay

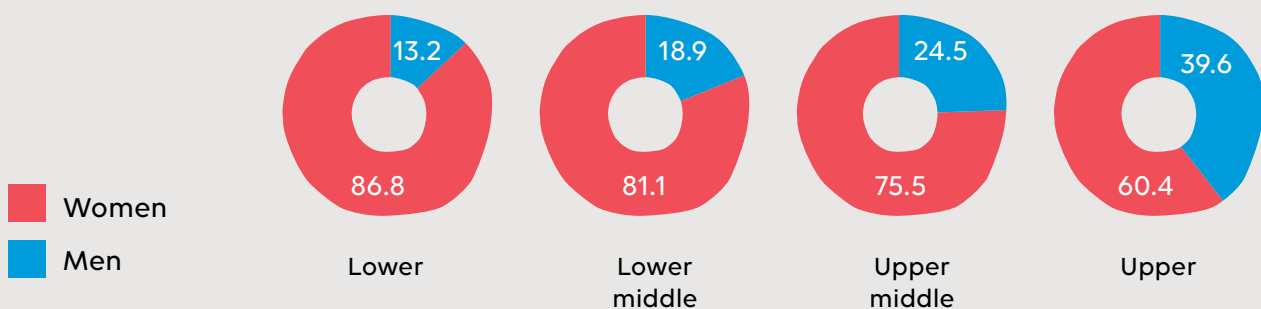
GOSH Charity is an equal pay employer and we are confident that our gender pay gap is not the result of unequal pay, rather it results from the fact that we employ a higher proportion of men in senior roles and more of our part-time workers are women.

Safeguarding

Charity staff, volunteers and Trustees often come into direct and indirect contact with children, patients of the hospital, patient families and members of the public through delivery of a range of services and activities. Safeguarding is a critical area of importance to us and as a primary concern, we always promote the welfare and safety of children, vulnerable adults, and young people. Our safeguarding policy is regularly reviewed, and all staff have undergone mandatory safeguarding training to ensure they can respond appropriately should a safeguarding issue arise.

In addition to standard employment reference checks, all staff and Trustees must obtain a suitable Disclosure and Barring Service (DBS) check prior to commencement of service with the charity, with a three-year renewal programme also in place.

Proportion of women and men in each pay quartile (%) as at April 2020



Volunteering

We are fortunate to have a diverse volunteer workforce making a considerable contribution to both the hospital and the charity. We simply could not do what we do without them and we are truly grateful for the continued commitment and tireless support. The value of contribution is not reflected in our financial data, in line with charity accounting rules.

At the hospital

In 2020/21, under very strict safeguarding protocols and infection control, the hospital had 782 volunteers registered, with 60 of these volunteering on a regular basis, contributing approximately 13,000 hours across 75 different volunteer roles. These volunteers provided a range of emotional and practical support for staff, children, and parents, as well as bringing fun to the young patients, generously sharing their time, skills, and energy with the hospital.

For the charity

In 2020/21, due to the pandemic, volunteering activity across the charity was put on hold. We had 541 registered volunteers, but there were only a few that were able to continue to provide vital support for our fundraising activities, from supporting GOSH Charity staff in their day-to-day office work to providing an important communication link to our donors and supporters.

Trustees and Associate Trustees

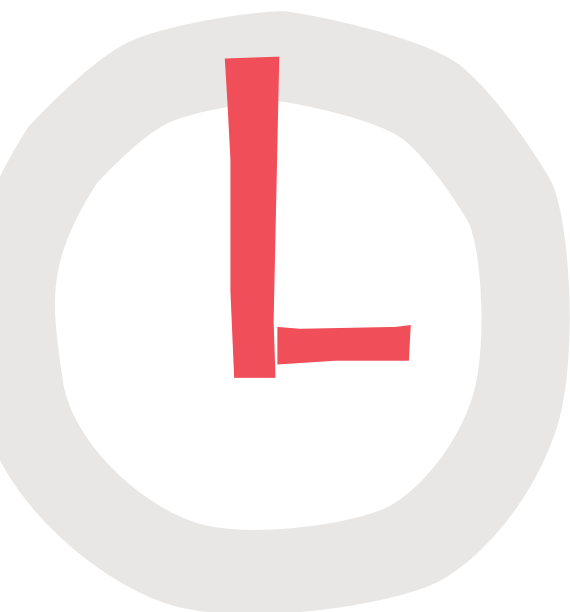
The volunteer Board of Trustees currently consists of a Chair, a Deputy Chair and ten other Trustees appointed for their relevant and individual skills and experience, having been through a thorough recruitment process including interview. Trustees are appointed for a fixed term not exceeding four years. At the end of the fixed term, they can be reappointed, but no Trustee may remain on the Board for more than nine years.

Associate Trustees with specific skills and experience can also be appointed as volunteers to work with the Trustees on Board committees to increase the expertise available.

A thorough induction programme is provided for Trustees and Associate Trustees on appointment and Charity Commission guidance is shared. The induction programme includes meeting with the Chief Executive of the charity and all directors in order to obtain an overview of each directorate and key issues. In addition, new Trustees and Associate Trustees have a tour of the hospital (when safe to do so) and meet with any relevant committee chairs to obtain an understanding of current issues. These meetings are in addition to being provided with a range of documentation including access to previous Board meeting papers and minutes and undertaking online safeguarding training.

Access to training is provided throughout the term of office. Trustees and Associate Trustees are required to undertake an enhanced DBS check.

During the year, Margaret Ewing retired from the Board and Ruary Neill retired from his position as Chair of the Investment Committee. We would like to thank Margaret and Ruary for their considerable contribution to the charity over a number of years.

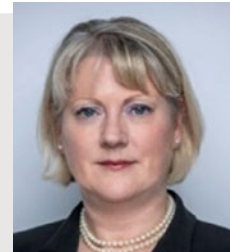


Trustees

Anne Bulford CBE

Chair of the Board

Anne is currently an independent non executive of KPMG's Public Interest Committee, a non-executive director of Reach plc, a non-executive member of the Executive Committee of the Army Board, a member of University College London's Gift Acceptance Committee and a Royal Ballet Governor. Her prior roles include Deputy Director General of the BBC and Chief Operating Office at Channel 4.



Jennifer Bethlehem

Grants and Impact Committee, Property and Development Committee

Jennifer is a Corporate Partner at Freshfields Bruckhaus Deringer LLP and leads the firm's global healthcare team. Prior to becoming a lawyer Jennifer practiced for over 10 years as a nurse.



David Craig

(Appointed May 2020)

David is the founding CEO and board member of Refinitiv, the global leader in financial markets data and infrastructure. David sits on the World Economic Forum (WEF) Digital Disruption Innovation Group and the WEF AI and Automation in Financial Services steering committee, presenting at Davos the last five years.



Nina Bibby

Governance, Reputation and Risk Committee

Nina is the Chief Marketing Officer at O2 (Telefonica UK), with commercial profit and loss accountability for the consumer and SMB mobile business. Nina is also a non-executive director of Barratt Developments.



Margaret Ewing

(Retired September 2020)

Finance and Audit Committee Chair until Aug 2020, Investment Committee, Governance, Reputation and Risk Committee, Trustee of Sparks Charity

Margaret is currently a non-executive director of ITV plc, International Consolidated Airlines Group SA and ConvaTec Group plc. Prior roles include CFO of Trinity Mirror plc and BAA plc and a Vice Chair and Managing Partner of Deloitte LLP.



Nicky Bishop

Governance, Reputation and Risk Committee

Nicky is a consultant in the charity sector, working with international and UK organisations on overall strategy and fundraising with a focus on children and sustainable development. Prior to this she was CEO of The Red Cross Children's Hospital Trust in South Africa, and Director of Fundraising at WWF-UK.



Kaela Fenn-Smith

Property and Development Committee Chair

Kaela has previously been a director at Land Securities plc, and held senior positions with Jones Lang LaSalle and CBRE.



Trustees

Professor Sir Stephen Holgate

Grants and Impact Committee Chair, Chair and Trustee of Sparks Charity

Stephen is Medical Research Council Clinical Professor at the University of Southampton with an interest in asthma and allergy. He is a special advisor to the Royal College of Physicians (RCP) on air quality and cofounded Synairgen, a company dedicated to respiratory drug discovery.



Michael Marrinan

Grants and Impact Committee

Michael was a consultant Cardiothoracic Surgeon at King's College Hospital from 1992 until 2015 and was Medical Director of King's for six years. He is currently Medical Director of Royal Hospital for Neurodisability.



Louise Justham

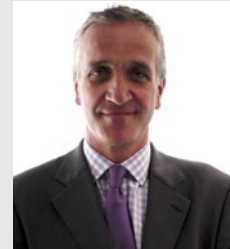
Louise is Global Marketing Director at the Bodyshop. Prior to this Louise was the CEO at Easyfundraising, a socially focused online affiliate. Louise was also CEO at Seatwave an online ticket marketplace which was sold in 2014 to Ticketmaster. Prior to this Louise held digital marketing roles at Thomas Cook, BSkyB and Carphone Warehouse.



Mark Sartori

Investment Committee Chair from Oct 2020, Property and Development Committee, Trustee of Sparks Charity

Mark retired from a career in capital markets where he worked in European Equities for Credit Suisse and Morgan Stanley. Mark also built a European Equities business for the Royal Bank of Canada.



Sandeep Katwala

Deputy Chair of the Board Governance, Reputation and Risk Committee Chair, Finance and Resources Committee

Sandeep spent 25 years as a lawyer with the global law firm Linklaters LLP where he was a member of the Executive Committee and headed up the firm's EEMEA Region and India business.



Kevin Thompson

Finance and Resources Committee Chair from Sept 2020, Governance, Reputation and Risk Committee, Investment Committee

Kevin is Chair of the Audit Committee at Spirax-Sarco Engineering plc and a member of the Financial Reporting Council Lab Steering Group. Kevin retired in 2018 from Halma plc, a FTSE100 global group of life-saving technology companies, where he was CFO from 1998 until 2018.



Associate Trustees

Mark Burgess

Investment Committee

Mark was Chief Investment Officer, EMEA and Deputy Global CIO at Columbia Threadneedle for nine years. Prior to this, Mark was Head of Equities at Legal and General Investment Management and held senior roles at Morgan Grenfell Asset Management and Deutsche Asset Management.



Chris Morris

Property and Development Committee

Chris is a specialist in real estate law and practised at Freshfields Bruckhaus Deringer, from 1982 to 2014, being a partner there from 1991 to 2014. Chris was on the Policy Committee of the British Property Federation for three years.



Paul Langham

Property and Development Committee

Paul has extensive experience of property developments, both in the UK and internationally. He is currently Head of Project Management and Engineering at Land Securities having previously been Project Director at Stanhope plc.



Ruary Neil

(Retired September 2020)

Investment Committee

Chair until Sept 2020

Ruary had a long career in the financial sector working in Asian equity markets and then in global asset allocation. He retired from UBS Investment Bank in June 2014. He is an independent non-executive director of JPMorgan Emerging Markets Investment Trust plc and a member of the Advisory Council of The SOAS China Institute, London University.



Joseph McDonnell

Investment Committee

Joseph is Managing Director and Head of Portfolio Solutions at Neuberger Berman. Prior to joining Neuberger Berman he spent 10 years as Head of Portfolio Solutions EMEA and Head of Diversified Alternatives for Morgan Stanley Investment Management.



Andrew Stoker

(Appointed May 2020)

Finance and Resources Committee

Andrew is the Chief Financial Officer of Rothesay. Andrew joined Rothesay in 2014 and is responsible for the finance, actuarial and HR functions. Andrew was previously a partner in EY's risk and actuarial practice and prior to that was Chief Actuary at Lucida plc. Andrew has also held roles at PwC, Tillinghast (now Willis Towers Watson) and Legal & General.



GOSH patient **Grace**



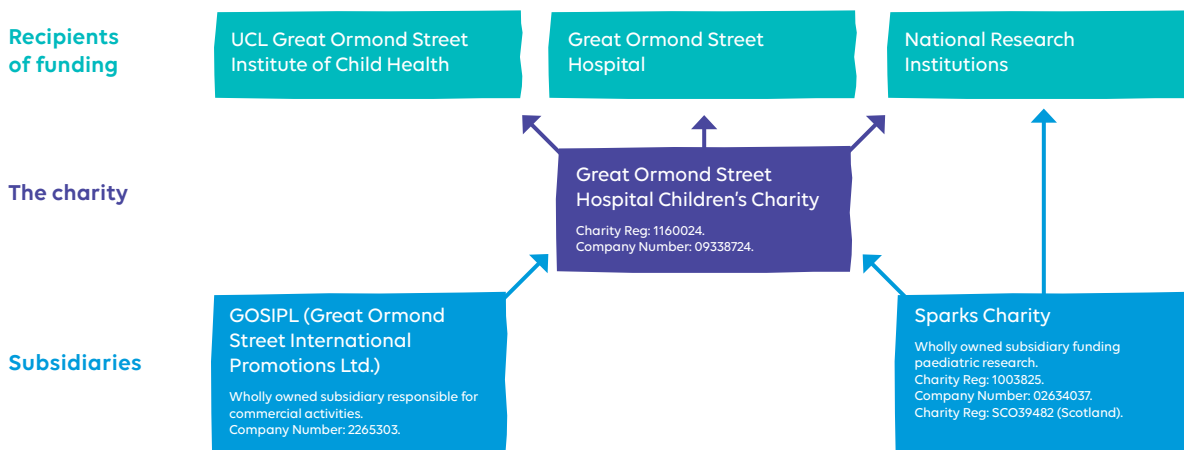
Structure and management

Statement of confirmation compliance with Companies Act and SORP

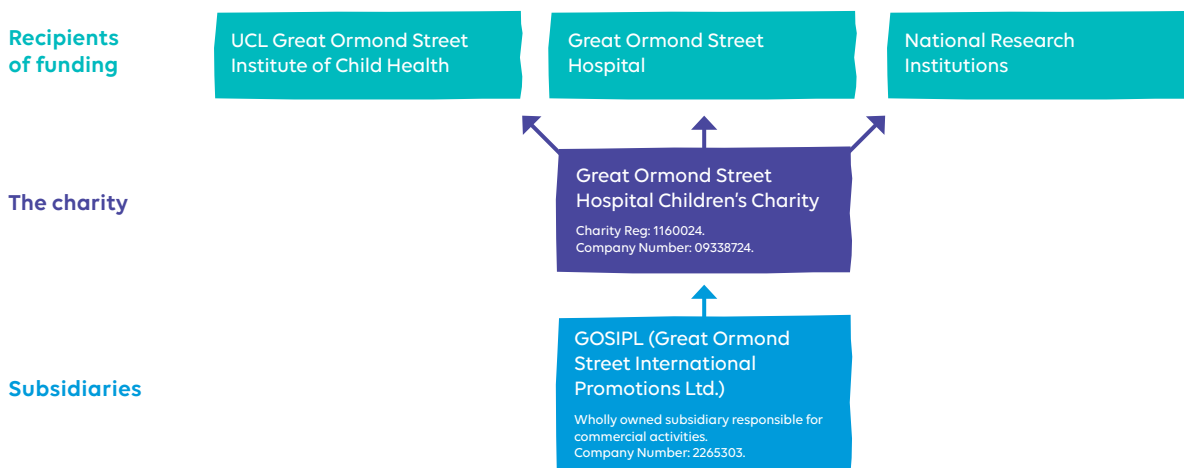
The Trustees confirm that the financial statements comply with the Companies Act 2006, Charities Act 2016, the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP), applicable accounting standards and the provisions of the Memorandum and Articles of Association for both the charity and its subsidiaries.

In addition, financial statements for Sparks comply with the Charities and Trustee Investment (Scotland) Act 2005 and regulation 6 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Legal structure and governing document, related parties and subsidiary companies



To ensure greater efficiency, the group structure was reviewed during 2020/21 and the decision was made to fully merge Sparks Charity with Great Ormond Street Hospital Children's Charity. Sparks Charity ceased trading on 31 March 2021, and will be formally closed later in 2021, with any funds remaining transferring to GOSH Charity, to be used in line with the charitable objectives of Sparks Charity, giving the new structure below:



GOSIPL remains a separate entity and subsidiary of GOSH Charity. GOSIPL is responsible for all commercial activities of the group, namely licensing, sales promotions and mail order. All surplus funds earned by GOSIPL are donated, under Gift Aid, to the charity. GOSIPL has its own Board responsible for all governance issues, and Sparks will continue to have its own Board until closure. Financial details for both are summarised in the notes to the GOSH Charity financial statements, with their own audited financial statements filed as appropriate.

Much of the research at GOSH funded by the charity is undertaken in partnership with ICH (see note 5 to the financial statements).

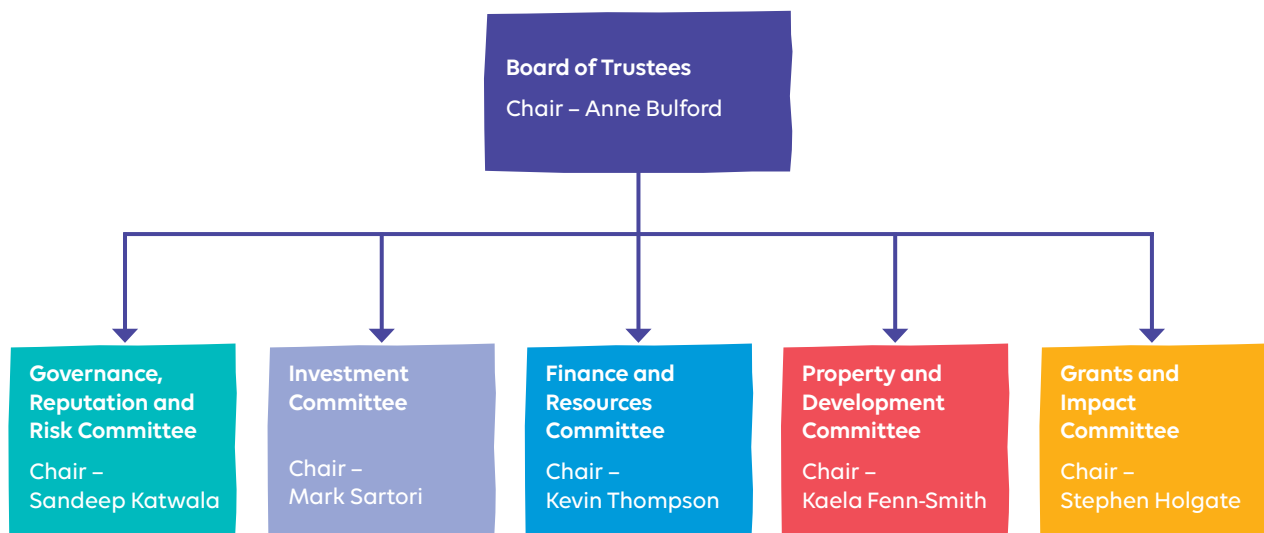
Transactions with other related parties are disclosed in note 24 of the financial statements.

Trustee responsibilities

The Board of Trustees meets at least six times per year and is responsible for the governance of non-executive leadership of the charity. It approves the charity's strategy and agrees strategic plans for fundraising and other activities as applicable and approves the allocation of charitable expenditure. The Board also sets operating plans and budgets and determines the risk appetite and tolerances acceptable in achieving the charity's

purpose and strategy. A review of operating and financial performance is undertaken at each Board meeting (unless an ad hoc meeting, called to deal with matters of special interest). During the year, the Chief Executive and members of the Senior Leadership Team were invited to attend all meetings of the Trustees and senior managers were invited to attend for presentations and discussions of specific relevant topics.

Board committees and remits:



Governance, Reputation and Risk Committee

- Ensuring the charity has a governance structure appropriate to its size and complexity and monitoring compliance with all governance policies, regulations, laws and sector guidelines.
- Ensuring the charity has appropriate internal audit provision and leading on the process for tendering and appointment/reappointment of internal auditors, approve annual internal audit plan, review non-financial internal audit findings and monitor effectiveness of internal auditors.
- Policy setting and monitoring of all fundraising, including the fundraising strategy, fundraising practices, Supporter Commitment and use, guidelines and monitoring of third party fundraising agencies and complaint monitoring.
- Engaging with other charities, charity regulators and other representative bodies to enhance the reputation of the charity sector.
- Reviewing risk management policy and risk register, monitoring all key non-financial risks of the charity and ensuring the charity is operating within the risk appetite and tolerance levels set by the Board.
- Monitoring the charity's reputation and setting policy for the identification, assessment, management and resolution of material reputational risk to the charity as well as understanding the opportunities available to enhance the reputation of the charity.

Investment Committee

- Monitoring the allocation and performance of the charity's investment portfolios.
- Appointing professional advisors and investment managers, reviewing their appointment annually and evaluating their performance.
- Reviewing the investment strategy and related policies and recommending required changes to the Board of Trustees.
- Investing funds in accordance with the investment policy and in support of the charity's financial plan and strategy.

Finance and Resources Committee

- Monitoring and review of the integrity of the charity's financial statements and financial reporting, including the approval of all accounting policies and financial oversight of the charity's trading subsidiary.
- Agreement of both external audit and financial internal audit plans and reports. Review findings of external audit and financial internal audits.
- Overseeing the process for appointing the External Auditor including setting the audit fees and reviewing effectiveness of the external auditors.
- Monitoring of major internal charity projects including technology and review of associated non-property business cases.
- Review of the annual business plan, budget and pay award proposal on which it makes recommendations to Trustees.
- Monitoring the operational arrangements in place in relation to procurement, environmental and sustainability matters, and information technology and overseeing the future technology strategy, including technology investment and projects.
- Overseeing the delivery and implementation of the charity's people strategy including programmes relating to recruitment and retention, remuneration, transformation and change with general oversight of the charity's pension scheme.
- Overseeing the delivery and implementation of policies which reflect legislative requirements with respect to the reporting of equality, diversity and inclusion and monitoring progress of the charity in relation to these matters

Property and Development Committee

- Considering any material proposals of the charity relating to the charity's property interests including without limitation the acquisition, disposal, development, capital expenditure on, mortgaging or financing of such property.
- Reviewing and recommending to the Board the strategy for the charity's estate in support of the hospital, ICH and the charity, and to monitor its implementation.
- Monitoring progress on all redevelopment projects that the charity supports.
- Overseeing the charity's disbursements relating to the hospital's property interests.

Grants and Impact Committee

- Recommending a research strategy for Board approval and recommending an overall grant making programme and grants strategy for the charity.
- Awarding and varying grants within the grant award budget streams approved by the Board as part of the annual plan and ensuring such grants are in compliance with the charity's charitable objects.
- Monitoring grants provided for all charitable activities (excluding property and redevelopment) and overseeing the charity's disbursements programme.
- Assessing applications for funding and making recommendations to the Board including those from the Research Assessment Panel (RAP).
- Reviewing the programmes, policies and procedures relating to grant disbursement.

All committees report to the Trustee Board and each meets at least three times per year.

A Trustee indemnity insurance policy is held with Dual Corporate Risks Ltd, providing indemnity of £10 million. The cost of the policy in 2020/21 was £5,500 (2019/20: £5,600).

Board objectives and performance review

The continuous improvement in the performance of the Board is vital to enable it to lead the charity in delivering its charitable objects and public benefit in an effective and sustainable manner.

The Board regularly evaluates the effectiveness of its structure, decision making processes and its performance as part of its commitment to continuous learning and improvement. During the year, the Board commissioned a detailed review of the Board and committee structure with a view to ensuring the composition of the committees are fit for the future as the Board leads the charity in its new strategy.

The review considered the current structure of committees, as well as their effectiveness and efficiency. In addition, the review sought to identify any areas which require additional or reduced focus over the next period of the strategy or to fulfil future good governance and best practice requirements. As a result of the review, committees were aligned with the directorates within the charity. The Finance and Audit Committee became the Finance and Resources Committee to incorporate People and Technology, and the Investment Committee, which was a sub-committee of the Finance and Audit Committee, is now a committee reporting directly to the Board. The Grants Committee became the Grants and Impact Committee to affirm the charity's commitment to increase focus on impact.

Terms of reference for all committees have been reviewed during the year, with a forward agenda developed for each committee to ensure all areas of responsibility are covered at the appropriate points during the year.

Following a previous evaluation, the Board has progressed various actions, including the following:

- 1 Evaluation of Trustees' skills and knowledge to identify 'areas for development and knowledge gaps.
- 2 Improving the diversity of age, ethnicity and experience has been incorporated into the charity's EDI Strategy.
- 3 Trustees have been heavily involved in the development of our new strategy, including the underlying fundraising strategy.

An internal Board evaluation is planned for Summer 2021, with an external evaluation due to take place in Summer 2022.

Section 172 – Carrying out duties, decision making and stakeholder engagement

The Trustees of the charity understand that their duty as individuals and collectively is to act in good faith and within their powers to promote the success of the charity for the benefit of our beneficiaries and wider stakeholders as well as the wider public. As such, Trustees take a number of factors into consideration when making decisions and carrying out their duties:

Long-term consequences

The charity operates under strategic and long-term plans as set out on pages 25 to 33 of this report. Detailed plans are developed to assist the charity to achieve its long-term plans, and the Trustees consider decisions on the basis of their impact on the long-term strategic plans of the charity. The charity operates under a risk management framework as set out on pages 65 to 71, which ensure all areas of risk are considered in decision making. The charity has also introduced a long-term finance model, which considers long-term financial implications of decision making.

The interests of employees

The Trustees are entirely conscious of the value that our staff bring in enabling the charity to transform the lives of seriously ill children. Pages 42 to 46 sets the initiatives we have in place to listen to our staff and ensure that their views are represented in decision making. This year, working from home and considering a return to the office required the Trustees to consider appropriate additional support to enable staff to continue working in a safe environment. Trustees were also mindful of the impact of placing staff on furlough by utilising the Government Coronavirus Job Retention Scheme and careful consideration was given to the use of the scheme as well as what support should be provided to staff.

Fostering relationships with beneficiaries, supporters and suppliers

As our principal beneficiaries, the needs of the hospital and ICH drive our activity. The new charity strategy puts children at the heart of our decision making, with the clear purpose statement of 'Transforming the lives of seriously ill children'. The chief executives of both organisations attend charity Board meetings to ensure Trustees are kept informed of issues and challenges they face. In addition, the Hospital Priorities Steering Group is a cross-organisational group established to ensure the charity funds achieve the greatest impact. Patients and their families also form a central part of our decision-making process, in particular considering the impact of our work as you can see on pages 11 to 21. Our property strategy review included workshops with patients and their families in order to build a strategy with their needs central.

Our supporters and suppliers are fundamental to our success, and as set out on pages 58 to 61 we follow the Code of Fundraising Practice and uphold our Supporter Commitment as well as ensuring that we treat people fairly. Across the charity our staff ensure that relationship management is carefully considered to provide supporters and suppliers with a positive experience. In addition, we are conscious of the importance of the relationships we hold across the sector and seek to engage and help to promote the sector where possible. We have set out in our new strategy the importance of working in partnership with others and aim to seek ways to deliver and enhance our charitable activities by working in partnership.

The impact on the community and environment

This year more than ever we have been mindful that we have a role to play in the wider community and environment and undertake this responsibility in a variety of ways, including through our Environmental, Social and Governance (ESG) investment strategy, through information sharing such as our 'Power of Play' series and, as set out on pages 62 to 63, by measuring our carbon output. We have also sought ways to support the COVID-19 effort, supporting research in this area, and through the facilities of the Zayed Centre for Research.

Maintaining a reputation for high standards of conduct

The Trustees ensure full and appropriate compliance with all relevant regulations, laws and good governance requirements, and have a continued commitment to good governance as set out on pages 58 to 61. The Trustees consider whether they have sufficient information when making decisions, and actively seek external advice from bodies such as regulators where necessary. The Trustees also engage Grant Thornton to carry out internal audits to ensure compliance and good practice throughout the operations of the charity.

The need to act fairly between members

The charity does not operate under a membership scheme. Trustees therefore believe this element of the Section 172 does not apply to the charity. However, as stakeholders are primarily beneficiaries we aim to act fairly in how we allocate resources to projects by ensuring consistent review by committees as set out in pages 52 to 54.

Management

As Chief Executive, Louise Parkes has responsibility for ensuring that policies and strategies agreed by Trustees are applied and for ensuring the effective operational management of the charity. The Chief Executive works alongside four executive directors, each of whom has responsibility, experience and expertise in a specific area key to ensuring the stability and development of the charity, as well as wider knowledge and experience to drive sector-leading change. Trustees meet with the executive directors in Board meetings (and frequently outside Board meetings) to review and discuss ongoing critical and strategic issues and to determine where Trustees may best add value to the charity beyond Board and committee membership, while ensuring they remain independent.

Going concern

The Trustees have reviewed the financial position of the charity, including its forecast cash flows, liquidity position and existing and potential funding commitments for the next ten years and a range of scenarios that consider potential long-term implications of the COVID-19 virus on the charity sector, the hospital and the charity. The charity's fundraising streams are well diversified and the drop in income as a result of COVID-19 has not affected our ability to meet existing financial commitments. The Trustees have also approved a new five-year strategy, with ambitious fundraising targets so that we can do even more to support the hospital. Consequently, the Trustees believe that there are adequate resources for the charity to meet its liabilities as they fall due and continue in operation for the foreseeable future and that it is appropriate to continue to adopt the going concern basis of accounting in preparing this Annual Report and Financial Statements.

The Trustees of both Sparks Charity and GOSH Charity agreed that Sparks Charity should cease trading on 31 March 2021 and be closed later in 2021. The subsidiary accounts of Sparks Charity have therefore been prepared on that basis.

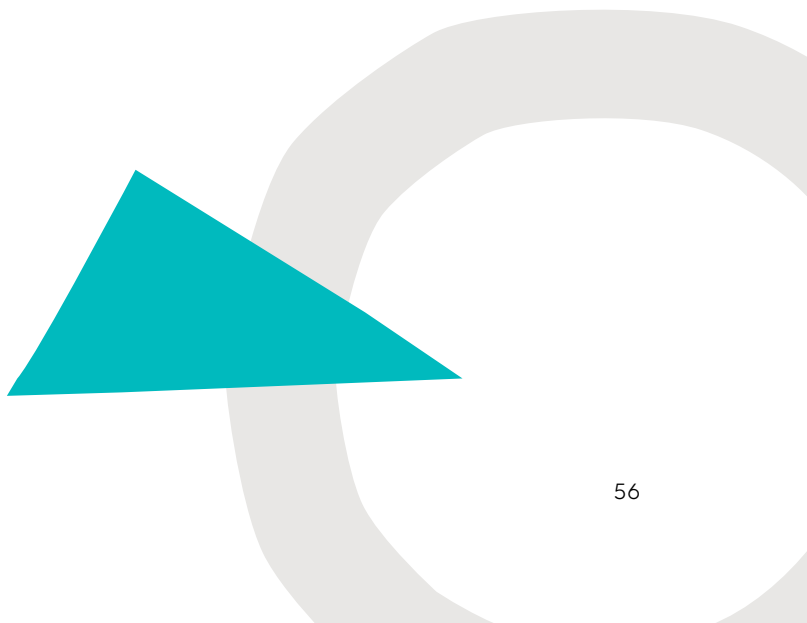
Public benefit statement


The Trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit. The charity exists to benefit the patients and families of GOSH. 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 objectives.

The charity does not provide facilities directly to the public, but provides them to the hospital, and in so doing, the patients of the hospital. For example, thanks to our supporters, the charity is able to provide accommodation in Morgan Stanley House for patients and parents to use when visiting the hospital for treatments or tests that require an overnight stay, but do not require that stay to be on an acute hospital ward.

Grants made to the hospital provide a benefit to any patient requiring the services of the hospital, and these services are available to all who are entitled to NHS treatment based on need.

Our research grants are made nationally, and findings impact children and young people not only at GOSH and throughout the UK, but across the world. In addition, research findings can inform future research into a wide range of conditions affecting both children and adults, therefore providing a much wider societal benefit.





Idris was born prematurely and spent the first 12 months of his life at GOSH. He loves his older brother coming to visit.

Governance and compliance

Good governance enables and supports the charity in complying with relevant legislation and regulation. It also promotes attitudes and a culture where everything works towards fulfilling the charity's vision. Over the past five years, we have firmly embedded high standards of governance into all our activities, including how we fundraise, and we are committed to demonstrating exemplary leadership and governance.

Standards and monitoring

The Charity continues to be in a strong position with its governance arrangements. It benefits from the support of an experienced internal team providing subject matter expertise across all areas of governance including corporate, legal, data protection, fundraising and general compliance. To support this team, the charity has developed robust working relationships with several external professional organisations who provide additional resilience and specialist expertise when required.

The Trustee Board holds overall responsibility for ensuring good governance. The Trustee Board is supported in this by the Governance, Reputation and Risk Committee which focuses on oversight, scrutiny and governance matters related to fundraising regulation and reputation, legislative compliance and non-financial risks. A Compliance Forum, chaired by the Head of Governance, Legal and Compliance, reports into the Governance, Reputation and Risk Committee and is made up of representation from across the charity. The Forum meets three times a year providing a framework to ensure the charity maintains an appropriate level of governance and compliance across its operational activity and business.

Grant Thornton act as our independent internal auditors and maintain an internal audit programme which incorporates governance reviews and third-party agency reviews on a regular basis. Our internal audit programme for 2020/21 was reduced to enable management to focus on leading the charity through the period of uncertainty brought about by COVID-19. However, we continued to engage regularly with Grant Thornton during this time, reviewing progress against prior year audits and have developed a full programme of activity for 2021/22.

Following on from last year's extensive governance review, 2020/21 focused on building on our strong foundations to ensure we continue to operate responsibly and ethically in line with our own aims and values. We continue to use the Charity Governance Code (in addition to other sector guidance, codes and regulations) to benchmark our governance processes and as a tool to support continuous improvement applying the principles and rationales laid out in a way which underpins our values and helps inform decision-making. The Code was refreshed at the end of 2020 and we welcome the enhancements made to the principles on Integrity and Diversity, both of which are areas of importance to us.

Throughout the year, the charity has continued to keep abreast of changes in legislation and regulation both within the charity sector and wider, noting consultations issued by the Charity Commission and the Gambling Commission as well as the Government Department for Business, Energy and Industrial Strategy (BEIS) Consultation on Restoring Trust in Audit and Corporate Governance. We continue to firmly believe our understanding, involvement and engagement with these consultations provides us with the opportunity to help shape and build good practice, better understanding developments across the sector.

Principal fundraising activities

The charity benefits from a broad and diverse supporter base who choose to donate in a wide variety of ways. During 2020/21 the main forms of fundraising were:

- Regular donations – more than 173,900 supporters made regular donations, usually monthly.
- Individual donations – for example from supporters responding to a specific major charity appeal, attending a virtual event, entering a raffle, or buying merchandise.
- Community fundraising – during the year much of our community fundraising and many of our events were adversely impacted by COVID-19 restrictions with a switch to virtual events where this was feasible.
- Corporate fundraising – corporate partners chose to give donations to the charity, delivering cause-related marketing programmes and/or engaging with their employees to help raise funds for the charity.
- Legacies – we received 614 legacy gifts this year, where supporters have chosen to give a gift to the charity in their Will.

Code of Fundraising Practice

GOSH Charity is proud to maintain its registration with the Fundraising Regulator and hold memberships with both the Chartered Institute of Fundraising and the National Council for Voluntary Organisations. We are committed to ensuring all our fundraising activities are undertaken in a way which not only meets the standards laid out in the Fundraising Code of Practice but also champions excellence in fundraising practice. We undertake due diligence on significant donations to ensure they adhere to our Accepting and Refusing Donations policy.

Over the course of the year we have faced complex decisions about our fundraising activity and the changing circumstances have required us to act fast and adapt quickly. This has impacted on our ability to fundraise as may be expected however, we have worked closely with our colleagues in the sector, including our fundraising agencies, and maintained close contact with the regulators, to ensure our fundraising continues to be honest, open, respectful and legal.

Throughout national lockdowns, public fundraising activity ceased altogether and, outside of these periods, our fundraisers received timely advice and support in meeting the relevant restrictions and carrying out fundraising activities in a way which was safe and thoughtful. As restrictions ease, we continue to plan our return to in-person events in a way which is safe and responsible, using the Code of

Fundraising Practice, Fundraising Regulator Guidance and Government guidance in place across the UK to support these plans.

The Fundraising Preference Service (FPS), set up during 2017 by the Fundraising Regulator, continues to provide individuals with an alternative way to prevent contact from charities. During the year to 31 March 2021, we received 44 requests from individuals who no longer wished to receive our communications through the FPS, compared with 61 in the previous year. All the requests received were actioned promptly.

Supporter Commitment

We feel very privileged to have the support of many generous individuals and organisations who help us raise funds, and we recognise that it is not only what we do that matters but also how we do it. In addition to committing to following the Fundraising Regulator's Fundraising Promise, our Supporter Commitment is our promise to always strive for sector-leading standards in fundraising practice and we pledge to our supporters that:

- we will treat you with respect
- we will be honest and open
- we will commit to high standards
- we will let you know the difference your donation is making
- we will communicate with you based on your wishes
- we will not pass on your data
- we will take complaints seriously

Our full Supporter Commitment is published on our website.

Treating people fairly

We recognise that every individual is unique in their background, experience, and circumstance and, therefore, every interaction between the charity and members of the public is also different. Fundraising should be a positive experience for everyone, and we strive to ensure that anyone donating to our charity is able to make a free and informed choice.

All our staff, volunteers, agencies and other third parties working on our behalf are required to help protect those who may potentially be in a vulnerable circumstance. Our Treating People Fairly policy and training programme provides guidance and indicators on how to identify if an individual would benefit from additional care or support to make an informed decision, as well as how to assess whether it is appropriate to accept a donation or continue a conversation.

Modern slavery and human trafficking

We understand and recognise that slavery and human trafficking are extremely serious human rights violations and cause for increasing concern throughout the world. This is especially relevant and worrying to us when this impacts the lives and well-being of children. As a result, it is important that we never find ourselves in a position where we are directly or indirectly facilitating slavery or human trafficking.

We continue to take a zero-tolerance approach to slavery and human trafficking, and are resolute to identify and eliminate this, or any elements of it, within our activities and supply chain.

Our full Modern Slavery Statement can be found on our website and builds upon the previous statements.

We continue to be committed to making all our staff aware of the organisation's views in relation to slavery and human trafficking. The policies we have in place providing guidance on areas such as whistleblowing and safeguarding have been refreshed and our procurement policy is in the process of being reviewed, which will aid the onboarding of new suppliers to assist in ensuring the charity's continued compliance.

Our suppliers are predominantly UK-based and required to comply with UK legislation, and we continue to focus on the engagement of those suppliers which operate in sectors and jurisdictions at a higher risk from slavery and human trafficking. Our policies continue to be provided to our suppliers on the basis that if we engage a supplier, it is expected that they, their employees and anyone they engage with, should comply with the principles set by the charity.

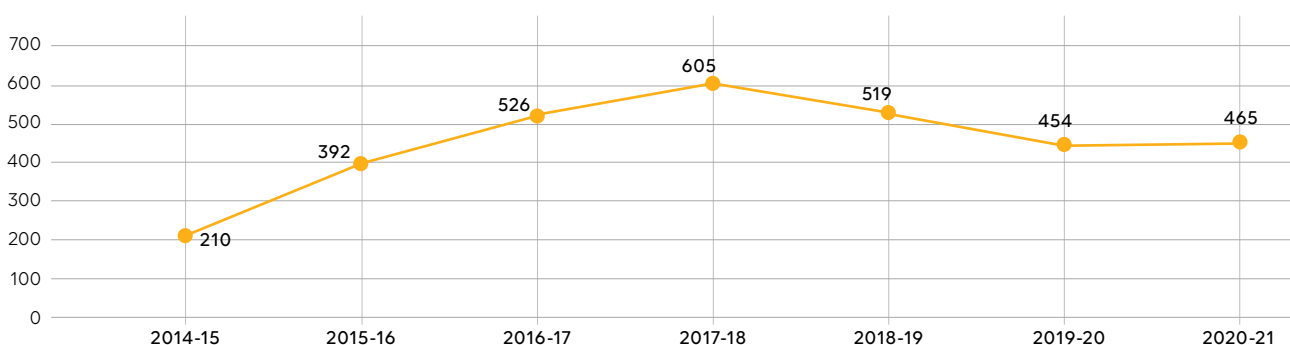
We understand the importance of being vigilant so that we can quickly identify and address any issues related to our activities associated with slavery and human trafficking. We remain committed to continually developing the protections in place and annually release an updated version of our statement, to reflect our progress and set aims for the future.

Complaints

Our Supporter Commitment recognises our pledge to take all complaints seriously. We have embedded our refreshed policy and processes for handling complaints and continue to treat complaints as an opportunity to learn and improve our services.

For the year 2020/21, we received a total of 465 complaints, which is consistent with the 454 received in the previous financial year. The majority of complaints received were in relation to the type of fundraising activity. While door-to-door fundraising does generate some complaints, it is also a crucial form of fundraising and provides us with an opportunity to talk to donors about the impact of their donation in line with our Supporter Commitment. We continue to monitor and review our activities.

Complaints reporting continues to be provided regularly to our directors and Trustees and they take complaints very seriously. The charity's Governance, Reputation and Risk Committee supports the Board of Trustees in monitoring complaint management and it receives regular reports.



Complaints – Annual Comparison

Fundraising on our behalf

We continue to use agencies and third parties to help us with certain elements of our fundraising, including door-to-door, telephone, and private site fundraising as well as the processing of regular donations. All our agencies and third parties are thoroughly vetted and briefed on the objectives of the charity and the need for them to comply with and meet our high standards, including the Code of Fundraising Practice and our Supporter Commitment. Staff benefit from regular training about the work of the hospital and the charity's values and expectations of standards, and regular monitoring and oversight of their activities is undertaken through a combination of methods such as call monitoring, mystery shopping, meetings and internal audit reviews.

COVID-19 has required us to flex and adapt our fundraising activity regularly throughout the year. We have worked closely with agencies and third parties to ensure that, where necessary, activity was suspended or measures put in place to ensure it could be undertaken safely and in compliance with any restrictions or social distancing requirements.

All fundraising contracts comply with the requirements of the Charities (Protection and Social Investment) Act 2016 and best practice, outlining our expectations and oversight practices.

Data protection and information governance

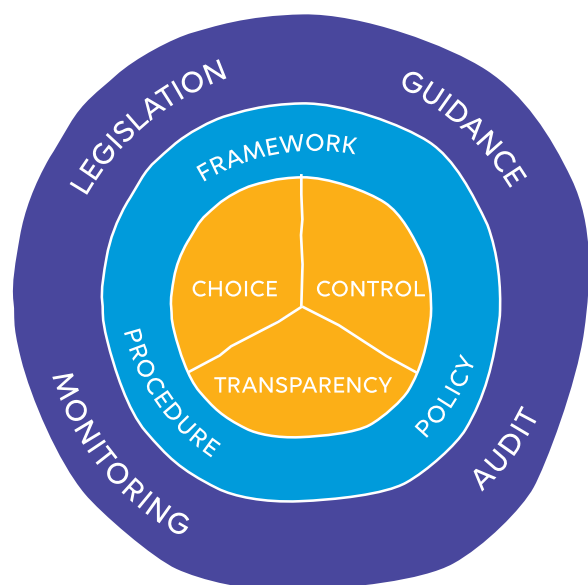
Individuals entrust us with, and allow us to gather information relating to, their support, fundraising, employment, and other matters as part of their contact with the charity. They do so in confidence and have a legitimate expectation that we will respect their privacy and act appropriately.

The charity continues to develop its privacy management programme and centres this around the principles of Choice, Control and Transparency. We work to a culture that puts the individual first and are committed to ensuring compliance with privacy legislation.

Our Head of Governance, Legal and Compliance acts as our Data Protection Officer, with formal responsibility for our compliance in this essential area, working closely with our Trustees, CEO, Senior Leadership Team, staff and partners.

As the UK legislative framework adapts and settles following our exit from the EU, the charity continues to keep its Privacy Management Framework and use of personal data under review to ensure it supports both our strategic priorities and reflects our values and organisational vision. Outside of ongoing monitoring of both our, and our third parties, compliance against privacy legislation, key activities have focused on specific and in-depth areas related to privacy legislation, such as records retention, EDI data collection, and consent.

Concepts of privacy management



Streamlined Energy and Carbon Report (SECR)

UK energy use and associated greenhouse gas emissions

The group (Great Ormond Street Hospital Children's Charity, Sparks Charity and Great Ormond Street International Promotions Limited) is pleased to report its UK based annual energy usage and associated annual greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 that came into force on 1 April 2019.

Organisational boundary

In accordance with the 2018 regulations, the energy use and associated greenhouse gas emissions are reported for those entities within the UK only that come under the operational control boundary.

Reporting period

The group's financial year runs from April to March and has reported on energy use and emissions for the period 1 April 2020 to 31 March 2021.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2020 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the reporting period. The report has been reviewed independently by Briar Consulting Engineers Limited.

Most of the electricity and gas data has been taken from financial expenditure records and reference unit rates have been used to convert this into kilowatt-hour units of energy purchased. As rates can vary by supply, contract rates from the Digest of UK Energy Statistics were used. This provides reference costs for non-domestic energy use based each quarter/year based on research from the Department of Business, Energy, and Industrial Strategy. Where this financial data has not been available, then benchmarks published by the Chartered Institute of Building Services Engineers have been applied to estimate consumption, with adjustments to reflect reduced occupation due to the COVID-19 pandemic or property refurbishment projects.

Employee-owned vehicle energy and emissions are calculated using mileage records, whereas fuel consumption related to company cars has been excluded as the consumption is deemed immaterial due to there only being one vehicle with minimal use.

Breakdown of energy consumption used to calculate emissions (kWh)

Fuel type	Year ended 31 March 2021	Year ended 31 March 2020
Natural gas	794,373	931,720
Electricity	530,290	779,953
Transport	471	2,375
Total gross energy consumed	1,325,134	1,714,048

Note: Figures may not sum to total due to rounding.

Breakdown of emissions associated with the reported energy use (tCO₂e)

Emission type		
Scope 1		
Natural gas	146.1	171.3
Total Scope 1	146.1	171.3
Scope 2		
Electricity (location based)	123.6	199.4
Total Scope 2	123.6	199.4
Scope 3		
Business travel (employee-owned vehicles)	0.1	0.6
Total Scope 3	0.1	0.6
Total gross emissions	269.8	371.2

Note: Figures may not sum to total due to rounding.

Intensity Ratio

Tonnes of CO₂e per employee	1.279	1.776
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NB: Staff have for the most part been working remotely for the year.

Gross tonnes of carbon dioxide equivalent emissions per employee is selected as the intensity ratio due to being the most relevant metric of the group's energy consuming activities. Energy consumption was expected to be below typical this year due to the impact of COVID-19. Gross emissions per employee fell by 28.0% compared to the previous year. This is likely a result of reduced business travel and limited occupation of some of our buildings due to the pandemic combined with the impact of the energy saving measures that were implemented in the previous year.

Energy efficiency action during current financial year

The management of resources and the need to embed sustainability is an important issue for the group. Significant reductions in emissions across our portfolio

is challenging as many of our buildings hold listed status therefore limiting what is achievable through traditional programmes of retrofit.

As a result of health precautions business travel has been reduced and we have seen the greater use of video conferencing for staff. While the emission savings resulting from this change have not been quantified, this practice has resulted in behaviour changes that are expected to continue for the foreseeable future.

Planned energy efficiency actions

We are in the process reducing the amount of office space we utilise, and this is expected to reduce our emissions over the coming year.

Isabela is always smiling and loves watching sing-along shows on the TV.



Risk management framework

All well-run organisations have a comprehensive risk management framework in place to identify risk areas and determine the organisation's net risk appetite, ie the level of risk the organisation is willing to take. The risk management framework sits above the organisation's risk register, which records and rates significant gross risks, as well as recording controls and mitigations in place resulting in net risk as well as agreed actions to reduce net risk further.

Trustees are responsible for ensuring that GOSH Charity has an effective risk management framework and risk register in place and that these are reviewed regularly – annually for the framework, and quarterly for the register.

Purpose driven approach to risk

The starting point for determining our risk management framework is our purpose. Our purpose is to: Transform the lives of seriously ill children through research, care and advocacy.

In our risk management framework we identify those gross risk areas that could significantly impact the successful realisation of our purpose and strategy, and the assurance and controls we need in place to manage these risk areas most effectively, e.g. through risk elimination, reduction, mitigation, acceptance.

At the same time, we realise that some risk is inherent to us as an organisation and the environment we work in as well as the activities required to deliver our purpose. We also recognise that not all risk is negative, and that we have a duty to take proportionate risks to maximise contribution and therefore the impact the charity can have. We therefore accept a level of risk but always within the context of, and in a manner consistent with, our values.

Guiding principles

Our risk management framework sets out the overall boundaries within which the charity operates but we also need practical guidance that charity staff can use on a day-to-day basis. We have therefore established guiding principles in respect of our net risk appetite, ie the level of risk we are prepared to accept.

Risk appetite definitions

The below table sets out brief common sense definitions of what we mean by the different net risk appetite ratings. It is recognised that a level of judgement and subjectivity will apply to these qualitative definitions.

Net risk appetite	Definition
Zero	While accepting that no activity comes with literally zero risk, GOSH Charity does not have any appetite at all to accept any avoidable risk in this area
Low	GOSH Charity is willing to accept some, but at a fairly minimum level, of risk in relation to this area
Low/Medium	This rating covers where some activities within the risk area fall into Low and some fall into Medium without it being considered practical to split this risk area into two or more
Medium	GOSH Charity is willing to accept, and potentially seek out and promote, activities which come with a moderate amount of risk in this area
Medium/High	This rating covers where some activities within the risk area fall into Medium and some fall into High without it being considered practical to split this risk area into two or more
High	GOSH Charity is willing to accept, and potentially actively seek out and promote, activities which come with a significant risk, e.g. because the potential upside or gain warrants this approach

Net risk management framework table

Risk area	Net risk appetite	Guiding principles
Legal and regulatory	Zero	We will be legally compliant in all aspects of our operations
Culture	Zero	We will provide an inclusive and engaging environment where our staff feel they belong and are able to be and give their best. We have zero tolerance for discrimination or bullying/harassment
Data loss or unplanned / unauthorised disclosure	Zero	We will not compromise the confidentiality of personal data, including ensuring any third-party processors uphold our standards
Reputation	Low	Our reputation is fundamental to realising our purpose and strategy and is integrally linked to the hospital's reputation and activities. We always aim to minimise risks to our reputation and to that of the hospital
Financial sustainability	Low / Medium	We will maintain a sustainable financial/business model that maximises charitable contribution and impact over the medium-long term with an acceptable cost/income ratio. We recognise that within this model we may take moderate risks in order to realise our purpose and strategy, e.g. investment in fundraising, including innovation, and financing the Children's Cancer Centre
Fundraising	Medium	We will fully comply with fundraising regulations and guidelines, including the Fundraising Regulator's Code of Practice, and uphold sector standards in our fundraising activities, monitoring our fundraising activity to ensure that the public have a positive experience. Moderate risks may be taken in line with fundraising policies. These risks are managed on a business case basis, depending on the degree of risk and size of potential donation/income stream balanced against reputation considerations.
Research and grants	Medium	We invest in many areas, including pure/basic research with no clear commercial return or guarantee of clinical success. We welcome this research as necessary in pursuit of impact from ground-breaking new science and clinical approaches, in line with our purpose and strategy
Commercialisation of assets	Medium	We will regularly review and consider the various ways we can use all of our assets to provide the greatest impact, whether by income generation or direct charitable support
Partnerships	Medium	We actively seek to work in partnership with others in order to further our purpose. We have a robust due diligence process to ensure partners work to the same high standards as us
Digital	Medium	We invest in digital skills and technologies to optimise our data management and improve user experience
Innovation	Medium/ High	We invest in new, untried activities within acceptable financial and reputational constraints recognising that not all such activities will deliver their intended return
Major capital projects	Medium/ High	We recognise that major capital projects come with risks, e.g. scope changes, financial overruns. However, these projects also provide huge opportunities for us to deliver impact for children, e.g. the Children's Cancer Centre, a hospital 2020-25 strategic goal. We ensure a robust process is applied for approval of these projects with appropriate gateways and milestones and further approval required regarding any changes to the original approved business case

Identification of key risks: strategic priorities and impact

The risks below, relevant at the date of approval of this Annual Report, have been identified as the key gross risks of the charity that could have a materially negative impact on the ability of the charity to deliver its strategy, along with the actions we are taking to mitigate these risks.

Trustees believe that these gross risks are sufficiently controlled and mitigated against, as per the below table, such that the net risks fall within the relevant risk appetites shown in the net risk management framework table above.

The key shows the change against the 2019/20 Annual Report.

Key




Increased risk





Risk level unchanged





Reduced risk


Gross risk: Unsustainable charity business model	Key risk areas:	Gross risk rating and change:
	Financial sustainability Fundraising Reputation	High 
Mitigations A Finance Model has been put in place with projections up to and including the financial year 2030-31. The outputs have been reviewed by the Finance and Resources Committee and the Board, in particular with a view to determining whether the charity's strategy was affordable, particularly the level of investment in fundraising and the level of commitment for the Children's Cancer Centre. The 'breakpoint' of the charity's business model was discussed at the Finance and Resources Committee. The Board will not commit the projected spend to the Children's Cancer Centre unless it is satisfied that the project risk is within tolerance and the Finance Model at this time shows the charity to be sustainable, including any mitigations that may need to be put in place. The investment in fundraising has been determined with the risks of COVID-19 economic recovery in mind and focuses on increasing long-term committed giving.	Remaining risks The long-term global and local impact of COVID-19 on the economy is yet to be determined. Economic downturn and recession has potential to impact number of donors, value of donations and value of estates in legacies, as well as the ability of our corporate partners to fundraise for us. In addition, the potential impact on fundraising post Brexit remains unknown and may exacerbate the impact of the anticipated downturn resulting from COVID-19, which may adversely impact the charity's ability to grant monies to the hospital and to research. Similarly, COVID-19 is likely to have a long-term impact on the priorities of the hospital. This will have implications for the charity's funding requirements, impacting the amount that can be raised in any one year. In particular, any reduction in the redevelopment programme will see a reduction in associated income. Ongoing focus on the charity sector and increased regulation could impact the charity's ability to engage with new supporters and retain existing supporters. We accept the need for ensuring supporters' and the public's privacy is protected, but in certain areas this can impact the charity's ability to raise funds.	


<p>Gross risk: Redevelopment projects, including the Children's Cancer Centre, incur significant escalation in cost</p>	<p>Key risk areas:</p> <p>Financial sustainability Fundraising Reputation Major capital projects</p>	<p>Gross risk rating and change:</p> <p>High </p>
<p>Mitigations</p> <p>The potential disruption to the UK construction market as a result of Brexit could be significant, through shortages of labour and materials. In recognition, the charity's approach to the Children's Cancer Centre is to commit to the project on an incremental basis over the next two to three years up to the point of main contract signing - at which time we will have a much clearer picture of the extent of cost impact and be able to lock-in a contract price. The risk of other cost increases through changes in scope and or delays will be monitored and controlled through rigorous governance and project management - with a joint hospital and charity focus on containing costs.</p> <p>An extensive and comprehensive review process is in place for all charity grants, utilising external independent professionals where appropriate to understand and ensure integrity of projects and robustness of financial projections.</p> <p>Close ongoing monitoring of projects vs objectives and costs. Where cost overruns might arise, robust gateway process to minimise overruns and optimise outcomes.</p> <p>Post grant and development reviews undertaken to ensure lessons are learned and grants made have delivered their intended impact.</p>	<p>Remaining risks</p> <p>High inflationary pressures in the London construction market have previously resulted in construction cost overruns, and the economic impact of COVID-19 along with Brexit may bring further uncertainty and cost pressures.</p> <p>The charity works closely with the hospital and advisors to strengthen controls and avoid additional costs. This work will be increasingly important as the hospital and charity enter future redevelopment projects.</p>	

<p>Gross risk: COVID-19 causes sustained disruption to fundraising and income</p>	<p>Key risk areas:</p> <p>Financial sustainability Fundraising Reputation Research and grants Major capital projects</p>	<p>Gross risk rating and change:</p> <p>Medium </p>
<p>Mitigations</p> <p>Fundraising plans have been developed with the Government roadmap out of lockdown in mind, while also allowing sufficient flexibility for plans to be adapted as a result of lockdown extensions.</p> <p>The long-term fundraising strategy was approved by the Board with a focus on long-term committed giving.</p>	<p>Remaining risks</p> <p>Uncertainty over economic recovery, particularly of some sectors remains, especially as government support is withdrawn.</p>	

Gross risk: High levels of uncertainty in the political and economic environment - reduce the charity's ability to raise sufficient income to fund ongoing charitable commitments	Key risk areas: Financial sustainability Fundraising Reputation Research and grants Major capital projects	Gross risk rating and change: Medium 
Mitigations It is difficult to assess the potential impact on fundraising of the current uncertainty and resultant outcomes on financial position of our donors and potential donors, with potential long-term impacts. The fundraising strategy has explored other fundraising streams and potential sources of donations and income that may be able to offset any downside impact on UK donations. The charity continues to invest in innovation to seek and explore new methods of fundraising or ways to update current fundraising.	Remaining risks The wider economic situation is beyond the control of the charity and may remain uncertain for some time.	

Gross risk: Reputation – scrutiny of hospital clinical and ethical decisions, scrutiny of charity fundraising, potential scrutiny of large donors – overall risk amplified by social media	Key risk areas: Reputation Financial Fundraising	Gross risk rating and change: Medium 
Mitigations GOSH and GOSH Charity share a professional communications function that works to manage the hospital's and charity's reputation. There is close communication between the two organisations at all levels. We aim to always operate to high standards and prevent any actions which may bring the charity into disrepute or give rise to adverse public or media comments. Over recent years we have invested significantly to further strengthen our governance and compliance resources and controls and undertaken additional compliance and control verification with our third-party fundraisers. We aim to have an open and transparent dialogue with our supporters and stakeholders and also the public at large and through this approach address any concerns raised. When incidents arise, we have robust response and communication systems in place to engage with all relevant stakeholders.	Remaining risks Certain factors are beyond the charity's control and the charity may be adversely impacted by the sentiment and concerns for the wider charity sector and the hospital.	

<p>Gross risk: Cyber security breach which results in data loss, impacts our ability to function and undertake fundraising activities or has an adverse affect on reputation</p>	<p>Key risk areas: Data loss or disclosure Reputation Financial Fundraising</p>	<p>Gross risk rating and change: Medium </p>
<p>Mitigations Annual penetration test and action to close any issues identified. Annual phishing test and appropriate action taken, including staff awareness training. Internal audits regularly taken to review systems in place and risks (both to protect against cyber risks and in respect of business continuity). All staff received cyber security e-learning. IT team monitor developments and potential attacks. The charity continues to invest in infrastructure and controls to minimise cyber security risks. IT ensure adequate levels of security of charity devices including encryption, passwords, anti-virus software and patches regularly updated. All mitigated processes and controls have been maintained and/or strengthened since the start of the COVID-19 pandemic.</p>	<p>Remaining risks Improvements in phishing and other types of cyber crime mean that there is always some inherent residual cyber security risk.</p>	

<p>Gross risk: Organisational design implementation, along with the implications of COVID-19 and the Future Ways of Working project risk of some disruption to the charity's activities.</p>	<p>Key risk areas: Financial Reputational</p>	<p>Gross risk rating and change: Medium </p>
<p>Mitigations While there have been significant changes in the leadership of the charity and further changes may take place as the work to ensure the best organisational design to deliver the strategy is completed, the charity benefits from a strong Board and a capable and experienced Senior Leadership Team. Care will be taken to ensure that any further changes will be made in a sensitive and professional manner ensuring staff are kept aware of the reasons for any changes and how they relate to the charity's strategy, direction and response to COVID-19.</p>	<p>Remaining risks Uncertainty can be unsettling for staff and may result in loss of talent.</p>	

Risk identification, mitigation, review and reporting

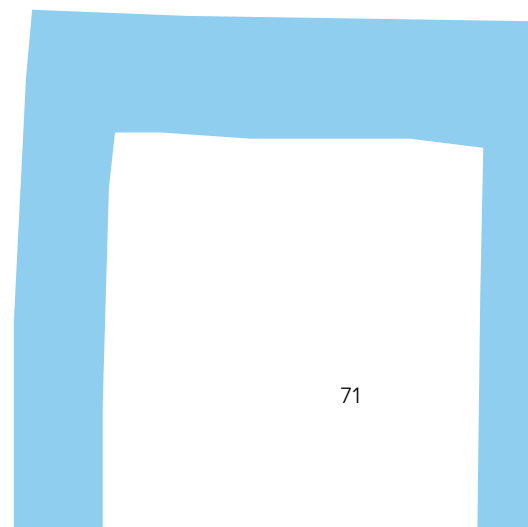
Every member of the charity is encouraged to identify and report existing and emerging risks on an ongoing basis. A centralised risk register records and evaluates these risks, with mitigations agreed so that a uniform approach can be taken.

The risk register is regularly reviewed by directors and all high rated gross and net risks are reported to Trustees. The Trustees acknowledge that some projects or activities may still incur a residual high level of net risk, but where it is felt that this exposure is appropriate in order to help meet the mission, the Board seeks assurance that the actions and controls to mitigate the risks are robust and effective and that all reasonable steps have been taken to minimise the risk.

The Governance, Reputation and Risk Committee has specific oversight of risk and reporting on risk to the Board. In addition to considering and recommending to the Board the approach to risk appetite and management, the committee also monitors the charity's management of all risk, including risks such as health and safety, fraud and whistleblowing.

The committee undertakes deep dives into activities to ensure that risks have been given due consideration, appropriate levels of due diligence have been carried out and that mitigations put in place are effective.

As the nature of risk can be unpredictable, Trustees also obtain assurances as to the general 'health' of the charity from a wide variety of sources including presentations, wide ranging internal and external audits and external benchmark reporting.



Mela has been coming to GOSH since she was a baby. She was born with a rare craniofacial condition.



Statement of Trustees' responsibilities

The Trustees (who are also directors of Great Ormond Street Hospital Children's Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company/group for that period. In preparing these financial statements, the Trustees are required to:

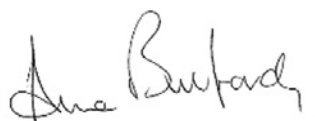
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2019);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- a) so far as the Trustee is aware, there is no relevant audit information of which the company's auditors are unaware; and
- b) they have taken all the steps that that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



Anne Bulford CBE

Chair

Approved by the Board of Trustees on 22 July 2021
and signed on its behalf on 23 July 2021

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

Report on the audit of the financial statements

Opinion

In our opinion, Great Ormond Street Hospital Children's Charity's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and charity balance sheet as at 31 March 2021; the consolidated statement of financial activities (incorporating an income and expenditure statement) and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements

(including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed included:

- enquiry of management and the board of trustees, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of the board of trustees and board subcommittees, including the finance and resources committee;
- reviewing correspondence with regulators, including the Charity Commission for England and Wales;
- understanding and evaluating the group and parent charitable company's control environment;
- identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- assessing the reasonableness of key accounting judgements and estimates including accrued legacy income and valuation of land and buildings; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2021

Financial Statements

Great Ormond Street Hospital Children's Charity

Consolidated statement of financial activities for the year ended 31 March 2021

(Incorporating an income and expenditure account)

	Note(s)	Unrestricted funds £000	Restricted and endowment funds £000	Year ended 31 March 2021 £000	Unrestricted funds £000	Restricted and endowment funds £000	Year ended 31 March 2020 £000
Income and endowments from:							
Donations and legacies	2.1	51,694	10,540	62,234	54,948	26,031	80,979
Other trading activities	2.2	1,952	123	2,075	2,602	4,339	6,941
Investments	2.3	1,486	4	1,490	2,486	4	2,490
Charitable activities	2.4	1,419	896	2,315	835	219	1,054
Other activities	2.5	337	-	337	-	-	-
Total		56,888	11,563	68,451	60,871	30,593	91,464
Expenditure on:							
Raising funds	3.1	18,711	-	18,711	25,266	-	25,266
Charitable activities	3.2	7,251	20,130	27,381	8,161	45,316	53,477
Total		25,962	20,130	46,092	33,427	45,316	78,743
Net income before gains/(losses) on investments		30,926	(8,567)	22,359	27,444	(14,723)	12,721
Net gain/(loss) on investments		10,528	-	10,528	(3,192)	-	(3,192)
Net income/(expense)		41,454	(8,567)	32,887	24,252	(14,723)	9,529
Transfers between funds	19.1/19.2/19.3	(32,632)	32,632	-	(2,448)	2,448	-
Other recognised gains:							
(Losses) on revaluation of fixed assets	9	(13,396)	-	(13,396)	(1,938)	-	(1,938)
Net movement in funds		(4,574)	24,065	19,491	19,866	(12,275)	7,591
Reconciliation of funds:							
Total funds at the beginning of year		489,252	(9,929)	479,323	469,386	2,346	471,732
Total funds carried forward 31 March		484,678	14,136	498,814	489,252	(9,929)	479,323

Notes 1 to 25 form part of these financial statements.

All amounts relate to continuing operations. All gains and losses recognised in the year are included in the consolidated statement of financial activities.

Great Ormond Street Hospital Children's Charity

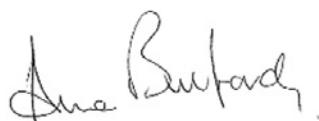
Balance sheet

As at 31 March 2021

		Consolidated		Charity	
	Note(s)	Total at 31 March 2021 £000	Total at 31 March 2020 £000	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Fixed assets					
Intangible assets	8	4,669	5,064	4,669	5,064
Tangible assets	9	311,203	325,725	311,203	325,725
Investments	10	86,449	45,096	86,449	45,096
Total fixed assets		402,321	375,885	402,321	375,885
Current assets					
Stock	11	47	55	-	-
Investments	12	98,436	137,765	98,436	137,765
Debtors	13	16,629	15,352	17,183	17,642
Cash at bank and in hand		54,961	34,075	54,260	27,402
Total current assets		170,073	187,247	169,879	182,809
Creditors: amounts falling due within one year	14	50,146	15,141	50,039	12,301
Net current assets		119,927	172,106	119,840	170,508
Total assets less current liabilities		522,248	547,991	522,161	546,393
Creditors: amounts falling due after more than one year	15	23,434	68,668	23,434	67,989
Total net assets		498,814	479,323	498,727	478,404
The funds of the charity					
Restricted and endowment funds	19.1/19.2	14,136	(9,929)	14,136	(9,735)
Unrestricted income funds:					
General funds	19.3	28,333	31,771	28,246	30,658
Revaluation reserve	19.3	96,687	108,815	96,687	108,815
Designated funds	19.3	359,658	348,666	359,658	348,666
Total charity funds		498,814	479,323	498,727	478,404

Net income (£000) for the charity for the year before consolidation was £26,911 (2019/20: £11,503).

The notes on pages 80 to 105 are an integral part of these financial statements. The financial statements on pages 77 to 105 were authorised for issue by the Board of Trustees on 22 July 2021 and were signed on its behalf on 23 July 2021.



Anne Bulford OBE, Chair

Great Ormond Street Hospital Children's Charity

Company number: 09338724

Charity number: 1160024

Great Ormond Street Hospital Children's Charity
Consolidated statement of cash flows
 For the year ended 31 March 2021

	Note	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Cash flows from operating activities:			
Net cash generated from operating activities	20.1	12,957	16,909
Cash flows from investing activities:			
Dividends and interest from investments	2.3	1,490	2,490
Purchase of property, plant and equipment	9	(1,586)	(3,540)
Purchase of intangible fixed assets	8	(326)	0
Proceeds from sale of investments	10	48,576	757
Movement in cash held as investments	10	636	(328)
Purchase of investments	10	(80,190)	(1,425)
Net cash used in investing activities		(31,400)	(2,046)
Change in cash and cash equivalents in the reporting year		(18,443)	14,863
Cash and cash equivalents at the beginning of the reporting year		171,840	156,977
Cash and cash equivalents at the end of the reporting year	20.2	153,397	171,840
Analysis of cash and cash equivalents:			
Cash in hand		54,961	34,075
Current asset investments	12	98,436	137,765
Cash and cash equivalents at the end of the reporting year		153,397	171,840

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

1. Accounting policies

1.1 Accounting policies

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

1.1.1 Company information

Great Ormond Street Hospital Children's Charity (charity number 1160024) and its subsidiaries operate with the objective of raising money to further such charitable purposes as:

- (a) the hospital services (including research) of Great Ormond Street Hospital
- (b) any other part of the health service associated with Great Ormond Street Hospital as the Trustees think fit, provided that such support is not of a kind that would ordinarily be given by the statutory authorities, and
- (c) research into children's disease

The charity is a company limited by guarantee and is incorporated in England. The address of its registered office is 40 Bernard Street, London, WC1N 1LE.

1.1.2 Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis as a public benefit charity, under the historic cost convention, as modified for the revaluation of certain investments and properties measured at fair value, and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities Act 2016 and the Companies Act 2006. No separate Statement of Financial Activities (SOFA) has been presented for the charity alone, as permitted by section 408 of the Companies Act.

Total income (£000's) for the charity before consolidation was £67,615 (2019/20: £89,708) with total expenditure of £47,147 (2019/20: £78,206). Net income for the year was £20,467 (2019/20: £11,503).

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and charity accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.1.5.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the charity's Trustees.

The parent charity has taken advantage of the following exemptions:

- i) From preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the charity's cash flows.
- ii) From certain financial instrument disclosures required under FRS 102 sections 11 and 12, as the information is provided in the consolidated financial statement disclosures.

1.1.3 Going concern

The charity meets its day-to-day working capital requirements through its bank facilities. The charity's forecasts and projections, taking account of possible changes in performance including a range of scenarios of the future impact of COVID-19 and the longer term implications for the economy and social engagement, show that the charity should be able to operate within the level of its current facilities. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date the financial statements were authorised for issue.

As described above and in the Annual Report, following the Trustees' assessment of going concern (see page 56), the Trustees continue to adopt the going concern basis in preparing the financial statements.

1.1.4 Basis of consolidation

The consolidated financial statements of the charity incorporate the financial statements of the Company Limited by Guarantee and its fully owned subsidiary undertakings, Great Ormond Street International Promotions Limited (GOSIPL), and Sparks Charity (Sparks). Further information in relation to the closure of Sparks Charity can be found in note 1.15 and page 40. Intercompany transactions and balances between charity companies are eliminated. Consistent accounting policies have been adopted across the group.

The net assets of subsidiaries at the date of association are assessed on a fair value basis for the purpose of consolidation into the results for the group.

1.1.5 Critical accounting judgements and estimation uncertainty

The charity makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical Accounting Judgements

(i) Recognition of legacy income

Legacy income from residuary estates requires judgement due to its variability and is recognised when three criteria are met: entitlement is established, receipt of the income is probable, and it can be reliably measured. Legacy income recognised in the year was £18.1m (2019/20: £23.3m) including accrued income of £12.3m (2019/20: £9.3m).

- Entitlement is established when we receive formal notification of an interest in an estate and a copy of the will.
- Income receivable is probable at the grant of probate.
- Measurement criteria are considered met when the statement of assets and liabilities is received.

When these criteria have been met, income from legacies is recognised in the financial statements after a deduction for estimated costs. To allow for movement in the value of estates during the completion of administration, a 5% reduction is applied to estimates provided, which does not give rise to a critical estimation uncertainty.

A contentious legacy arises when a claim is made against the estate. Income from contentious legacies is only recognised when there is certainty of receipt and all other legacy accrual criteria is met. An additional 5% reduction is applied to estimates provided to allow for greater uncertainty due to length of time to resolve.

Estimation uncertainties

(ii) Valuation of land and buildings (note 9)

Valuations are carried out professionally at five-yearly intervals, with an internal review undertaken in all other years. A full valuation was carried out by Cluttons LLP for the balance sheet date 31 March 2019, with a subsequent internal valuation at 31 March 2020. Due to the economic uncertainty, a full valuation was carried out for the balance sheet date 31 March 2021.

The revaluation resulted in a net decrease in property valuations of £13.4m. This was made up of a property value increase of £17.0m offset by impairments of £34.8m and depreciation write-backs of £4.4m. The impact of the property market on these assets will be kept under review as part of our internal valuation assessments each year. Estimates give consideration to floor space, location, property type and property market indices.

The charity undertakes its own revaluation review in the years when there is no professional valuation carried out. Where an indication of material upward or downward revaluation is identified, an estimation of the fair value of the property is required. This requires estimation of the future economic benefits from the property and also selection of appropriate discount rates in order to calculate the net present value of those economic benefits. In the financial statements we may refer to a downward revaluation as an impairment.

1.1.6 Income and endowments

Income from non-exchange transactions are donations of money, goods, facilities or services which are given freely to the charity by a donor. All income is included in the statement of financial activities (SOFA) when the charity is legally entitled to the income, the amount can be quantified

with reasonable accuracy and the receipt of the income is probable. The following specific policies apply to categories of income:

a) Donations and legacies

(i) Donation in kind, except donated goods to the hospital:

In all cases, the amount at which donations in kind are recognised is either fair value of the cost to the donor or the amount actually realised as appropriate dependent on the gift. Total gifts in kind were £0.4m (2019/20: £0.4m).

- 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 income 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.
- iv. Services provided by volunteers such as fundraising event volunteering and office assistance, are not recognised in the SOFA.

(ii) Legacies:

Legacies are accounted for as income when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably. This is in line with the requirements under FRS102 and SORP.

(iii) Income from fundraising activities:

General donations and Gift Aid are recognised on receipt or accrued for respectively. Ticket, auction and sponsorship income from fundraising events are disclosed under other trading activities and recognised when receivable.

b) Other trading activities

Income from the charity's trading subsidiary is disclosed under other trading activities. This income is recognised on sale of goods when dispatched, on royalties and licences as they are contractually entitled to the income, for challenge events in line with when these take place and for commercial sponsorship on an accruals basis or when the event takes place.

c) Grants and other time-related income

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

d) Investments

Investment income is recognised when receivable and allocated to restricted funds where applicable based on the average balance held through the year.

e) Other income

Due to the cancellation of fundraising activities as a result of COVID-19 restrictions, the charity utilised the government Coronavirus Job Retention Scheme (Furlough) scheme. Income from the scheme is recognised in the period it relates to, following FRS 102 section 24.

1.2 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. The expenditure on raising funds comprise the costs incurred in generating donations and legacy income including apportioned support costs. Expenditure on charitable activities comprises the costs incurred on delivering charitable activities including apportioned support costs.

Full provision is made within the financial statements for grant expenditure at the point when a commitment is made, the payment is probable and the liability can be quantified with reasonable certainty. If the commitment is dependent on the grant recipient meeting a performance related condition, this will be provided for when the condition is met.

Any redundancy costs are accrued for when notified to the individuals involved and the amount can be determined reliably.

Support costs, which include the central functions of Finance, IT, HR, Administration, Business Support, Governance and Supporter Services, are allocated across the categories of expenditure of raising funds, expenditure on charitable activities and other expenditure. The basis of the cost allocation is set out in note 4.

1.3 Funds structure

Income and expenditure 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 be spent are accounted for as permanent endowment funds.
- b) **Restricted funds**
Restricted funds include income that is subject to specific restrictions imposed by donors.
- c) **Unrestricted funds**
Unrestricted funds include 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.
- d) **Designated funds**
The Trustees may designate unrestricted funds for a particular purpose without restricting or committing the funds legally. Designated funds are funds delegated by the Trustees to meet various current or future obligations.

Transfers between funds may arise where there is an authorised release of restricted or endowed funds, or when charges are made from unrestricted to other funds. Details of the transfers made in the year are included in note 19.

1.4 Intangible fixed assets

a) Capitalisation

Intangible assets (software) that are capable of being used for more than one year and have a cost equal to or greater than £5,000, are capitalised. Software is included in the financial statements at purchase cost or at total cost of development if designed and built internally.

b) Valuation

Software is valued at cost less accumulated amortisation and accumulated impairment losses.

c) Amortisation

Software is amortised, using the straight-line method, to allocate the depreciable amount of the assets to their residual value over the specific period of the purchased licence, if applicable, or alternatively over a period of between three to ten years, depending on the life cycle of the asset and constant advances in information technology. Amortisation is allocated to support costs in the SOFA. The assets are reviewed for impairment annually if the above factors indicate the carrying amount may be impaired.

1.5 Tangible fixed assets

Non-property tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

All assets falling into the following categories are capitalised:

- i) Tangible fixed assets that are capable of being used for more than one year and have a cost equal to or greater than £5,000. Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset to its working condition for its intended use.
 - ii) Groups of tangible fixed assets that 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 (except for computer equipment where only assets with an individual value of £1,000 or more are capitalised).
 - iii) Assets under construction comprising expenditure on the purchase and creation or enhancement of fixed assets not brought into use at the balance sheet date. Transfers are made from the asset under construction to the relevant category of fixed asset in the year the asset is brought in to use.
- a) **Land and buildings**
Land and buildings are held by the charity as part of charitable objectives to assist the hospital, as a result, properties are leased below market value and the charity carries substantially all the risks and rewards of ownership.

Land and buildings are stated at fair value which is either open market value or depreciated replacement cost. Depreciated replacement cost takes into account the expected timing of potential replacement when properties are subject to leases. Valuations are carried out professionally at five-yearly intervals, with an impairment review undertaken in all other years. A full revaluation was carried out by Cluttons LLP for the balance sheet date 31 March 2021.

Revaluation gains and losses are recognised in other recognised gains or losses.

To the extent that a downward revaluation (also referred to as an impairment) exceeds previously recognised revaluation gains, this is recognised within net income.

An impairment of £33.6m million was applied to the fixed asset revaluation fund as a result of the fall in property. These assets had been previously revalued upwards therefore the downward movement was recognised within other recognised gains or losses.

b) Fixtures, fittings, vehicles and equipment

Fixtures, fittings, vehicles and equipment are stated at cost less accumulated depreciation.

c) Assets under construction

Assets under construction are stated at cost. These assets are not depreciated until they are available for use.

d) Depreciation

Depreciation is charged on each main class of tangible fixed asset, depreciating the asset over its expected useful life from the date of use, other than land which is not depreciated, as follows:

Buildings	50-100 years
Fixtures and fittings	15 years
Office equipment	10 years
Vehicles	10 years
IT equipment	3 years

e) Donated assets

Donated assets are capitalised at their valuation on a full replacement cost basis or fair value where this is not the same on receipt and are depreciated as described above.

f) Subsequent additions

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the charity and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed as incurred.

g) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the SOFA.

1.6 Financial instruments

The charity has chosen to adopt Section 11 of FRS102 in respect of financial instruments.

Financial assets

Fixed and current asset investments consist of long-term and short-term portfolios comprising

- i) Quoted stocks and shares, included in the balance sheet at market value, which is equivalent to fair value.
- ii) Cash investments, held at cost plus accrued interest.
- iii) Investments in subsidiary undertakings, stated at cost less impairment.

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

1.7 Stock

Stock consist of purchased goods for resale, which are valued at the lower of cost and the estimated selling price, less costs to complete and sell. Provision is made for any obsolete or slow-moving items.

1.8 Employee benefits

The charity provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan. Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Most employees are members of the defined contribution pension plan. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. Contributions are chargeable to the SOFA in the period to which they relate. The assets of the plan are held separately from the charity in independently administered funds.

The charity also participates in the NHS Pension Scheme, with two current employees and a number of former employees being covered by the provisions of that scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities as it is a multi-employer scheme and cannot be accounted for as if it were a defined benefit scheme: the cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. As the scheme, which is in surplus, is a government run scheme, the ultimate responsibility for any underfunding lies with the government and the charity cannot be held liable. Consideration is given to the following by the NHS Pension Scheme when calculating these contributions:

- a) accounting valuation
- b) full actuarial (funding) valuation
- c) scheme provisions

1.9 Taxation

Great Ormond Street Hospital Children's Charity, as a registered charity, is exempt from income tax under part 10 of the Income Tax Act 2007 or Section 256 of the Taxation of the Chargeable Gains Act 1992, to the extent that surpluses are applied to its charitable purposes. No corporation tax charge has arisen in GOSIPL, due to its policy of gifting all taxable profits to the charity each year.

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

1.10 Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the SOFA, to reduce the lease expense, on a straight-line basis over the period of the lease.

1.11 Related party transactions

On consolidation transactions with related parties, of a similar nature, are aggregated unless, in the opinion of the Trustees, separate disclosure is necessary to understand the effect of the transactions on the group financial statements.

1.12 Cash at bank and in hand

Cash at bank and in hand include cash in hand, deposits held at call with banks, other short-term highly liquid investments and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

1.13 Provisions and contingencies

(i) Provisions

Provisions are recognised when the charity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resource will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (a) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (b) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the charity's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

1.14 Debtors and Creditors

Trade and other debtors are recognised at the settlement amount due after any discount offered and net any bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.14 Great Ormond Street International Promotions Limited

The charity has a wholly owned trading subsidiary, Great Ormond Street International Promotions Limited (GOSIPL) with paid-up share capital of £2. GOSIPL is incorporated in the UK. The principal activities of the company are commercial activities, namely licensing, sales, promotions and mail order. A summary of its trading results and net assets is shown below. These results are included in the group consolidation. Audited financial statements are filed with the Registrar of Companies.

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Profit and loss account		
Turnover	1,006	1,861
Cost of sales	(93)	(416)
Gross profit	913	1,445
Administrative expenses	(306)	(356)
Operating profit	607	1,089
Interest receivable and similar income	0	3
Profit before taxation	607	1,092
Taxation	-	-
Profit for the financial year	607	1,092
Distribution	(607)	(1,092)
Net movement in funds	-	-

Balance sheet

as at 31 March 2021

	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Inventories	47	55
Debtors	305	542
Cash	646	558
Current liabilities	(973)	(1,129)
Net assets	25	25
Profit and loss account	25	25
Surplus	-	-
Share capital and reserves	25	25

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.15 Sparks Charity

Sparks became a subsidiary of the charity on 1 February 2017. Trustees of Sparks Charity and GOSH Charity agreed to fully merge Sparks with the charity and Sparks ceased trading on 31 March 2021, with assets and liabilities transferring to Great Ormond Street Hospital Charity on that date. A minimal balance was retained to provide for the cost of closure which will take place in 2021. The charity is the sole member of Sparks Charity (Sparks) company. The principal activity of Sparks was to provide grants for research into children's diseases.

	Year ended 31 March 2021 000	Two months to 31 March 2020 £000
Income and endowments from:		
Donations and legacies	529	817
Other trading activities	1	345
Income from investments	7	18
Charitable activities	72	219
	609	1,399
Expenditure on:		
Raising funds	194	477
Charitable activities	323	431
	517	908
Net income before gain on investments	92	491
Net (losses)/gains on investments	(30)	11
Net income	62	502
Total funds at the beginning of year	895	393
Total funds carried forward 31 March	957	895
Funds transferred to GOSH Charity	(895)	
Total funds carried forward 31 March	62	
Balance sheet as at 31 March 2021		
	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Current assets		
Debtors	23	315
Cash	55	6,116
Total current assets	78	6,431
Creditors: amounts falling due within one year	16	4,858
Net current assets	62	1,573
Total assets less current liabilities	62	1,573
Total net assets	62	895
The funds of Sparks	62	895

Great Ormond Street Hospital Children's Charity
[Notes to the financial statements](#)

2. Income and endowments

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Year ended 31 March 2021 £000
Income and endowments from:				
2.1 Donations and legacies				
Direct gifts from individuals and trusts	23,511	7,142	-	30,653
Legacies	17,602	499	-	18,101
Community fundraising	5,097	748	-	5,845
Partnerships, campaigns, events and other income	5,484	2,151	-	7,635
	51,694	10,540	-	62,234
2.2 Other trading activities				
Auctions, tickets, sponsorship and other income	962	62	-	1,024
Fundraising trading	990	61	-	1,051
	1,952	123	-	2,075
2.3 Investments				
Fixed term deposit and bank interest	1,486	4	-	1,490
	1,486	4	-	1,490
2.4 Charitable activities				
Grants	-	470	-	470
Property	1,419	426	-	1,845
	1,419	896	-	2,315
2.5 Other activities				
Government Coronavirus Job Retention Scheme	337	-	-	337
	337	-	-	337
Total income and endowments	56,888	11,563	-	68,451

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

2. Income and endowments (continued)

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Year ended 31 March 2020 £'000
Income and endowments from:				
2.1 Donations and legacies				
Direct gifts from individuals and trusts	21,678	17,158	-	38,836
Legacies	22,631	626	-	23,257
Community fundraising	7,432	2,053	-	9,485
Partnerships, campaigns, events and other income	3,207	6,194	-	9,401
	54,948	26,031	-	80,979
2.2 Other trading activities				
Auctions, tickets, sponsorship and other income	1,002	4,123	-	5,125
Fundraising trading	1,600	216	-	1,816
	2,602	4,339	-	6,941
2.3 Investments				
Fixed term deposit and bank interest	2,486	-	4	2,490
	2,486	-	4	2,490
2.4 Charitable activities				
Grants	-	219	-	219
Property	835	-	-	835
	835	219	-	1,054
Total income and endowments	60,871	30,589	4	91,464

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

3. Expenditure on

	Direct costs	Support costs	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000	£000	£000
3.1 Raising funds:				
Direct gifts from individuals and trusts	6,668	2,804	9,472	12,852
Legacies	650	474	1,124	990
Community fundraising	1,550	2,034	3,584	5,633
Partnerships, campaigns, events and other income	1,589	2,282	3,871	4,864
Trading	212	323	535	792
Investment management costs	111	14	125	135
	10,780	7,931	18,711	25,266

	Direct costs	Support costs	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000	£000	£000
3.2 Charitable activities				
Welfare and clinical development	5,767	837	6,604	23,960
Research	9,922	1,440	11,362	3,607
Medical equipment and systems	3,504	508	4,012	9,037
Redevelopment	946	137	1,083	13,109
Accommodation and other	3,612	708	4,320	3,764
	23,751	3,630	27,381	53,477

Total expenditure	34,531	11,561	46,092	78,743
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	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
3.3 Expenditure includes charges for:		
Lease rentals	1,158	955
Fees payable to the charity's auditors for the audit of the group annual financial statements	71	56
Other fees payable to the charity's auditors	-	14
Depreciation (Note 9)	2,711	2,589
Amortisation (Note 8)	721	1,077

Lease rentals include the hire of photocopier, IT leases and rental costs for the use of 40 Bernard Street premises. Fees payable to the charity's auditors for the audit of the charity's consolidated financial statements of £71,420 (2019/20: £56,470), exclusive of VAT, include £23,055 (2019/20: £20,405) for the audit of the subsidiary undertakings. No additional funds (2019/20: £14,000) were paid in relation to additional work required for the year ended 31 March 2021 audit.

Impairment of £34,822k (2019/20: £1,938k) relating to property revaluation is shown in the revaluation reserve and gains on revaluation of fixed assets in other recognised gains.

Great Ormond Street Hospital Children's Charity
[Notes to the financial statements](#)

4. Support costs

	Staff costs	IT and Comms	Other	Total at 31 March 2021	Total at 31 March 2020
	£000	£000	£000	£000	£000
Cost of expenditure on raising funds	4,015	818	3,098	7,931	9,529
Welfare and clinical development	424	86	327	837	1,423
Research	729	148	563	1,440	214
Medical equipment and systems	257	52	199	508	538
Redevelopment	70	14	53	137	778
Patient, family and staff accommodation and other	358	73	277	708	224
Total	5,853	1,191	4,517	11,561	12,706

Support costs include the costs of the following departments: Governance, Finance, Technology, HR/People, Administration, Office Running Costs, Business Support, Brand Marketing, Communications and Supporter Services. These are allocated using a full-cost model, which is calculated using drivers from each department's activities during the year. Remaining staff costs are allocated as direct costs to activities.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

5. Grant funded activities

	Total at 31 March 2021	Total at 31 March 2021	Total at 31 March 2020	Total at 31 March 2020
	£000	No. awarded	£000	No. awarded
Name of recipient:				
Brunel University	-	-	220	1
Great Ormond Street Hospital	20,443	76	33,938	112
Institute of Child Health	1,437	10	1,019	12
Oxford Brookes University	-	-	123	1
Oxford University	477	2	170	1
Queen Mary University of London	28	1	-	-
The Hospital for Sick Children	63	1	-	-
UCL Institute of Women's Health	326	1	-	-
University College London	2,387	14	580	3
University of Cambridge	249	1	448	2
University of Manchester	249	1	-	-
University of Southampton	225	1	-	-
University of Warwick	110	1	-	-
UZ Leuven, Belgium	-	-	50	1
Total	25,994	109	36,548	133

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

6. Details of staff numbers and costs

Figures provided include staff who were furloughed during the year.

	Total at 31 March 2021 No. of staff	Total at 31 March 2020 No. of staff
The average number of employees is split as follows:		
Support	39	38
Fundraising	125	138
Charitable expenditure	42	45
Governance	12	13
Total	218	234

The average full time equivalent is split as follows:		
Support	35	36
Fundraising	121	131
Charitable Expenditure	39	43
Governance	11	13
Total	206	223

6.1 Analysis of staff costs

	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Salaries and wages	8,238	8,869
Social security costs	879	968
Pension costs	629	660
Ex gratia and redundancy	10	70
Other employee benefits	(7)	32
Total emoluments of employees	9,749	10,599

Other employee benefits is negative for the year due to the refund of the charity's contribution to staff season ticket loans

Pension costs are split as follows:		
Defined contribution scheme	610	641
Final salary scheme	19	19
Total pension costs	629	660

Outstanding contributions as at the year end were:		
Defined contribution scheme	71	75
Final salary scheme	2	2
Total outstanding contributions	73	77

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

6. Details of staff costs (continued)

6.2 Senior employees bandings (benefits, excluding pension contributions) as follows:

	Total at 31 March 2021 £000	Total at 31 March 2020 £000
£60,000 - £69,999	13	7
£70,000 - £79,999	4	7
£80,000 - £89,999	2	1
£90,000 - £99,999	2	4
£100,000 - £109,999	1	1
£110,000 - £119,999	-	-
£120,000 - £129,999	-	2
£130,000 - £139,999	-	-
£140,000 - £149,999	-	1
£150,000 - £159,999	1	1

The top two bands for 31 March 2020 consist of the Chief Executive Officer and the previous Director of Finance and Operations. The top band for 31 March 2021 is the Chief Executive Officer.

6.3 Key management personnel

Key management personnel emoluments, comprising wages and salaries, pension contributions and other benefits:

	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Chief Executive Officer	175	160
Director of Finance and Resources *	73	141
Other Executive Directors	364	608
Key management personnel total	612	909

* Previously Director of Finance and Operations

Key management personnel is defined as members of the Senior Leadership Team, 2020/21: 5 (2019/20: 6) – further details on page 106.

The total at 31 March 2021 is £297k lower than the year before mainly because there was a gap between 01 April and 31 August 2020 between the Director of Finance and Operations leaving and the Director of Finance and Resources starting, so the figure above is a part year number and includes £3k additional cost of the Deputy Director of Finance and Planning acting up as Interim Director of Finance during this period. A reduction in the number of Director roles, alongside vacancies, led to further reduction in costs.

7. Trustee remuneration

None of the Trustees received any remuneration from the charity or its subsidiaries during the current or previous financial year. None of the Trustees were reimbursed for expenses while carrying out their responsibilities for the charity during the year (2019/20: £908, one Trustee).

Great Ormond Street Hospital Children's Charity
[Notes to the financial statements](#)

8. Intangible assets

Charity and consolidated

	IT software £000
Cost:	
Balance as at 1 April 2020	8,844
Additions	326
Disposals	(1,486)
Balance at 31 March 2021	7,684
Accumulated amortisation:	
Balance as at 1 April 2020	3,780
Charge for the year	721
Disposals	(1,486)
Balance at 31 March 2021	3,015
Net book value at 31 March 2021	4,669
Net book value at 31 March 2020	5,064

Amortisation of intangible assets is allocated across support costs in the Statement of Financial Activities.

Assets held are identifiable intangible IT software assets.

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

9. Tangible assets

Charity and consolidated

	Freehold / leasehold land and buildings £000	Fixtures and fittings £000	Office equipment £000	Vehicles £000	IT equipment £000	Asset under construction £000	Total £000
Cost and valuation							
Balance as at 1 April 2020	327,197	1,911	140	13	967	-	330,228
Additions	-	68	-	-	-	1,518	1,586
Disposals	-	(1,436)	(140)	-	(248)	-	(1,824)
Revaluations	17,037	-	-	-	-	-	17,037
Impairments	(33,554)	-	-	-	-	(1,268)	(34,822)
Balance at 31 March 2021	310,680	543	-	13	719	250	312,205
Accumulated depreciation							
Balance as at 1 April 2020	1,992	1,391	140	13	967	-	4,503
Charge for the year	2,396	315	-	-	-	-	2,711
Disposals	-	(1,436)	(140)	-	(248)	-	(1,824)
Revaluations	(4,388)	-	-	-	-	-	(4,388)
Balance at 31 March 2021	-	270	-	13	719	-	1,002
Net book value at 31 March 2021	310,680	273	-	-	-	250	311,203
Net book value at 31 March 2020	325,205	520	-	-	-	-	325,725
Historic cost less depreciation at 31 March 2021	204,450	273	-	-	-	-	204,723

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

9. Tangible assets

The charity undertook a full independent professional valuation by Cluttons LLP of all properties as at 31 March 2021 in accordance with the Statement of Recommended Practice and FRS 102.

Charity owned buildings used by the hospital for clinical purposes are valued on a depreciated replacement costs basis unless a market value has been deemed by Cluttons LLP to be feasible and more appropriate. The depreciated replacement cost basis is the most commonly used basis for specialist buildings such as these. This is because transactions involving the sale of these types of assets are relatively infrequent and therefore estimating a market value is not considered feasible due to their specialist nature. Depreciated replacement cost is deemed to be an acceptable alternative to market value and is a methodology that is recognised by the International Valuation Standards Council. Land values associated with these charity buildings are valued at fair value. All residential and office properties are valued at market value.

A grant of £22.6m was made to the hospital over a number of years to carry out works on the Sight and Sound centre. The property is owned by the charity, but leased to and managed by the hospital. The completion of the works saw an uplift in the valuation of the property.

The valuation resulted in a net decrease in property valuations of £13,396k, made up of property value increase of £17,037k offset by impairments of £34,822k and depreciation write-backs of £4,388k. Prior year revaluation resulted in impairment of £1,938k.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

10. Investments

10.1 Analysis of fixed asset investments

	Total 31 March 2021 £000	Total 31 March 2020 £000
Charity and consolidated		
Fixed asset investments:		
Market value at 1 April	45,096	47,016
Disposals at carrying value	(48,576)	(757)
Acquisitions at cost	80,190	1,425
Interest	-	1
Movement on cash held as part of long-term portfolio	(636)	328
Net gain/(loss) on revaluation	10,375	(2,917)
Market value at 31 March	86,449	45,096
Historic cost at 31 March	80,000	41,844

10.2 Market value

	Held in the UK £000	Held outside the UK £000	Total 31 March 2021 £000	Total 31 March 2020 £000
Investments in equity funds	7,031	79,418	86,449	31,721
Investments listed on Stock Exchange	-	-	-	13,375
Total fixed asset investments at market value	7,031	79,418	86,449	45,096

Fixed income investments and liquidity funds were included in the short-term portfolio. All other investments are included in the long-term portfolio.

Investment powers

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

As a result of holding investments, the charity is exposed to financial risks, including market risk, credit risk and liquidity risk.

The charity manages market and credit risk by appointing professional investment managers and ensuring a balanced and diverse portfolio, giving regard to the overall level of risk as well as the risk associated with each investment type. Market risk arises as a result of market fluctuations caused by movements in interest rates, currency and other market factors. Credit risk arises as a result of funds the charity is invested in, failing to make a redemption of the investment. The charity is not significantly exposed to credit risk and the Investment Committee regularly review investment reports to ensure an appropriate level of risk is maintained.

Liquidity risk is managed by the charity's going concern liquidity reserves policy which ensures that the charity has sufficient liquid funds to meet all of its liabilities for the next two years.

10.3 Charity investment in Great Ormond Street International Promotions Limited (GOSIPL)

	Total 31 March 2021 £2	Total 31 March 2020 £2
Total	£2	£2

The net result for GOSIPL in 2020/21 is a surplus of £606,938 (2019/20: £1,094,017) with a distribution to the charity of £606,938 (2019/20: £1,094,017).

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

11. Stock

	Consolidated		Charity	
	Total at 31 March 2021 £000	Total at 31 March 2020 £000	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Goods for resale	47	55	-	-
Stock	47	55	-	-

12. Investments

	Consolidated		Charity	
	Total at 31 March 2021 £000	Total at 31 March 2020 £000	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Short-term deposits	98,436	137,766	98,436	137,766
Investments	98,436	137,766	98,436	137,766

All current asset investments are held in the UK.

13. Debtors

	Consolidated		Charity	
	Total at 31 March 2021 £000	Total at 31 March 2020 £000	Total at 31 March 2021 £000	Total at 31 March 2020 £000
Trade debtors	727	3,707	583	3,269
Amounts owed by group undertakings	-	-	867	2,729
Other debtors	1,126	1	1,108	406
Prepayments	1,209	1,799	1,073	1,568
Accrued income - Legacies	12,323	9,295	12,323	9,295
Accrued income - Other	1,244	550	1,229	375
Debtors falling due within one year	16,629	15,352	17,183	17,641

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

14. Creditors: amounts falling due within one year

	Consolidated		Charity	
	Total 31 March 2021	Total 31 March 2020	Total 31 March 2021	Total 31 March 2020
	£000	£000	£000	£000
Trade creditors	2,758	1,642	2,758	1,591
Taxation and social security	402	744	364	565
Grants awarded (see note 17)	44,640	10,382	44,640	7,911
Other creditors	163	178	163	171
Accruals	1,246	1,443	1,214	1,414
Deferred income (Note 16)	937	752	900	649
Creditors falling due within one year	50,146	15,141	50,039	12,301

15. Creditors: amounts falling due more than one year

	Consolidated		Charity	
	Total 31 March 2021	Total 31 March 2020	Total 31 March 2021	Total 31 March 2020
	£000	£000	£000	£000
Grants awarded (see note 17)	23,434	68,645	23,434	67,966
Rent-free provision	-	23	-	23
Creditors falling due after one year	23,434	68,668	23,434	67,989

16. Deferred income

	Total 1 April 2020	Deferred	Released	Total 31 March 2021
	£000	£000	£000	£000
Charity	649	900	(649)	900
Trading subsidiary	48	37	(48)	37
Sparks Charity	54	-	(54)	-
Deferred income	751	937	(751)	937

Income is deferred for future events where it is refundable.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

17. Grants awarded

Consolidated

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Outstanding liabilities at the beginning of year	79,027	78,577
Awarded during the year		
Redevelopment	6,000	1,500
Medical equipment and systems	3,846	3,903
Research	9,989	3,832
GOSH welfare and other	6,159	27,313
Awarded during the year	25,994	36,548
Paid during the year		
Redevelopment	(10,694)	(6,379)
Medical equipment and systems	(10,748)	(9,891)
Research	(5,725)	(7,219)
GOSH welfare and other	(3,704)	(11,327)
Paid during the year	(30,871)	(34,816)
Adjustments in the year		
Redevelopment	(5,061)	0
Medical equipment and systems	(342)	(413)
Research	(132)	(632)
GOSH welfare and other	(540)	(237)
Adjustments in the year	(6,075)	(1,282)
Outstanding liabilities at 31 March	68,075	79,027
Amounts falling due within one year	44,640	10,382
Amounts falling due after more than one year	23,435	68,645
Outstanding liabilities at 31 March	68,075	79,027

Total grants awarded does not include expenditure on charity properties, expenditure from special purpose funds or costs incurred by the charity to support and facilitate charitable activities.

Liabilities for grants awarded represent the unpaid balance on grants awarded by the charity as at the balance sheet date. They relate to current activities funded by the charity to which it is firmly committed.

Adjustments relate to grant retractions whereby all funds allocated have not been used and are no longer required and therefore returned to funds for reallocation.

Great Ormond Street Hospital Children's Charity
Notes to the financial statements

18. Analysis of group net assets between funds

	Unrestricted		Restricted	Endowment	Total 31 March 2021
	General £000	Designated £000	£000	£000	£000
Fund balances at 31 March 2021 are represented by:					
Tangible and intangible fixed assets	-	315,872	-	-	315,872
Long-term investments	-	85,785	-	664	86,449
Current assets and liabilities	28,333	54,688	36,906	-	119,927
Long-term liabilities	-	-	(23,434)	-	(23,434)
Total net assets	28,333	456,345	13,472	664	498,814

Restricted funds include long-term liabilities of £23.4m (2019/20: £68.6m) and short-term liabilities of £44.6m (2019/20: £10.4m), relating to grants awarded to the hospital, ICH and other research institutions.

	Unrestricted		Restricted	Endowment	Total 31 March 2020
	General £000	Designated £000	£000	£000	£000
Fund balances at 31 March 2020 are represented by:					
Tangible and intangible fixed assets	-	330,789	-	-	330,789
Investments	-	-	44,432	664	45,096
Current assets and liabilities	31,794	126,692	13,620	-	172,106
Long-term liabilities	(23)	-	(68,645)	-	(68,668)
Total net assets	31,771	457,481	(10,593)	664	479,323

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

19. Consolidated funds

	1 April 2020 £000	Income £000	Resources expended £000	Transfers between funds £000	Gains and losses £000	31 March 2021 £000
19.1 Endowment funds						
Tippetts and Crux	222	-	-	-	-	222
Lewisohn	11	-	-	-	-	11
Barnes	7	-	-	-	-	7
Mary Shepard Bequest	407	-	-	-	-	407
John Lund Wells Bequest	17	-	-	-	-	17
Total endowment funds	664	-	-	-	-	664
19.2 Restricted funds						
Redevelopment	7,254	4,295	(2,631)	(4,350)	-	4,568
Louis Dundas Centre	714	122	-	-	-	836
Physiotherapy Unit	1	-	-	-	-	1
Translational Oncology research	662	-	-	-	-	662
Regenerative Medicine	(531)	207	-	-	-	(324)
The Richard Wright Fund	1,802	-	-	-	-	1,802
The Friends Fund	1,076	-	-	-	-	1,076
Craniofacial Fund	34	21	(22)	-	-	33
Clinical Cardiac Chair	123	-	(4)	-	-	119
Family Studies	230	-	-	-	-	230
Olivia Hodson Cancer Fund	210	9	(83)	(8)	-	128
Other special purpose funds	2,585	102	(173)	190	-	2,704
Other restricted purpose funds	(24,560)	6,716	(16,939)	36,819	-	2,036
Sparks restricted funds	(193)	91	(278)	(19)	-	(399)
Total restricted funds	(10,593)	11,563	(20,130)	32,632	-	13,472
Total restricted and endowment funds	(9,929)	11,563	(20,130)	32,632	-	14,136
19.3 Unrestricted funds						
General funds	30,683	56,370	(23,012)	(47,622)	10,558	26,977
Designated funds:						
Redevelopment fund	118,118	-	-	(19,176)	-	98,942
Research fund	13,638	-	-	32,562	-	46,200
Fixed assets fund	216,910	-	(2,711)	1,585	(1,268)	214,516
Revaluation reserve	108,815	-	-	-	(12,128)	96,687
Sparks:						
General funds	1,088	518	(239)	19	(30)	1,356
Total unrestricted funds	489,252	56,888	(25,962)	(32,632)	(2,868)	484,678
Total funds	479,323	68,451	(46,092)	-	(2,868)	498,814

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

19. Consolidated funds (continued)

The redevelopment fund is designated to provide support for major building and capital development.

The research fund is designated to provide sufficient funds for research as per our strategy.

The fixed assets fund is designated to facilitate the replacement or refurbishment of assets belonging to the charity. Its value does not include properties identified for sale.

The revaluation reserve is designated to reflect the changes made to the property portfolio valuations arising from independent valuations.

Transfers between funds represent:

- Where subsequent instructions are received from a donor restricting income that was originally received with no restrictions (or vice versa).
- Where two restricted funds have a common purpose, transfers may be made to support on an individual project which matches their restrictions.
- General funds may be designated for a particular purpose should the Trustees decide this to be appropriate.

Total restricted funds are £13.5m at 31 March 2021 (31 March 2020: deficit £10.6m). Negative restricted funds are held in instances whereby we have received assurance from donors of their support for projects that we have funded, but not yet received the funds or a contracted pledge. During the year, a detailed review of funds was undertaken, and where amounts had not been received, funds were transferred from unrestricted funds.

Trustees have designated funds of £145.1m as at 31 March 2021 (31 March 2020: £131.8m) from unrestricted funds to cover any deficit on current redevelopment plans, to cover proposed future commitments to research, and towards the costs of the Children's Cancer Centre.

Endowment funds

Name of fund	Description of the nature and purpose of each fund
A Tippetts and Crux	Capital in perpetuity bequests to be used for research and general purposes.
B Lewisohn	Capital in perpetuity bequests to be used for an annual staff award.
C Barnes	Capital in perpetuity bequest for general purposes.
D Mary Shepard Bequest	Capital in perpetuity bequest for general purposes.
E John Lund Wells Bequest	Capital in perpetuity bequest for general purposes.

Restricted funds

Name of fund	Description of the nature and purpose of each fund
A Redevelopment	To provide finance for major building and capital development.
B Louis Dundas Centre	To advance research and clinical practice in palliative care and pain management.
C Physiotherapy Unit	To fund the creation of a new physiotherapy unit at GOSH.
D Translational Oncology research	To conduct research into childhood cancer.
E Regenerative Medicine	To conduct research into engineering rejection free organs with intestinal failure.
F The Richard Wright Fund	To fund research into infant and childhood leukaemia.
G The Friends Fund	To provide funds for family support and children's play services.
H Craniofacial Fund	To research and purchase equipment for craniofacial disorders.
I Clinical Cardiac Chair	To provide support costs for the post of Clinical Cardiac Chair.
J Family Studies	To provide support to the Psychological Medicine Department.
K Olivia Hodson Cancer Fund	To support projects and roles related to childhood cancer.
L Other special purpose funds	Funds delegated by the Trustees to various departments within Great Ormond Street Hospital and UCL Institute of Child Health.
M Other restricted purpose funds	To finance specific items of equipment, services or projects.
N Sparks restricted funds	To finance research projects into rare diseases in children.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

20. Notes to the consolidated cash flow statement

20.1 Reconciliation of net income to cash flows from operating activities

	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Net movement in funds	19,491	7,591
Depreciation and amortisation charges	3,432	3,668
Investment income	(1,490)	(2,490)
(Gain)/Loss on investments	(10,375)	2,915
(Loss)/Gain on revaluation of land & buildings	13,397	1,938
Decrease in stocks	8	5
(Increase)/Decrease in debtors	(1,277)	3,136
(Decrease)/Increase in creditors	(10,229)	146
Cash inflow from operating activities	12,957	16,909

20.2 Analysis of net funds

	1 April 2020 £000	Cash flows £000	31 March 2021 £000
Cash at bank and in hand	34,075	20,886	54,961
Current asset investments	137,765	(39,329)	98,436
Total	171,840	(18,443)	153,397

21. Commitments, liabilities and provisions

There are no commitments, liabilities or provisions requiring disclosure included in the financial statements (31 March 2020: nil).

22. Legacies

The charity has been notified of 231 legacies which have not been included within the financial statements, as some or all the criteria for recognition have not been satisfied (2019/2020: 192). Of these, 47% are pecuniary legacies which have an average value of £728 (2019/20: 40%, £2,014) and the remaining 53% are residuary, life interest, income trust & specific legacies which have an average value of £12,019 (2019/20: 60%, £5,352). The charity does not have any indication of when it is due to receive these monies. Included within the above figures are eight legacies (2019/20: 4) which are subject to a life interest, as well as seven specific legacies (2019/20: 18) which are not subject to a life interest.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

23. Annual commitments under non-cancellable operating leases

	Total 31 March 2021 £000	Total 31 March 2020 £000 Restated
Operating leases which expire:		
Within one year	81	-
Between one and five years	640	866
After five years	-	209
Total	721	1,075

The leases relate to 40 Bernard Street premises, line rentals and IT and other equipment. The charity reduced floor space rented on 1 April 2021, so future lease commitments have reduced in line with this change.

24. Related party transactions

During the year the following related party transactions took place:

Professor Stephen Holgate is the chair for BREATHE (HDR UK Research Hub) SAB. During the year Breathe provided brand marketing communication services to the value of nil (2019/20: £6,810).

Professor Stephen Holgate is the chair for Royal College of Paediatrics and Child Health. Nothing was paid to Royal College of Paediatrics and Child Health as part of charitable expenditure in relation to fees (2019/20: £36).

During the year donations of £75,429 (2019/20: £232,262) were received from related parties.

The charity also entered into material transactions with its subsidiaries during the year and are listed below. All income and expenditure is removed on consolidation.

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2021 £'s	Debtor balance as at 31 March 2021 £'s
GOSIPL	Wholly owned subsidiary	Management charge for costs incurred by GOSH Charity, distribution of year-end profit to GOSH Charity and costs incurred by one entity on behalf of another entity.	779	884
Sparks	Wholly owned subsidiary	Costs incurred by one entity on behalf of the another entity.	124	17

25. Events after the reporting period

On 8 July 2021 the charity entered into a consultation period as a result of work undertaken on the organisational design. The consultation period will complete on 10 August 2021. 29 roles have been identified as being at risk of redundancy, although the charity is making every effort to ensure redeployment to alternative roles where possible.

Great Ormond Street Hospital Children's Charity

Legal and administrative details

Great Ormond Street Hospital Children's Charity

Registered charity number 1160024
Company House number 09338724
Incorporated England and Wales

Great Ormond Street International Promotions Limited

Company limited by share capital.
Registered number 2265303,
Incorporated England and Wales

Sparks Charity

Registered charity number 1003825
Company House number 02634037
Incorporated England and Wales

Principal and registered office

40 Bernard Street, London WC1N 1LE
T: 0203 841 3841 www.gosh.org

Trustees

Anne Bulford CBE (Chair)
Sandeep Katwala (Deputy Chair)
Jennifer Bethlehem
Nina Bibby
Nicky Bishop
David Craig (appointed May 2020)
Margaret Ewing (retired September 2020)
Kaela Fenn-Smith
Professor Sir Stephen Holgate
Louise Justham
Michael Marrinan
Mark Sartori
Kevin Thompson

Associate Trustees

Mark Burgess
Paul Langham
Joseph McDonnell
Chris Morris
Ruary Neill (retired October 2020)
Andrew Stoker (appointed May 2020)

Executive Directors

Louise Parkes (Chief Executive Officer)
Richard Bowyer (Director of Marketing and Public Fundraising) until August 2020
Bill Cunningham (Director of Finance and Resources) from September 2020
Neal Donnelly (Director of Major Gift and Special Event Fundraising) until April 2020
Cymbeline Moore (Director of Communications)
Heather Morgan (Director of People and Planning) until August 2020
Joan Prendergast (Interim Director of Finance) April 2020 to August 2020
Kiki Syrad (Director of Grants and Impact)
Liz Tait (Director of Fundraising) from September 2020

Description of charity's objective

Any charitable purpose relating to Great Ormond Street Hospital for Children NHS Foundation Trust, including research.

GOSH Charity Children's Champions

Vernon Kay and Tess Daly
Victoria Pendleton CBE
Gordon Ramsay OBE and Tana Ramsay
Martin Freeman
Nadiya Hussain MBE

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place, London WC2N 6RH

Bankers

Royal Bank of Scotland plc
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Solicitors

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Alexandra House, St Johns Street, Salisbury SP1 2SB
Clark Willmott LLP
5 St Helen's Place, London EC3A 6AB
Bates Wells
10 Queen Street Place, London EC4R 1BE
Bristows
100 Victoria Embankment, London EC4Y 0DH
Vedder Price
4 Coleman Street, London EC2R 5AR
Farrer and Co
66 Lincoln Inn Fields, London WC2A 3LH

Investment managers during the year

HSBC Asset Management (Europe) Ltd
London SW1A 1EJ
Royal London Cash Management Ltd
55 Gracechurch Street, London EC3V 0UF
BlackRock
Murray House, One Royal Mint Court, London EC3N 4HH
Ruffer LLP
80 Victoria Street, London SW1E 5JL
Investec Wealth & Investment Limited
Legal and General Investment Management
One Coleman Street, London EC2R 5AA
Aberdeen Standard
35a Avenue JF Kennedy
L-1855 Luxembourg



**GREAT
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HOSPITAL
CHARITY**

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