

Keep the magic alive

Annual Report and Accounts 2009/10

The child first and always

Chairman's statement

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

Each year, Great Ormond Street Hospital Children's Charity sets out to raise more than £50 million so that it can provide the hospital with the resources it needs to remain at the forefront of paediatric medicine. Donations to the charity support four major areas of the hospital's work:

Redevelopment

Some of the hospital's existing buildings are badly out of date and need modernisation. A major redevelopment programme is underway, which will update two-thirds of the hospital's estate. Upon completion, the new buildings will provide sufficient capacity for the clinical teams to treat up to 20 per cent more children who need their specialist expertise.

Medical research

The hospital works in partnership with the UCL Institute of Child Health to find new and better ways to treat childhood illnesses. Much of this work is funded through donations to the charity to pump prime new research projects which aim to improve the lives of critically ill children at Great Ormond Street Hospital and beyond.

Specialist equipment

Every year, the hospital asks the charity to help it purchase vital new equipment to support the clinicians and researchers in their work. Specialist equipment for children and babies can be very expensive and is often unaffordable through the NHS. Donations to the charity enable us to purchase crucial equipment to support the care of our young patients.

Accommodation and welfare

Children are referred to the hospital from all over the UK. It is important to be able to support families at their most difficult time, and that's why the charity provides parent accommodation right next to the hospital, as well as other significant welfare benefits.

Achievements in 2009/10

The charity was set a tough fundraising target for 2009/10, particularly in the context of the very difficult economic climate. We also implemented tight controls on costs including a pay freeze for all charity staff, with an aim to maximise the net income available for the hospital.

It is therefore particularly pleasing to be able to report that the charity met all the financial targets set for the year. We are so grateful to all the donors to the charity who have helped us to achieve this result. We couldn't support the work of the hospital without your generosity and support. The special trustees would also like to record their thanks to the charity team and its volunteers, whose hard work and commitment to the hospital allow us to make such a difference to patients and families.

Redevelopment

During the year, the hospital contractors have been working on the construction of the Morgan Stanley Clinical Building, which is due to open in 2012. We are delighted to report that the construction work is on schedule and that the builders' topping out ceremony took place in July 2010.

The Morgan Stanley Clinical Building will host three important new clinical centres (heart and lung, neurosciences and kidney) for the hospital, as well as badly-needed operating theatres and a new family and staff restaurant. This is only possible thanks to our many generous supporters, including Aditya and Megha Mittal and family, Morgan Stanley, The Barclay Foundation, The Walt Disney Company and The Wolfson Foundation.

With generous support from the Friends of the Children of Great Ormond Street, The Garfield Weston Foundation and The Go Play Foundation, this year the hospital also refurbished its Mildred Creak Unit, an intensive intervention 10-bed inpatient unit which admits children from seven to 14 years of age with a range of mental health problems, such as eating disorders and other emotional and behavioural disorders.

Medical research

Great Ormond Street Hospital Children's Charity is the largest funder of medical research solely dedicated to paediatrics in the UK, and is in the top 10 UK medical research funders. During the year, we were very pleased to become a member of the Association of Medical Research Charities (AMRC). Working within the best practice guidelines of the AMRC, we are hoping to work more closely with other major medical research funders to increase the funding dedicated to research into childhood illnesses.

In 2009/10, the charity supported many different paediatric research projects, including research into chronic kidney disease, safer treatments for bone marrow transplants and lung monitoring for children with cystic fibrosis.

Specialist medical equipment

This year, the charity was able to fund a wide range of specialist medical equipment for the hospital, including mobile ultrasound machines, incubators, patient transfer trolleys and replacement equipment for the Electroencephalography (EEG) Department. EEGs measure activity within the brain and are used to help diagnose many illnesses, including seizure disorders such as epilepsy, encephalopathies and meningitis.

Chairman's statement continued

Accommodation and welfare

More than 1,000 parents per week are able to stay near their child in the hospital or in accommodation provided by the charity. In 2009/10, the charity enabled almost 5,000 parents and patients to stay at the hospital's Paul O'Gorman Patient Hotel next to the hospital, in Weston House. As well as supporting families who travel long distances to visit the hospital, the patient hotel provides a means for the hospital to treat more patients, because it facilitates more day case availability. It also means that more inpatient beds are available for children who need to be treated on wards.

In addition to patient and family accommodation, the charity was also able to support additional welfare projects for the hospital, including the ethics service, the chaplaincy and the voluntary service department, which helps to support those generous individuals who give up their time to work in the hospital on a voluntary basis.

Fundraising performance

In 2009/10, the charity raised £47.9 million (see page 7). Our total income of £55.4 million exceeded our budget of £52.6 million. As a result of stronger than budgeted income and lower costs, we were able to contribute £41.3 million net income to the hospital, which exceeded our budget by £4.6 million.

This result represents an excellent performance in a difficult economic climate. We are particularly pleased to see more diversification in our sources of fundraising, with three fundraising teams contributing more than £10 million income for the first time.

Fundraising highlights

A number of new appeals were launched during the year. Raising the Roof was set up with the aim of raising £3 million towards the new centre for neurosciences by working with the property and construction industry. The Tick Tock Club set itself a new task of raising a further £10 million, this time supporting the new kidney centre in the hospital.

The charity also began fundraising for two important new projects which have been inspired by the passion and drive of individual supporters to help fund under-resourced areas of children's medicine. In memory of their son, Ruth Kennedy and Bruce Dundas launched an appeal to raise funds for the Louis Dundas Centre for Children's Palliative Care. Working with the True Colours Chair in Palliative Care for Children and Young People, this appeal is raising funds for research, teaching and palliative care for children and young people. Allison and Harvey McGrath also led an appeal to raise £2.7 million for a clinical research programme for the study and treatment of childhood gut disorders.

The charity also benefited from several high-profile fundraising partnerships, including, *The X Factor* and a Charity of the Season relationship with Arsenal Football Club.

Alongside major gifts and corporate partnerships, the charity relies heavily on donations from the general public and fundraising events organised by thousands of individuals. This year, we were able to celebrate a landmark fundraising achievement of more than £1 million raised through challenge events. Similarly, the Christmas stocking appeal raised more than £1.3 million, with approximately 60,000 supporters writing messages to patients over the Christmas season.

We would like to thank everyone who has donated to the charity during the past year. Your gift makes a huge difference to the care that the hospital can provide for its very young patients and their families.

Looking forward

As we enter the new financial year, we know that there will continue to be pressures across the economy and that we will undoubtedly face a challenging climate for fundraising.

Nonetheless, we remain committed to raising sufficient funds to meet the hospital's urgent requirements, with the priority continuing to be the redevelopment of the hospital. We still need to raise a further £95 million to enable us to complete the Mittal Children's Medical Centre, which forms the second phase of the redevelopment. Upon completion, the

hospital will be able to provide much-improved conditions for patients and families, and importantly, greater capacity to treat more children who need the expertise of the clinicians at Great Ormond Street Hospital.

In order to forecast and accommodate future demand for the hospital's services, the charity has, since the year end, successfully negotiated the purchase of 20 Guilford Street, 33 Millman Street and MacKenzie House from the University of London. These properties are close to the hospital's main site and will provide the hospital with much-needed space during the remainder of Phase 2 of the redevelopment. It is anticipated that the site occupied by these newly acquired properties will be redeveloped at some point in the future.

At the same time, we recognise the importance of investing in medical research, and we believe that membership of the Association of Medical Research Charities will help us in our goal to make more funds available for research into children's illnesses.

Our fundraising plans are wide-reaching and involve efforts to raise gifts from individuals, companies, trusts and foundations. One of our most important sources of income continues to be gifts left to us in wills, the money from which we hope to invest in children's health for many generations to come.

In the last three years, we have also significantly increased the number of supporters who give to us through a regular monthly donation. Regular donations are very important because they offer the special trustees greater certainty of fundraising income, which gives us confidence to make grants to the hospital. We will continue to encourage more regular donations as a core part of our fundraising plans.

Our inspiration to support the hospital comes from the remarkable patients and families we meet, the very talented clinicians and researchers who make such a difference to their care, and the generosity and commitment of our supporters.

Without you, we could not fulfil our mission to help the hospital provide world-class care and pioneering research for the benefit of their young patients and their families.

Thank you.



Alan Hodson
Chair of Special Trustees
Great Ormond Street Hospital
Children's Charity

Trustees' annual report

Administrative details

The administrative details of the charity are stated on page 36.

Structure and governance

Governing document

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

Trustees appointment

The volunteer Board of Special Trustees consists of a chairman and six special trustees, chosen for their skills and experience. The trustees are appointed by the Appointments Commission, acting on behalf of the secretary of state for health, as special trustees for Great Ormond Street Hospital Children's Charity under article 2 (1) of *The National Health Service Trusts, Order 2000*, for the purpose of exercising functions described in Section 11 (1) of the National Health Service and Community Care Act 1990. The three trustees appointed from 1 April 2010 were appointed under Section 95 of the NHS Act 1977. Trustees are appointed for a minimum period of two years, which may be extended up to a maximum of 10 years.

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

Responsibilities

The Board of Special Trustees is responsible for providing governance and leadership for the charity. It agrees strategic plans for fundraising and other operations, and approves the allocation of charitable expenditure.

A sub-group of the trustees meets as the Audit and Remuneration Committee. It agrees both external and internal audit plans and reports, monitors compliance with policies and reviews risk-management systems. The charity has three other regular sub-committees – the Investment Committee, the Property and Development Committee and the Grants Committee. All committees report to the full Board. There are at least seven full Board meetings per year.

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

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

The Board formally reviews its performance on a regular basis, together with that of the various sub-committees, chief executive, executive director and individual trustees, including the chairman.

Related parties

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

Great Ormond Street International Promotions Ltd (GOSIPL) is a wholly-owned subsidiary of the charity. It is responsible for all commercial activities of the group, namely licensing, sales promotions and mail order. All surplus funds earned are paid under Gift Aid to the charity. The company has its own Board of Directors, responsible for all governance issues. Financial details for GOSIPL are stated in note 2 to the accounts on page 19. Audited accounts are filed with the Registrar of Companies.

Risk management

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

Volunteering

The volunteering office in the hospital is supported by the charity to help manage the hundreds of individuals who offer their time and skills to support the clinical and administrative teams in the hospital.

Volunteers also make a significant contribution to the charity, and we are very grateful to individuals who give their time to help and to companies who support employees who wish to volunteer. Volunteers help to significantly enhance the charity's fundraising performance in many ways.

At challenge events like the Virgin London Marathon, we welcome volunteers such as the Disney VoluntEARS to help cheer on our runners, who always tell us that they are boosted by the encouragement and support they receive. At large scale events such as the 2009 FORMULA 1 SANTANDER BRITISH GRAND PRIX, many of our corporate partners volunteer to collect donations among the crowds.

The charity also relies on the leadership and expertise of members of our fundraising appeal boards. They help to shape fundraising strategy and work with us to achieve our fundraising targets. Our fundraising appeal boards include the Corporate Partnerships Board, Tick Tock Club Board, Theatres for Theatres Board, Christmas Carol Service Committee and Raising the Roof Board.

Many volunteers work in the charity office and fulfil some very important roles which help the charity to save money. These include administrative tasks and helping to organise large supporter mailings.

Volunteers are also key fundraisers for us. Each year, we rely on thousands of people who give up their time to organise fundraising events for the charity. Many have personal experience of the hospital; others just wish to support our cause.

Their contribution makes all the difference to the amount of money the charity is able to raise to support the hospital.

Public benefit statement

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

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

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

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

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

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

Grants made to the hospital do not focus on the income of patients' parents but provide a benefit to any patient requiring the services of the hospital, which are available to all entitled to NHS treatment based on need.

Trustees' annual report continued

Charity objectives for 2009/10

The charity's objectives fall into three categories: fundraising, investment and charitable activities. This section of the report reviews the performance of the charity in meeting the objectives set.

Objective	Whether met
Fundraising	
Target net income of £30 million and a cost/income percentage of no more than 31.4 per cent.	Met: £34.6 million net income. 28 per cent cost/income ratio.
Secure new pledges totalling £7 million. Deliver agreed fundraising Key Performance Indicators (KPIs).	Met: £10.8 million pledges received. KPIs delivered.
Manage cost budgets tightly, in keeping with tough economic environment.	Met: Cost savings of £1.1 million versus budget achieved.
Investment	
Continue to focus on capital preservation.	Met
Target a return of 2.5 per cent for cash investments and the relevant benchmark for the bond portfolio.	Partially met: Cash 3.1 per cent achieved. Bonds 2.6 per cent achieved versus 2.7 per cent benchmark.
Charitable activities	
Maintain close review of major development project spend, particularly Phase 2A, and ensure charity does not extend commitments beyond reasonably forecast means.	Met
Reach conclusion and develop plan for the Computer Centre project and the Birth Defect Research Centre.	Met
Make efficient and accountable budgeting and procurement process a high priority for the charity executive, with the aim of delivering the same residential property services at a 20 per cent reduced cost.	Met: Cost savings delivered where feasible, especially on utility costs.
Total disbursements for the year, £49 million.	Not met: £30 million disbursed. The hospital did not require charity funding for the redevelopment within the timescales originally set. This investment will still be required in future years.
Improve methods of demonstrating the impact of charitable funding through marketing materials and reports for donors and potential donors, to include the charity's first Impact Report.	Met: Progress made, with the first charity Impact Report produced.

Financial review

Expectations for the charity's financial outcome for the year were tempered by concerns surrounding the prevailing economic conditions. Total fundraising income was £47.9 million (2008/9: £51.1 million). Although Major Gifts Fundraising experienced some difficulties during the year, with some pledge deferrals and a few cancellations, donations were only 8.6 per cent down on the previous year at £34.9 million (2008/09: £38.2 million), versus a fall of nearly 10 per cent across the sector*.

Legacy income of £8.3 million (2008/09: £8.0 million) was boosted by the successful conclusion of the charity's legal action against the Belgian state, which had withheld inheritance tax at 80 per cent on a significant estate. The charity complained to the European Commission that was contrary to the EU Treaty, which forbids discrimination on the grounds of nationality. The commission brought an action against the Belgian state, causing a change in the law in the Belgian province concerned in 2002. However, the Belgian government refused to apply the law retrospectively, forcing Great Ormond Street Hospital Children's Charity to go back to court, eventually winning a judgement in September 2009. The capital and interest combined amounted to £1,468,239.

Investment income at £5.7 million (2008/09: £7.4 million) was in line with expectations given the current low interest rate regime. The charity currently has a portfolio of government and corporate bonds and short to medium-term cash deposits. The charity provides a number of properties to the hospital for residential and non-residential purposes, and income was commensurate with 2008/09. Income from trading activity was slightly lower than the previous year at £2.9 million (2008/09: £3.0 million).

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

	2009/10 £ million	2008/09 £ million
Donations	34.9	38.2
Legacies	8.3	8.0
Trading	2.9	3.0
Other	1.8	1.9
Fundraising income	47.9	51.1
Investments	5.7	7.4
Property	1.8	1.8
Total	55.4	60.3

(Fig 1) Income sources 2009/10



Expenditure for the year totalled £44.1 million, with £30 million being spent on charitable activities:

	2009/10 £ million	2008/09 £ million
Redevelopment	12.1	8.8
Research	6.9	5.7
Medical equipment and capital schemes	6.8	4.1
Patient and staff welfare	2.5	2.5
Accommodation and other	1.7	2.4
Total	30.0	23.5

(Fig 2) Charitable expenditure 2009/10



* Source: Investec Private Bank, December 2009.

Trustees' annual report continued

Charitable expenditure

Patient welfare

£1.093 million (2008/09: £747,000)

The charity funds numerous activities for the hospital which support or promote patient welfare. Of particular note is the funding of the children's health website, www.childrenfirst.nhs.uk, an award-winning health and hospital information website for teenagers, children and parents. The charity also funds the children's Christmas party, the hospital's in-house chaplain, and most of the operational costs of providing accommodation for parents.

Staff welfare

£1.452 million (2008/09: £1.719 million)

The charity provides funding for a wide range of educational and wellbeing programmes for hospital staff, as well as crèche facilities.

Research

£6.853 million (2008/09: £5.664 million)

A number of research programmes both within the hospital and the UCL Institute of Child Health are funded by the charity. The supported activity covers the full spectrum of research, from laboratory-based studies, to trials of new therapies in clinical practice, and the search for better ways to deliver those therapies in order to combat childhood illness.

Medical equipment and capital schemes

£6.775 million (2008/09: £4.126 million)

During the financial year, the charity funded the development and roll-out of a wireless tracking system, which allows the tagging and locating of key equipment across the hospital, and the refurbishment of several wards. The charity provided funding of £3.755 million to purchase a wide range of medical equipment that the hospital requested as priorities.

Redevelopment

£12.082 million (2008/09: £8.796 million)

The charity is currently providing the majority of the funding for Phase 2a of the redevelopment of the hospital's main site. This will form the Morgan Stanley Clinical Building, the first part of the Mittal Children's Medical Centre, and is due to be fully operational in May 2012.

Property expenditure

£1.733 million (2008/09: £1.595 million)

The charity owns a number of properties which are used for operational purposes by the hospital. The properties host an array of activities, including clinical and administration, staff and parent accommodation.

The charity works with the hospital in order to determine the best use of the charity's resources. Following a review of the future needs of the hospital for staff accommodation provided by the charity, a decision was made to dispose of one of its properties, 123 St George's Square in Pimlico, London. This sale was completed in September 2010.

Summary of total funds

Overall fund balances increased by £13.136 million in 2009/10 (see balance sheet total on page 13). The charity is budgeting for a significant cash outlay over the next two financial years as Phase 2A of the redevelopment approaches completion.

Going concern

The trustees have reviewed the financial position of the charity, its forecast cash flows, liquidity position and existing and potential funding commitments for the next five years. The charity's fundraising streams are well diversified and therefore

a significant drop in any one channel would not materially affect the charity's ability to meet its existing financial commitments. The trustees will only commit funds to charitable activities and other capital projects when they are certain that these obligations can be met. As a consequence, the trustees believe that the charity has adequate resources to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the Annual Report and Accounts.

Funds and reserves

The trustees review the level of free reserves required on an annual basis, in line with the guidance issued by the Charity Commission. They recognise the need to ensure that the reserves held enable financial stability, are adequate to meet working capital requirements and can safeguard the charity's current commitments against fluctuations in income levels. Specifically, the trustees wish to ensure that sufficient unrestricted reserves are available to ensure that operations can continue over the short term, particularly in the current uncertain economic climate. The aim is to allow adequate time for a revised strategy to be put in place should the need arise.

For 2009/10, the free reserves target was set at £18.5 million (2008/09: £18.5 million). The actual balance of free reserves as at 31 March 2010 was £18.1 million, £400,000 below the agreed target.

The charity has various funds available to finance its activities:

Restricted funds

These are funds subject to specific restrictions imposed by donors which fall within the wider objectives of the charity. The charity holds £69.8 million as restricted funds, of which £58.1 million relates to the redevelopment. Also included in this total is £5.2 million held in special purpose funds, restricted for specific areas of work.

Unrestricted funds

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

Designated funds

Redevelopment and other charitable commitments

Each year, the trustees decide whether to designate funds raised to the redevelopment of the hospital or to other specific projects, to be spent in future years. This helps to provide financial stability for vital areas of work within the hospital. The charity does not enter into contracts for the funding of the redevelopment unless it has sufficient funds available.

Fixed assets (tangible and intangible)

The charity owns fixed assets, the majority of which are operational property used, with a few small exceptions, by the hospital. These properties are clinical and hospital administrative buildings or residential properties. The residential properties are either let out to hospital staff or

offered, free of charge, to parents of children undergoing treatment at 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 relating to fixed assets should be placed in a designated fund, which, by definition, will increase or decrease to reflect the net book value of these assets. If a decision is taken to dispose of any properties, the attributable value is not included in the fixed asset fund.

Endowment funds

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

Details of the movement on total funds are disclosed in note 19 on page 31.

Investment policy

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

Statement of trustees' responsibility

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity, and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity, and which enable them to ensure that the financial statements comply with the Charities Act 1993, the *Charity (Accounts and Reports) Regulations 2008* and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps to ensure the prevention and detection of fraud and other irregularities.

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

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

We have audited the financial statements of the group and parent charity financial statements of Great Ormond Street Hospital Children's Charity for the year ended 31 March 2010, which comprise the group Statement of Financial Activities (SOFA), the group and charity balance sheets, the group cash flow statement and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

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

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

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

Basis of audit opinion

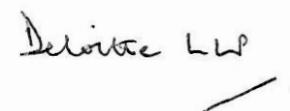
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and the parent charity's affairs as at 31 March 2010 and of the group's incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.



Deloitte LLP
Chartered Accountants
and Statutory Auditors
St Albans
13 October 2010

Consolidated statement of financial activities

For the year ended 31 March 2010

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2010 £000	Total at 31 March 2009 £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3.1	22,416	21,040	–	43,456	46,281
Activities for generating funds	3.2	2,196	2,059	–	4,255	3,958
Investment income	3.3	5,651	74	7	5,732	7,351
Total incoming resources from generated funds		30,263	23,173	7	53,443	57,590
Incoming resources from charitable activities	4	1,833	180	–	2,013	2,733
Total incoming resources		32,096	23,353	7	55,456	60,323
Resources expended						
Cost of generating funds						
Cost of generating voluntary income		12,336	–	–	12,336	13,781
Fundraising trading: cost of goods sold and other costs		984	–	–	984	1,474
Investment management costs		257	–	–	257	186
Total cost of generating funds	5.1	13,577	–	–	13,577	15,441
Charitable activities						
Patient welfare		580	506	7	1,093	747
Staff welfare		983	469	–	1,452	1,719
Research		3,501	3,352	–	6,853	5,664
Medical equipment and capital schemes		4,275	2,500	–	6,775	4,126
Redevelopment		424	11,658	–	12,082	8,796
Property expenditure		1,733	–	–	1,733	1,595
Other activities		15	–	–	15	816
Total charitable activities	5.2	11,511	18,485	7	30,003	23,463
Governance costs	5.3	557	–	–	557	559
Total resources expended		25,645	18,485	7	44,137	39,463
Net incoming resources before transfers		6,451	4,868	–	11,319	20,860
Gross transfers between funds	19	(131)	131	–	–	–
Total net incoming resources before other recognised gains and losses		6,320	4,999	–	11,319	20,860
Gains/(losses) on revaluation of own fixed assets		2,150	–	–	2,150	(25,518)
(Losses)/gains on revaluation and disposal of investment assets		(333)	–	–	(333)	2,791
Net movement in funds		8,137	4,999	–	13,136	(1,867)
Fund balances brought forward at 1 April 2009		194,067	64,767	599	259,433	211,154
Prior year adjustment	12	–	–	–	–	50,146
Fund balances carried forward at 31 March 2010		202,204	69,766	599	272,569	259,433

Notes 1 to 23 form part of these accounts.

Consolidated balance sheet

As at 31 March 2010

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2010 £000	Total at 31 March 2009 £000
Fixed assets						
Intangible assets	10	92	–	–	92	–
Tangible assets	11	91,837	–	–	91,837	88,801
Investments	13	91,236	32,172	599	124,007	106,939
Total fixed assets		183,165	32,172	599	215,936	195,740
Current assets						
Stock		46	–	–	46	55
Investments	14	18,096	45,297	–	63,393	61,908
Debtors	15.2	3,287	1,597	–	4,884	6,452
Cash at bank and in hand		448	–	–	448	1,806
Total current assets		21,877	46,894	–	68,771	70,221
Creditors: amounts falling due within one year	16.2	2,588	9,300	–	11,888	6,253
Net current assets		19,289	37,594	–	56,883	63,968
Total assets less current liabilities		202,454	69,766	599	272,819	259,708
Creditors: amounts falling due after more than one year	17	250	–	–	250	275
Total net assets		202,204	69,766	599	272,569	259,433
Funds of the charity						
Capital funds:						
Endowment funds	19.1	–	–	599	599	599
Income funds:						
Restricted	19.2	–	69,766	–	69,766	64,767
Unrestricted	19.3	202,204	–	–	202,204	194,067
Total funds		202,204	69,766	599	272,569	259,433

Notes 1 to 23 form part of these accounts.

Approved by the Board of Trustees on 6 October 2010 and signed on its behalf by



Alan Hodson
Chair

Charity balance sheet

As at 31 March 2010

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2010 £000	Total at 31 March 2009 £000
Fixed assets						
Intangible assets	10	92	–	–	92	–
Tangible assets	11	91,837	–	–	91,837	88,801
Investments	13	91,236	32,172	599	124,007	106,939
Total fixed assets		183,165	32,172	599	215,936	195,740
Current assets						
Investments	14	18,096	45,297	–	63,393	61,908
Debtors	15.1	3,402	1,597	–	4,999	6,550
Cash at bank and in hand		185	–	–	185	1,400
Total current assets		21,683	46,894	–	68,577	69,858
Creditors: amounts falling due within one year	16.1	2,419	9,300	–	11,719	6,015
Net current assets		19,264	37,594	–	56,858	63,843
Total assets less current liabilities		202,429	69,766	599	272,794	259,583
Creditors: amounts falling due after more than one year	17	250	–	–	250	275
Total net assets		202,179	69,766	599	272,544	259,308
Funds of the charity						
Capital funds:						
Endowment funds	19.1	–	–	599	599	599
Income funds:						
Restricted	19.2	–	69,766	–	69,766	64,767
Unrestricted	19.3	202,179	–	–	202,179	193,942
Total funds		202,179	69,766	599	272,544	259,308

Notes 1 to 23 form part of these accounts.

Approved by the Board of Trustees on 6 October 2010 and signed on its behalf by



Alan Hodson
Chair

Consolidated cash flow statement

For the year ended 31 March 2010

	Notes	31 March 2010 £000	31 March 2009 £000
Cash inflow from operating activities	20.1	12,966	6,804
Returns on investments and servicing of finance			
Interest received		2,840	4,610
Investments in fixed income portfolio		2,892	2,741
Net cash inflow from returns on investments and servicing of finance		5,732	7,351
Capital expenditure			
Payments to acquire fixed assets		(1,177)	(5,209)
Payments to acquire investments		(44,546)	(51,472)
Proceeds from sale of investments		27,152	41,661
		(18,571)	(15,020)
Net cash inflow/(outflow) before management of liquid resources		127	(865)
Management of liquid resources			
Increase in short-term deposits		(1,485)	(21,634)
Net cash outflow from management of liquid resources	20.2	(1,485)	(21,634)
Decrease in cash	20.2	(1,358)	(22,499)

Notes to the accounts

1. Accounting policies

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

1.1 Basis of preparation

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

The trustees have a reasonable expectation that they have adequate resources to continue activities for the foreseeable future, as stated within their annual report (see page 8). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.2 Basis of consolidation

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

1.3 Incoming resources

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

a) Gifts in kind

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

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

b) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes reasonably certain. This occurs once the final estate accounts have been approved by all parties. This approval provides confirmation that payment of the legacy will be made or property transferred, and confirms that all conditions attached to the legacy have been fulfilled. Legacies are included as incoming resources if the approval happened before 31 March. Legacies are disclosed under voluntary income in the SOFA (see note 3.1 on page 20).

c) Income from fundraising activities

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

d) Grants and other time-related income

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

1.4 Resources expended

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

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

Support costs, which include the central functions of Finance, IT, HR, Administration, Business Support and Supporter Services, are allocated across the categories of cost of generating funds, charitable activities and governance costs. The basis of the cost allocation is set out in note 6 on page 23.

1.5 Funds structure

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

a) Permanent endowment funds

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent, are accounted for as permanent endowment funds.

b) Restricted funds

Restricted funds include those receipts which are subject to specific restrictions imposed by donors.

c) Unrestricted funds

The unrestricted fund includes income received without restriction, including the retained profits of the trading subsidiary. Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. The trustees may earmark unrestricted funds for a particular purpose without restricting or committing the funds legally. Such amounts are known as designated funds.

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.

1.6 Intangible fixed assets

a) Capitalisation

Intangible assets which are capable of being used for more than one year, and have a cost equal to or greater than £5,000, are capitalised.

b) Valuation

Software is valued at the lower of estimated net replacement cost or recoverable amount.

c) Depreciation

Software is depreciated over three years, or over the specific period of the purchased licence.

1.7 Tangible fixed assets

a) Capitalisation

All assets falling into the following categories are capitalised:

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

b) Valuation

Tangible fixed assets are valued at current cost as follows:

- i Land, buildings and installations are stated at open market value for their existing use. Valuations are carried out professionally at five-yearly intervals. The last full valuation was made on 31 March 2007, with an impairment review undertaken in all other years.
- ii Equipment is valued at the lower of estimated net replacement cost or recoverable amount.
- iii Assets in the course of construction are valued at current cost.

c) Depreciation

- i Depreciation is charged on each main class of tangible asset as follows: land and assets in the course of construction are not depreciated; installations and fittings are depreciated on their revalued amount over the assessed remaining life of the asset as advised by professional valuers. Buildings are not depreciated, but are subject to an annual impairment review in the years between the formal valuation.
- ii Each equipment asset is depreciated over its expected useful life.

Years

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

d) Donated assets

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

1.8 Investment fixed assets

Investment fixed assets are shown at market value.

- i Quoted stocks and shares are included in the balance sheet at mid-market value.
- ii Cash investments are held at cost plus accrued interest.
- iii Other investment fixed assets are included at trustees' best estimate of market value.

Investments in subsidiary undertakings are stated at cost.

1.9 Realised gains and losses

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

1.10 Stock

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

Notes to the accounts

continued

1.11 Pension contributions

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

However, seven current employees and a number of former employees are members of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme which covers NHS employers, general practices and other bodies, allowed under the direction of the secretary of state, in England and Wales. The scheme is not designed to be run in a way that would enable the trustees to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates to be paid by employers and scheme members. The last such valuation, which determined current contribution rates, was undertaken as at 31 March 2004 and covered the period from 1 April 1999 to that date. The conclusion of the 2004 valuation was that the scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004.

In order to defray the costs of benefits, employers pay contributions at 14 per cent of pensionable pay. Following the actuarial review undertaken by the Government Actuary at 31 March 2004, and after consideration of changes to the NHS Pension Scheme taking effect from 1 April 2008, the valuation report recommended that employer contributions continue at the existing rate of 14 per cent of pensionable pay from 1 April 2008, following the introduction of employee contributions on a tiered scale from five per cent up to 8.5 per cent of pensionable pay, depending on total earnings. On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities.

Additional disclosures about the scheme and its financial position are provided in Great Ormond Street Hospital for Children NHS Trust's Annual Report and Accounts which can be obtained from the Chief Finance Officer, Great Ormond Street Hospital for Children NHS Trust, York House, 37 Queen Square, London WC1N 3BH. The annual NHS Pension Scheme (England and Wales) Resource Account can be viewed on the NHS Pensions website. This includes the latest assessment of liabilities of the scheme.

Please visit the NHS Pensions website – www.nhsbsa.nhs.uk/pensions – where further details can be found.

1.12 Taxation

Great Ormond Street Hospital Children's Charity as a registered charity is exempt from corporation tax under Section 505 of the Taxes Act 1998 or Section 256 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 the charity's subsidiary, due to its policy of gifting all taxable profits to Great Ormond Street Hospital Children's Charity each year.

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

1.13 Leases

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

2. Great Ormond Street International Promotions Ltd

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

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Profit and loss account		
Turnover	2,886	2,526
Cost of sales	(310)	(72)
Gross profit	2,576	2,454
Administrative expenses	(433)	(731)
Other operating income	–	450
Interest receivable	1	24
Net profit	2,144	2,197
Amount passed as Gift Aid to the charity	2,244	2,197
Taxation	–	–
Loss for the year	(100)	–

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
Balance sheet		
Stock – goods for resale	46	55
Debtors	480	620
Cash	263	406
Current liabilities	(764)	(956)
Net assets	25	125
Share capital and reserves	25	125

Notes to the accounts

continued

3. Incoming resources from generated funds

3.1 Voluntary income

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2010 £000	Total at 31 March 2009 £000
Donations	13,245	19,145	–	32,390	36,221
Legacies	7,206	1,140	–	8,346	8,034
Gift Aid	1,944	607	–	2,551	2,026
Membership fees	21	148	–	169	–
Total voluntary income	22,416	21,040	–	43,456	46,281

Following a relaunch of the Friends membership scheme during the year, income now forms part of voluntary income.

3.2 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2010 £000	Total at 31 March 2009 £000
Auctions and sales of donated goods	151	572	–	723	666
Tickets	8	392	–	400	208
Sponsorship	–	168	–	168	20
Course fees	–	43	–	43	64
Other	31	3	–	34	–
Income generated by trading subsidiary	2,006	881	–	2,887	3,000
Total	2,196	2,059	–	4,255	3,958

3.3 Investment income

	Year ended 31 March 2010	Year ended 31 March 2010	Year ended 31 March 2010	Year ended 31 March 2009
	Held in the UK £000	Held outside the UK £000	Total £000	Total £000
Investments in a fixed income portfolio	2,430	462	2,892	2,741
Cash investments	2,840	–	2,840	4,610
Total	5,270	462	5,732	7,351

4. Incoming resources from charitable activities

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds £000	Total funds £000
Property income					
Rent	1,758	–	–	1,758	1,615
Guest rent	74	–	–	74	60
Miscellaneous	1	–	–	1	171
Subtotal	1,833	–	–	1,833	1,846
Grant income					
CHILDREN with LEUKAEMIA	–	176	–	176	213
University College London Hospitals	–	–	–	–	575
UCB Pharma Ltd	–	–	–	–	71
Caring Matters Now	–	4	–	4	28
Subtotal	–	180	–	180	887
Total incoming resources from charitable activities	1,833	180	–	2,013	2,733

Notes to the accounts

continued

5. Resources expended

	Year ended 31 March 2010	Year ended 31 March 2010	Year ended 31 March 2010	Year ended 31 March 2009
	Direct costs £000	Support costs £000	Total £000	Total £000
Notes				

5.1 Costs of generating funds

Cost of generating voluntary income	9,804	2,532	12,336	13,781
Fundraising trading: costs of goods sold and other costs	824	160	984	1,474
Investment management costs	257	–	257	186
Total	10,885	2,692	13,577	15,441

5.2 Charitable activities

Patient welfare	1,076	17	1,093	747
Staff welfare	1,430	22	1,452	1,719
Research	6,749	104	6,853	5,664
Medical equipment and capital schemes	6,672	103	6,775	4,126
Redevelopment	11,898	184	12,082	8,796
Property expenditure	1,707	26	1,733	1,595
Other activities	15	–	15	816
Total	29,547	456	30,003	23,463

5.3 Governance costs

	395	162	557	559
Total resources expended	6	40,827	3,310	44,137

	Year ended 31 March 2010 £000	Year ended 31 March 2009 £000
--	--	--

5.4 Resources expended include charges for:

Hire of plant and machinery	63	48
Other operating lease rentals	513	495
Audit remuneration – fees paid for statutory audit:		
Great Ormond Street Hospital Children's Charity	30	28
Great Ormond Street International Promotions Ltd	10	10
Depreciation	192	217

6. Support costs

	Staff costs £000	IT and Comms £000	Other £000	Year ended 31 March 2010 Total £000	Year ended 31 March 2009 Total £000
Cost of generating voluntary income	1,355	302	875	2,532	2,038
Fundraising trading	86	19	55	160	219
Patient welfare	9	2	6	17	45
Staff welfare	12	3	7	22	51
Research	56	12	36	104	159
Medical equipment and capital schemes	55	12	36	103	128
Redevelopment	98	22	64	184	224
Property expenditure	14	3	9	26	23
Governance costs	86	19	57	162	121
Total	1,771	394	1,145	3,310	3,008

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

7. Grant-funded activities

	Aggregate amount paid Year ended 31 March 2010 £000	Aggregate amount paid Year ended 31 March 2009 £000
Name of recipient:		
Great Ormond Street Hospital for Children NHS Trust	20,267	19,803
UCL Institute of Child Health	3,777	1,833
Child Health Research Appeal Trust	100	1,794
Total	24,144	23,430

Notes to the accounts

continued

8. Details of staff costs

8.1 Analysis of staff costs

	Total year ended 31 March 2010 £000	Total year ended 31 March 2009 £000
Salaries and wages	4,712	4,791
Compensation for loss of office	35	163
Social security costs	497	509
Pension costs	379	346
Total emoluments of employees	5,623	5,809
Agency staff	110	344
Total emoluments	5,733	6,153

Pension costs include £41,953 of contributions due at the balance sheet date (2008/09: £47,891).

	No. of staff	No. of staff (restated)
The average number of employees is split as follows:		
Support staff	37	36
Cost of generating funds	79	77
Charitable expenditure	16	18
Governance	5	5
Total	137	136

The analysis of staff numbers for 2008/09 has been restated to reflect the correct split of support staff.

8.2 Pension contributions for senior employees

The following pension contributions were made for senior employees within the following ranges:

Year ended 31 March 2010	Value of contributions £000	No. of staff receiving contributions
£60,000 to £69,999	21	3
£80,000 to £89,999	19	2
£90,000 to £99,999	21	2
£100,000 to £109,999	12	1

8.3 Senior employees

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

	No. of staff year ended 31 March 2010	No. of staff year ended 31 March 2009
£60,000 to £69,999	4	6
£80,000 to £89,999	2	1
£90,000 to £99,999	2	3
£100,000 to £109,999	1	1

9. Trustee remuneration

None of the trustees received any remuneration from the charity or its subsidiary during the current or previous financial year. No trustees were reimbursed for expenses incurred while carrying out their responsibilities for the charity during the year (2009: nil).

A trustee indemnity insurance policy is held with Dual Corporate Risks Ltd, providing indemnity of £5 million. The cost of the policy in 2009/10 was £3,310 (2008/09: £4,612).

10. Intangible fixed assets

Charity and consolidated

	IT software £000
Total intangible fixed assets:	
Balance at 31 March 2009	–
Additions	106
Balance at 31 March 2010	106
Accumulated depreciation:	
Balance at 31 March 2009	–
Charge for the year	14
Balance at 31 March 2010	14
Net book value at 31 March 2010	92
Net book value at 31 March 2009	–

Notes to the accounts

continued

11. Tangible fixed assets

Charity and consolidated

	Freehold/ leasehold land and buildings £000	Fixtures, fittings and vehicles £000	IT equipment £000	Total £000
Total tangible fixed assets				
Balance at 31 March 2009	87,625	1,150	571	89,346
Additions	944	–	127	1,071
Revaluation	2,150	–	–	2,150
Disposals	–	–	(74)	(74)
Balance at 31 March 2010	90,719	1,150	624	92,493
Accumulated depreciation:				
Balance at 31 March 2009	–	123	422	545
Disposals	–	–	(67)	(67)
Charge for the year	–	80	98	178
Balance at 31 March 2010	–	203	453	656
Net book value at 31 March 2010	90,719	947	171	91,837
Net book value at 31 March 2009	87,625	1,027	149	88,801
Historic cost less depreciation at 31 March 2010	63,181	1,027	149	64,357

Freehold/leasehold land and buildings are included at open market value for existing use, based on an impairment review undertaken on 31 March 2010 by Mr B Stevenson, Chartered Surveyor, Property Manager of the charity. Within properties, 123 St George's Square was up for sale as at the balance sheet date. This property has been revalued to match the expected sales proceeds. The trustees are not aware of any other material changes since the last annual impairment review. The charity undertakes a full independent professional valuation every five years, with impairment reviews undertaken as necessary in accordance with the Statements of Recommended Practice 2005. The last full valuation was undertaken as at 31 March 2007 by Gould & Co, chartered surveyors, acting as independent valuers. Due to the use of regular impairment reviews, which identify material changes to the carrying value of these assets, buildings are not depreciated.

12. Prior year adjustment

Tangible fixed assets

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

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

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

The prior year adjustment of £50.15 million referred to above is reflected in the Statement of Financial Activities under prior year funds brought forward.

Notes to the accounts

continued

13. Fixed asset investments

Analysis of fixed asset investments

13.1 Charity and consolidated

	2010 Total £000	2009 Total £000
Fixed asset investments:		
Market value at 1 April	106,939	94,337
Less: disposals at carrying value	(27,152)	(39,832)
Add: acquisitions at cost and gifts in kind	44,553	51,472
Net (loss)/gain on revaluation	(333)	962
	124,007	106,939
Historic cost at 31 March	121,671	99,257

13.2 Market value at 31 March

	Held in the UK £000	Held outside the UK £000	2010 Total £000	2009 Total £000
Cash investments	30,832	–	30,832	41,773
Investments in a fixed income portfolio	88,659	4,500	93,159	65,095
Investments listed on Stock Exchange	16	–	16	71
Total fixed asset investments	119,507	4,500	124,007	106,939

Investment powers

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

13.3 Investment in Great Ormond Street International Promotions Ltd

	2010 Total	2009 Total
	£2	£2

The net result for the company in 2009/10 is a surplus of £2,143,921 (2009: £2,197,305) with a Gift Aid payment of £2,243,921 (2009: £2,197,305). Net assets at the end of the year total £25,491 (2009: £125,491).

14. Current asset investments

Charity and consolidated

	Unrestricted funds £000	Restricted funds £000	2010 Total £000	2009 Total £000
Short-term deposits	18,096	45,297	63,393	61,908
Total current asset investments	18,096	45,297	63,393	61,908

All current asset investments are held in the UK.

15. Debtors

15.1 Debtors – charity

	Unrestricted £000	Restricted £000	Total 31 March 2010 £000	Total 31 March 2009 £000
Amounts falling due within one year:				
Trade debtors	41	548	589	105
Amounts due from subsidiary	595	–	595	718
Other debtors	1,685	282	1,967	1,134
Prepayments	867	3	870	325
Accrued income	214	764	978	4,268
Total debtors falling due within one year	3,402	1,597	4,999	6,550

15.2 Debtors – consolidated

	Unrestricted £000	Restricted £000	Total 31 March 2010 £000	Total 31 March 2009 £000
Amounts falling due within one year:				
Trade debtors	355	548	903	273
Amounts due from subsidiary	–	–	–	–
Other debtors	1,685	282	1,967	1,584
Prepayments	877	3	880	327
Accrued income	370	764	1,134	4,268
Total debtors falling due within one year	3,287	1,597	4,884	6,452

Notes to the accounts

continued

16. Creditors

16.1 Creditors: amounts falling due within one year – charity

	Unrestricted £000	Restricted £000	Total 31 March 2010 £000	Total 31 March 2009 £000
Bank overdraft	446	–	446	–
Trade creditors	1,107	417	1,524	1,963
Taxation and social security	269	–	269	164
Other creditors	119	1,788	1,907	1,491
Accruals	336	6,708	7,044	2,314
Deferred income	142	387	529	83
Total charity creditors falling due within one year	2,419	9,300	11,719	6,015

16.2 Creditors: amounts falling due within one year – consolidated

	Unrestricted £000	Restricted £000	Total 31 March 2010 £000	Total 31 March 2009 £000
Bank overdraft	446	–	446	–
Trade creditors	1,114	417	1,531	1,995
Taxation and social security	372	–	372	261
Other creditors	119	1,788	1,907	1,491
Accruals	356	6,708	7,064	2,392
Deferred income	181	387	568	114
Total consolidated creditors falling due within one year	2,588	9,300	11,888	6,253

17. Creditors: amounts falling due after more than one year

Charity and consolidated

	Unrestricted £000	Restricted £000	Total 31 March 2010 £000	Total 31 March 2009 £000
Rent-free provision	250	–	250	275
Total creditors falling due after more than one year	250	–	250	275

18. Deferred income

	31 March 2009 £000	Deferred £000	Released £000	31 March 2010 £000
Income from fundraising activities:				
Charity	83	529	(83)	529
Trading subsidiary	31	39	(31)	39
Total deferred income – consolidated	114	568	(114)	568

Income is deferred for future events where it is potentially refundable.

19. Group and charity funds

	Balance 31 March 2009 £000	Incoming resources £000	Resources expended £000	Transfers between funds £000	Gains and losses £000	Balance 31 March 2010 £000
19.1 Endowment funds						
A Tippetts & Crux	222	3	(3)	–	–	222
B Lewisohn	10	–	–	–	–	10
C Barnes	7	–	–	–	–	7
D Mary Shepard Bequest	360	4	(4)	–	–	360
Total endowment funds	599	7	(7)	–	–	599
19.2 Restricted funds						
A Redevelopment	50,872	15,776	(11,658)	3,077	–	58,067
B Louis Dundas Centre	76	1,547	–	–	–	1,623
C Gastroenterology Research Collaboration	–	1,000	–	–	–	1,000
D Brain Tumour Vaccine	78	312	–	–	–	390
E Craniofacial Research	200	207	(76)	–	–	331
F Better Bone Marrow Transplants	–	407	(161)	–	–	246
G Infrastructure Support for Pharmacy	19	337	(119)	–	–	237
H Clinical Cardiac Chair	864	6	(200)	–	–	670
I Olivia Hodson Cancer Fund	289	196	(112)	–	–	373
J Neonatal Surgical Disorders	398	3	(33)	–	–	368
K Legacy – Cancer Research	352	3	–	–	–	355
L Host Defence	347	94	(163)	–	–	278
M Family Studies	264	32	(52)	–	–	244
N Craniofacial Fund	188	20	(5)	–	–	203
O Other special purpose funds	4,691	714	(1,539)	(853)	–	3,013
P Other restricted purpose funds	6,129	2,699	(4,367)	(2,093)	–	2,368
Total restricted funds	64,767	23,353	(18,485)	131	–	69,766
19.3 Unrestricted funds						
General funds	22,264	32,096	(25,029)	(13,052)	1,817	18,096
Designated funds:						
Redevelopment fund	83,002	–	(424)	15,000	–	97,578
Fixed assets fund	88,801	–	(192)	(2,079)	–	86,530
Total unrestricted funds	194,067	32,096	(25,645)	(131)	1,817	202,204
Total funds	259,433	55,456	(44,137)	–	1,817	272,569

The above funds comprise those of the group after the inclusion of £25,489 retained unrestricted funds of the subsidiary company.

Notes to the accounts

continued

19. Group and charity funds (continued)

Endowment funds

Name of fund	Description of the nature and purpose of each fund
A Tippetts & Crux	Capital in perpetuity bequests to be used for research in general purposes.
B Lewisohn	Capital in perpetuity bequest 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.

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 Gastroenterology Research Collaboration	To research causes of and new treatments for severe, gut disorders and food allergies.
D Brain Tumour Vaccine	To generate a novel immune-based therapy for treating childhood gliomas.
E Craniofacial Research	To improve understanding of Crouzon syndrome and other craniofacial disorders.
F Better Bone Marrow Transplants	To research new techniques for delivering bone marrow transplants.
G Infrastructure Support for Pharmacy	To support pharmacy costs of clinical trials of new medicines.
H Clinical Cardiac Chair	To provide support costs for the post of Clinical Cardiac Chair.
I Olivia Hodson Cancer Fund	To support projects and roles related to childhood cancer.
J Neonatal Surgical Disorders	To support research in The Mittal Children's Medical Centre into neonatal surgical disorders.
K Legacy – Cancer Research	To fund research into cancer.
L Host Defence	To provide support for staff and patients on Host Defence wards.
M Family Studies	To provide support to the Psychological Medicine Department.
N Craniofacial Fund	To provide support to the Craniofacial Unit.
O Other special purpose funds	Funds delegated by the trustees to various departments within Great Ormond Street Hospital and UCL Institute of Child Health.
P Other restricted purpose funds	To finance specific items of equipment, services or projects.

Unrestricted and designated funds

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

The fixed assets fund is designated to facilitate the replacement or refurbishment of assets belonging to the charity.

The value of this fund does not include properties identified for sale.

Transfers between funds represent:

- expenditure may be moved to a restricted fund where projects which have previously been paid from general funds match specific restricted income that has subsequently been received.
- where two restricted funds have a common purpose, transfers may be made to support an individual project which matches their restriction.
- general funds may be designated for a particular purpose should the trustees decide this to be appropriate.

During 2009/10, the trustees approved the movement of £1 million from general funds to the redevelopment fund in line with the donor's wishes.

20. Notes to the consolidated cash flow statement

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

	2010 £000	2009 £000
Net incoming resources before other recognised gains and losses	11,319	20,860
Depreciation charges	192	217
Investment income	(5,732)	(7,351)
Decrease in stocks	9	114
Decrease/(increase) in debtors	1,568	(2,180)
Increase/(decrease) in creditors	5,610	(4,856)
Cash inflow from operating activities	12,966	6,804

20.2 Analysis of net debt

	Balance 31 March 2009 £000	Cash flows £000	Balance 31 March 2010 £000
Cash in hand and at bank	1,806	(1,358)	448
Increase/(decrease) in cash in the year	1,806	(1,358)	448
Current asset investments	61,908	1,485	63,393
Total	63,714	127	63,841

21. Commitments, liabilities and provisions

	2009/10 £000	2008/09 £000
The trustees have the following commitments:		
Redevelopment programme	108,997	110,166
Research	6,994	9,270
Capital projects and equipment	3,280	3,143
Total	119,271	122,579

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

22. Annual commitments under non-cancellable operating leases

	Land and buildings		Other leases	
	2009/10 £000	2008/09 £000	2009/10 £000	2008/09 £000
Operating leases which expire:				
Within one year	–	–	10	–
Between one and five years	374	341	44	48
After five years	290	285	–	–

Notes to the accounts

continued

23. Related-party transactions

This note lists material transactions with other entities in which either trustees or senior employees of the charity hold positions of authority.

Figures in italics show amounts due/owing at year end, with a positive figure representing amounts owing by the charity.

Related party	Connected party	Relationship	2010 £000	2009 £000	Details of transactions
Great Ormond Street Hospital	Dr Jane Collins (Chief Executive)	Dr Jane Collins is Chief Executive of the hospital	20,267	19,196	Grants made to Great Ormond Street Hospital
			<i>7,766</i>	<i>1,750</i>	
	Andrew Fane (Associate Trustee)	Andrew Fane is Deputy Chairman of the hospital Trust Board and other committees	2,155	1,665	Amounts paid for services provided, ie rent and property re-charges
			<i>(832)</i>	<i>(285)</i>	
Friends of the Children of Great Ormond Street (FCGOS)	Andrew Fane (Associate Trustee)	Andrew Fane is Chairman of the trustees of FCGOS	31	16	Accounting and administration work carried out by Great Ormond Street Hospital Children's Charity staff
			<i>18</i>	<i>(2)</i>	
Child Health Research Appeal Trust (CHRAT)	Andrew Fane (Associate Trustee)	Andrew Fane is Chairman of the trustees of CHRAT	100	1,794	Grants made to CHRAT for equipment and research
			–	<i>592</i>	
	Dr Jane Collins (Chief Executive)	Dr Jane Collins is a trustee of CHRAT			

Related party	Connected party	Relationship	2010 £000	2009 £000	Details of transactions
Jeans for Genes	Tim Johnson (Executive Director)	Tim Johnson is a trustee of Jeans for Genes	168	204	Grants received and amounts charged for licences
			(6)	(29)	
KPMG, LLP	David Elms (Associate Trustee)	David Elms is a partner of KPMG, LLP	–	5	Tax advice services received
			–	–	
Coram's Fields and Harmsworth (CFH)	Andrew Fane (Associate Trustee)	Andrew Fane is a trustee and governor of CFH	–	5	Hire of venue for events
			–	–	

Administrative details

Names of charity and subsidiary Great Ormond Street Hospital Children's Charity

Registered charity number 235825.

Great Ormond Street International Promotions Ltd

Company limited by share capital.
Registered number 2265303.

Principal and registered office

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

Description of charity's objective

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

Special Trustees

Alan Hodson (Chairman)
Gabrielle Abbott (appointed 1 April 2010)
John Ballard (retired 31 March 2010)
Susan Burns
Diana Dunstan
Richard Glynn (retired 31 March 2010)
George Jenkins (retired 31 March 2010)
Hugo Llewelyn
Sir Mark Potter (appointed 1 April 2010)
Christopher Spratling (appointed 1 April 2010)

Associate Trustees

Gabrielle Abbott (appointed as a Special Trustee from 1 April 2010)
David Elms
Andrew Fane
Gary Steinberg (retired 31 December 2009)
Michael Weston

Board of Directors

Dr Jane Collins MSc MD FRCP FRCPCH
(Chief Executive)
Charles Denton
(Chairman of Fundraising – Non-Executive)
Tim Johnson
(Executive Director)
Antonia Dalmahoy
(Director of Corporate Partnerships)
Neal Donnelly
(Director of Major Gift Fundraising)
Andrew Hibbert
(Director of Finance and Support Services)
Lesley Miles
(Director of Marketing Communications and Community Fundraising)

Charity Secretary

Christine Monk

Charity Patrons

Vernon Kay and Tess Daly

Other relevant organisations

Auditors of the charity and the group

Deloitte LLP
Chartered Accountants
and Statutory Auditors
3 Victoria Square
Victoria Street
St Albans AL1 3TF

Auditors of the trading subsidiary

Kingston Smith LLP
Chartered Accountants
and Statutory Auditors
Devonshire House
60 Goswell Road
London EC1M 7AD

Bankers

Royal Bank of Scotland plc
9th Floor
280 Bishopsgate
London EC2M 4RB

Solicitors

Withers LLP
16 Old Bailey
London EC4M 7EG

Investment managers

HSBC Asset Management (Europe) Ltd
London SW1A 1EJ

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

Independent investment consultants

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

Great Ormond Street Hospital Children's Charity

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

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of the hospital and charity staff
who helped during its production.

This Annual Report is available
to view at www.gosh.org

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Hospital Children's Charity.
Registered charity no. 235825.



Bengali

অনুবোধ করলে নিম্নলিখিত ঠিকানায় থেকে এই লেখার
অনুবাদ, বড় অক্ষর, ব্রেল বা অডিও বিবরণ পাওয়া
যাবে।

English

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Punjabi

ਇਸ ਰਿਪੋਰਟ ਦੇ ਤਰਜਮੇ, ਅਤੇ ਇਹ ਰਿਪੋਰਟ ਵੱਡੇ ਅੱਖਰਾਂ
ਜਾਂ ਬ੍ਰੇਲ ਵਿਚ, ਜਾਂ ਸੁਣਨ ਵਾਲੇ ਰੂਪ ਵਿਚ ਹੇਠ ਲਿਖੇ ਪਤੇ ਤੋਂ
ਮੰਗ ਕੇ ਲਏ ਜਾ ਸਕਦੇ ਹਨ।

Somali

Turjubaan ayaa cinwaanka kor ku qoran
laga heli karaa markii la soo codsado.
Daabacad far waa-wayn, farta indhoolaha
Braille ama hab la dhegaysto ayaa xittaa
la heli karaa markii la soo codsado.

Tamil

பெரிய அச்சில், இந்த

அறிக்கையின்

மொழிபெயர்ப்புகள், பெரிய

அல்லது ஒலி பதிப்புகள்

விண்ணப்பித்தால் கீழ்க்கண்ட

விலாசத்தில் கிடைக்கும்

Turkish

Talep edilirse yukandaki adresten
çevirileri tedarik edilebilir. Talep edilirse,
iri harflerle, Braille (görme engelliler için)
veya sesli şekilde de tedarik edilebilir.

Urdu

گزارش کرنے پر یہ رپورٹ ترجمے، بڑے حروف
کی چھپائی، بریل یا آڈیو پر درج ذیل پتے سے
حاصل کی جا سکتی ہے۔

Design Manager
Great Ormond Street Hospital
Children's Charity
Fourth floor
40 Bernard Street
London WC1N 1LE
E design.work@gosh.org