

Annual Report
and Accounts 2012/13

The child first and always

Chairman's statement

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

The Great Ormond Street Hospital Children's Charity allows the hospital to fund its major redevelopment programme, pump prime medical research, buy vital equipment and also support many of the welfare projects for families and staff that would be unaffordable under purely NHS funding. We work hard to ensure that money donated is used to support the hospital where it needs it most and we produce a separate impact report which gives more detail about how charitable income is spent and the difference it has made to patients and families. However, here are some highlights of what we have been able to do for the hospital in the past year.

Redevelopment

In June 2012, Lord Coe and Baroness Grey-Thompson formally opened the new Morgan Stanley Clinical Building. This is the first of two buildings that together form the Mittal Children's Medical Centre, with the second building, the Premier Inn Clinical Building, scheduled to open in 2017.

The new building includes the Wolfson Heart and Lung Centre, the British Kidney Patient Association Children's Kidney Centre, The JN and Phyllis Somers Neurosciences Centre as well as state-of-the-art operating theatres, a new family and staff restaurant and Disney interactive play area.

As well as providing modern facilities for 21st century healthcare, the redevelopment programme is supporting the hospital by creating extra capacity to meet increasing demand for the hospital's services. Upon completion, the Mittal Children's Medical Centre will enable the hospital to treat up to 20 per cent more children.

The charity is also fundraising to build a new Centre for Children's Rare Disease Research at a cost of £85 million and, through UCL, the UK Government's

Research Partnership Investment Fund has contributed a grant of £10 million. This will be a new building close to the hospital where researchers from the UCL Institutes of Child Health (ICH), Cardiovascular Science, and clinicians from Great Ormond Street Hospital (GOSH) will work together to translate work done in laboratories into clinical care for children treated at the hospital. The centre will additionally house outpatient facilities for the hospital.

Medical research

The charity is the largest dedicated funder of paediatric research in the country. We mainly fund research conducted at the hospital and the ICH but we also fund a number of projects taking place across the UK where we can show tangible benefit to patients at the hospital. Last year in partnership with CHILDREN with CANCER and support from Merrill, Amelia and Tatiana Fitzgibbons, we completed a national funding call for translational paediatric cancer research. Many of these projects are collaborations with doctors at GOSH.

We have an important role in pump priming a number of research projects which are not yet eligible for funding through more traditional research channels. Many of the projects we fund initially go on to attract wider funding elsewhere.

We believe our research funding is critical to advance research into a range of different paediatric conditions which have previously received little research focus.

Specialist equipment

New healthcare technology is being developed all the time. This technology, especially for paediatric healthcare is often expensive and not affordable within NHS budgets. The charity funds a range of new equipment each year which has been prioritised by the hospital's clinical teams.

Some of this includes new diagnostic and scanning equipment to help maximise the effectiveness of the care provided. This year the charity has also funded a mass spectrometer for newborn screening, a cardiac 3D echocardiogram and capital funding for new beds and equipment for the expansion of the paediatric intensive care unit. This support is essential as the hospital is treating more children than ever before.

Accommodation and welfare

The charity supports a wide variety of projects which ease the burden on families whose children are treated at the hospital. This is in recognition of the fact that a family's whole life can be changed in one moment with a diagnosis or referral of a child to the hospital. Having somewhere to stay or someone to talk to or give specialist advice can be a huge help at a difficult time.

None of these projects would be possible without the support of the charity and we know that they make a difference to thousands of families every year.

Fundraising highlights

I'm delighted to report that this year annual charity income was the highest it has ever been at £70.1 million, the majority of which was fundraised income. This was 5.7 per cent ahead of last year's income.

The Trustees of the charity are grateful to every company, trust, foundation or individual who has made a donation, left a legacy or taken part in a fundraising event in the last year. Your collective efforts mean that we have more money available to support the hospital in its vital work.

During the year, we had fabulous support from a range of corporate partners including the Walt Disney Company, Whitbread Hotels and Restaurants and British Gas, all of whom made significant contributions to the hospital's redevelopment programme.

Chairman's statement continued

In the year, we also saw the completion of the second phase of our Tick Tock club appeal, where a group of supporters come together to raise £10 million towards a new kidney centre at the hospital. Our HAIRraising appeal led by John Frieda also reached a landmark £1 million towards new operating theatres. Other very significant gifts towards our redevelopment included donations from the Khoo Teck Puat UK Foundation and Menashi Ephraim.

It was a record year for the charity in terms of the number of people who raised money by taking part in challenge events. This ranged from walking from London to Brighton, to climbing Mount Kilimanjaro, to taking part in the charity's own family fun run, RBC Race for the Kids.

Many people supported the charity by contributing to or attending fundraising events. These ranged from the GOSH Ball at Harrods, to golf days, to our ATP tennis and F1 Parties. We are also thankful to have benefitted again from the Channel 4 Comedy Gala, which is arranged by Addison Cresswell, and supported by some of the leading names in comedy.

I'd like to recognise and thank our team of charity ambassadors who work as members of our community team in their local areas. They give their time to represent the charity at local events and also support their own and other fundraising activities taking place locally.

Regular givers are so important to us. Knowing that there is regular income through monthly direct debits gives the Trustees of the charity more confidence in future income and helps us in our decision making about the grants we make to the hospital. This year we had our highest ever number of regular givers and I'd like to

thank all of you – both new supporters and those of you who have supported over many years.

We also had a record year from gifts left to the charity in wills. These included a legacy from Mary 'Peggy' Healey who left the residue of her estate to the charity with a request that her friend Sir Barry Jackson should choose the area of work to benefit from the gift. Sir Barry, a former President of The Association of Surgeons of Great Britain and Ireland, directed the gift to the new surgery centre being built at the hospital.

During the year, the Trustees of another charity affiliated to the hospital, The Friends of the Children of Great Ormond Street, agreed with us to bring their charity into the larger charity. This led to a one-time transfer of funds of £2.2 million. This income was largely derived from legacies and reinforces the importance of gifts in wills to the hospital.

Looking forward

Work is continuing on the hospital's major redevelopment programme: the charity is supporting a range of projects that are enabling the construction of the second phase of the Mittal Children's Medical Centre.

This includes moving a number of existing wards and treatment areas from the current Cardiac Wing into other parts of the hospital. The wing will then be gradually demolished and rebuilt to create the new Premier Inn Clinical Building which will connect with the completed Morgan Stanley Clinical Building to create the Mittal Children's Medical Centre.

We have also begun the detailed planning work on the design of the new Centre for Children's Rare Disease Research.

The centre will consist of laboratories, manufacturing facilities and work stations for scientists and clinicians to work together. Our aim is to take advantage of advances in medical science – such as genetic and stem cell technology – to be able to help children with rare conditions, many of whom are treated at the hospital. The centre will also host an outpatients department which will help to meet increased demand for clinic space and provide a constant reminder that the research conducted in the building will translate into improved care for patients.

Patients and their families are at the centre of everything the charity works for. The support we provide is only possible because of the generosity of so many people. Thank you to everyone who has fundraised, donated or volunteered for the charity over the past year. Without your contributions, we would not be able to help the hospital in its world-leading work for children.



Alan Hodson

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



Three-year-old Joshua is staying overnight on Kingfisher Ward for 24-hour blood profiling.



Katie, four, has been diagnosed with neuroblastoma and is receiving chemotherapy on Elephant Ward.



Trustees' annual report

Administrative details

The administrative details of the charity are stated on page 40.

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 NHS Trust Development Authority, acting on behalf of the Secretary of State for Health, as Special Trustees for Great Ormond Street Hospital Children's Charity 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 subgroup 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 subcommittees – 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 and the operational management of the charity.

The Board of Special Trustees formally reviews its performance on a regular basis, together with that of the various subcommittees, Chief Executive and individual Trustees, including the Chairman.

Related parties

The charity's mission is to raise funds to support Great Ormond Street Hospital (GOSH) 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 (ICH).

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 2.1 to the accounts on page 22. Audited accounts are filed with the Registrar of Companies.

In October 2012, The Friends of the Children of Great Ormond Street (The Friends) charity combined its activities with Great Ormond Street Hospital Children's Charity. The Trustees have taken on the responsibility to use the funds of The Friends and any subsequent donations received for the benefit of the hospital in accordance with the former Friends Trustees' wishes (see note 2.2 on page 23). The principal activity for The Friends is to provide grants to key areas of the hospital such as family support and children's play services.

The financial results for The Friends since 1 October 2012 are included in the Group consolidation. 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

Recognising the vital role and added value that volunteers bring to the hospital, the charity is pleased to continue its support for the Volunteer Services team in the hospital that recruits and supports nearly 700 volunteers working within the

hospital. These volunteers together contribute approximately 2,700 hours per week, providing relief for parents so they can take some time away from their child, supporting the Play team, helping to cover reception or acting as guides to help families navigate the hospital site.

Volunteers are also critical to the charity's fundraising activities. We are grateful to all those individuals who give up their time to help and to companies who support employee volunteering. Without the thousands of volunteers who help us each year we simply could not raise the funds so urgently needed by the hospital.

Our newly formed team of charity ambassadors who volunteer as part of our Community Fundraising team give their time to represent the charity at local events, carry out their own fundraising and support the thousands of other people in the community who organise fundraising events or collections for us.

Challenge events, such as the Virgin London Marathon and the RBC Race for Kids, rely on hundreds of volunteers participating and cheering on participants, either individuals or from corporate partners.

We are also supported by volunteers on Fundraising Leadership Boards which play a vital role in our fundraising to redevelop the hospital, including recently the Tick Tock Club, Theatres for Theatres, Christmas Carol Service, Raising the Stakes, Bringing Research to Life and Raising the Roof Boards, plus the Corporate Partnership Board, which helps raise money for a wide range of projects across the hospital. More recently, the Centre for Children's Rare Disease Research Appeal Board was established to lead fundraising for a new translational research centre at the hospital.

For more information about volunteer opportunities at the charity and how you can get involved, please email supporter.care@gosh.org or call 020 7239 3000.

Public benefit statement

The Trustees confirm that they have paid due regard to the Charity Commission's general guidance on public benefit.

Our charity's objective is to support any NHS charitable purpose relating to GOSH, 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 GOSH 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 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 objective.

The charity does not provide facilities directly to the public but provides them to 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 Weston House on Great Ormond Street, 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 2012/13

The main charity's objectives and the performance of the charity in meeting these objectives are set out below.

Objective	Whether met
Fundraising	
Target net voluntary income of £34.7 million and a cost income percentage of no more than 32.9 per cent.	Met and exceeded: <ul style="list-style-type: none"> £42.9 million net income. The £8.2 million over performance is principally driven by higher fundraising income from major donors, corporate partners, community fundraising and the combining with The Friends. 28.1 per cent cost/income ratio.
Secure new pledges totalling £7.5 million.	Met and exceeded: £24.4 million achieved of which £15 million is towards the next phases of our redevelopment programme.
Deliver £6.8 million net income from Direct Marketing while meeting milestone of 125,000 regular givers.	Met and exceeded: £8.0 million net income and over 127,000 regular givers achieved.
Charitable expenditure	
Major projects included:	
Deliver the opening of the Morgan Stanley Clinical Building.	Met: Opened in June 2012.
Commence initial works for the Premier Inn Clinical Building.	Met: Initial work commenced in October 2012.
Commence design work for the Centre for Children's Rare Disease Research.	Met: Design work commenced in March 2013.
Strengthen impact reporting on research grants.	Met: Implemented the Association of Medical Research Charities (AMRC) research evaluation tool Researchfish.
Governance	
Assess information governance procedures and controls.	Met: Controls to be further strengthened through the recruitment of a dedicated Head of Information Governance. Recruitment in progress.

Financial review

Overall income grew by 5.7 per cent to £70.1 million, driven by an increase in our fundraising income which grew by 5.7 per cent to £65.0 million. This has enabled the charity to deliver £52.7 million of net funds available for charitable activities in comparison to £51.0 million in 2011/12. The charity spent £51.8 million on charitable activities in the year (2011/12: £19.0 million). This increase is largely due to the commencement of the Phase 2B redevelopment enabling works.

Income earned from the charity's investments totalled £3.6 million, an increase of 7.5 per cent from the previous year, despite ongoing challenges in the investment environment.

Investments are split between a short-term portfolio (fixed income and deposits) and a longer-term portfolio (equity funds and gold). The charity uses the services of a number of investment managers depending

on the investment type. During the year the charity increased its long-term portfolio by £13.0 million to £35.6 million. Unrealised gains during the year added a further £3.4 million to the value of the long-term portfolio which closed the year at £39.0 million. The long-term portfolio is spread across a number of funds managed by BlackRock, Newton Investment Management and Ruffer as well as a small direct gold holding. The short-term portfolio includes investments managed by HSBC, Royal London Cash Management as well as direct UK bank deposit investments.

The costs to the charity of generating voluntary income increased by £2.4 million to £16.8 million. This increase principally reflected the charity's continuing investment in growing our fundraising capabilities including £1.7 million to increase income from regular donors and £0.6 million to support increased participation in challenge and flagship fundraising events.

The charity's funds have grown by £2.6 million in the year to a balance of £236.9 million at year end. The charity's unrestricted reserves include £183.0 million designated funds split between fixed assets of £113.8 million and redevelopment fund of £69.2 million, leaving £14.7 million of freely available reserves.

Tangible fixed assets mainly consist of a number of properties which are used for operational purposes by the hospital in the furtherance of the charity's objects. The portfolio contains properties used for clinical, office and residential purposes. The charity did not acquire or dispose of any property during 2012/13. As noted above under objectives, the charity has commenced design work for the Centre for Children's Rare Disease Research which the charity plans to build on its site at 20 Guilford Street, which was purchased in 2010/11.

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

Funding sources 2012/13

	2012/13 £ million	2011/12 £ million
Donations	47.7	45.5
Legacies	12.1	11.5
Trading	2.4	2.4
Other*	2.8	2.0
Fundraising income	65.0	61.4
Investments	3.6	3.4
Property	1.5	1.5
Total	70.1	66.3

* Other includes grants, auctions, tickets and sponsorship.

Expenditure for the year totalled £70.1 million (2011/12: £35.1 million), with £51.8 million being spent or committed to charitable activities through grants awarded in the year.

Charitable Expenditure 2012/13

	Grants awarded 2012/13 £ million	Other costs* 2012/13 £ million	Total 2012/13 £ million	Total 2011/12 £ million
Redevelopment	27.5	(0.4)	27.1	(9.6)
Research	14.1	0.6	14.7	12.3
Medical equipment & capital schemes	5.5	(0.7)	4.8	10.3
GOSH Welfare	3.7	0.4	4.1	4.9
Accommodation & other	–	1.1	1.1	1.1
Total	50.8	1.0	51.8	19.0

* Other costs include the return of grants previously awarded that have not been fully utilised and the allocation of costs incurred by the charity to support and facilitate these charitable activities.

Trustees' annual report continued

Grant making policy

The grant making policy supports the charity's objectives to further such charitable purpose or purposes relating to Great Ormond Street Hospital NHS Foundation Trust, including research. Details of grants awarded in the year are included in note 7 of the accounts.

Charitable expenditure

Redevelopment

£27.1 million (2011/12: £-9.6 million)

The next goal in our redevelopment programme is to deliver phase 2B, the Premier Inn Clinical Building and complete the Mittal Children's Medical Centre, following completion of phase 2A and the opening of the Morgan Stanley Clinical Building. In 2012/13, the charity awarded £27.5 million to the hospital for 2B enabling works, which will ready the site for the main body of phase 2B works to begin in 2014/15. The enabling works will include vacating buildings and relocating wards to new and improved areas across the hospital campus.

The comparable figures for 2011/12 include a significant reduction in the funding requirement for the Phase 2A project.

Research

£14.7 million (2011/12: £12.3 million)

The charity has provided funding to support the salaries of key senior academic clinicians, as well as underpinning vital patient focused clinical research across the hospital and its academic partner, the ICH. The charity also funds a number of projects across the UK through our national programme, where they will have an impact on GOSH patients. In 2012/13, examples of our funding

included research into types of leukaemia, innovative surgery research to help children born with a rare facial condition known as craniosynostosis and funding to establish the Livingstone Skin Research Centre for Children, which is the first children's skin research centre in the world.

Medical equipment and capital schemes

£4.8 million (2011/12: £10.3 million)

The charity provides grants for a wide range of medical equipment and capital projects that the hospital has assessed as priorities. In 2012/13 this included equipment such as a mass spectrometer for new born screening, a cardiac 3D echocardiogram and capital funding for new beds and equipment for the expansion of the paediatric intensive care unit.

GOSH Welfare projects

£4.1 million (2011/12: £4.9 million)

The charity funds numerous activities at the hospital which provide patient and family support and the development and wellbeing of staff. Examples are the hospital's volunteering service, patient and family accommodation and provision of the chaplaincy service. The charity also provides grants for a wide range of educational and wellbeing programmes for hospital staff such as consultant sabbatical funding and nurses' study leave, opportunities to take counselling and physiotherapy facilities.

Accommodation expenditure

£1.1 million (2011/12: £1.1 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.

Summary of total funds

Overall fund balances increased by £2.6 million in 2012/13 (£43.2 million in 2011/12) (see balance sheet total on page 17) reflecting the much higher levels of charitable expenditure of £51.8 million (£19.0 million in 2011/12).

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 confident that these obligations can be met. The Trustees therefore 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 regularly assess the risks facing the charity and 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 enable operations to continue over the short-term, particularly in the current uncertain economic climate.

The balance of free reserves as at 31 March 2013 was £14.7 million. The Trustees have reviewed the minimum level of reserves required to either meet the operating liabilities of the charity should it suffer a major downturn in its income or, in the extreme case, enable a managed cessation of activities. The Trustees consider £10 million to be a prudent level for target minimum free reserves but note that actual reserves may vary around this level from year to year. This current level of free reserves exceeds this minimum requirement but prospective charitable commitments in the coming financial year are expected to utilise any excess above the minimum reserves requirement as at 31 March, 2013.

The Trustees therefore believe this level of reserves to be appropriate in order to maintain future commitments of the charity.

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 £38.5 million as restricted funds, of which £26.1 million relates to redevelopment projects. Also included in this total is £3.4 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 for the redevelopment of the hospital or for other specific projects, to be spent in future years. This helps to provide financial stability for vital areas of work within the hospital. Designated Redevelopment funds reflect the estimated funding required for the second phase of the Mittal Children's Medical Centre, the Premier Inn Clinical Building, scheduled to commence in 2013/14, which has not to date been specifically funded.

Fixed assets (tangible and intangible)

The charity owns a portfolio of fixed assets, the majority of which are operational property used 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 five 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 21 on page 36.

Investment policy

The policy is risk-averse, with the Trustees' first priority being to preserve capital in order to meet existing commitments on capital programmes and other grants made. The portfolio is broadly split between investments required to meet existing commitments and longer-term investments for awards which are yet to be committed. The Trustees consider this appropriate given the long-term nature and size of the charity's commitments. 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.



One-year-old Eshan, with mum, Shara. Eshan is an outpatient on Kingfisher Ward and is keeping a close eye on everything going on!



Statement of Trustees' responsibilities

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 2011, 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.

Potential Conflict of Interest

The charity is very fortunate to have been granted an award from the Deloitte Foundation of £250,000 and pro bono work to the value of £250,000 to be provided by Deloitte non-audit staff. These donations and services will be delivered over the forthcoming three financial years, 2013/14 through to 2015/16. Given the potential for a conflict of interest to be perceived or arise, the Trustees have taken advice on the appropriate actions to take to ensure that neither the independence of the audit nor the rigour of audit procedures is compromised. The Trustees are implementing all recommended actions.

Independent auditor's report to the Trustees of Great Ormond Street Hospital Children's Charity

We have audited the financial statements of Great Ormond Street Hospital Children's Charity for the year ended 31 March 2013 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 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditor

As explained more fully in the Statement of Trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2013, and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Deloitte LLP
Chartered Accountants
and Statutory Auditor
London
23 July 2013

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.

Consolidated statement of financial activities

For the year ended 31 March 2013

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2013 £000	Total at 31 March 2012 £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3.1	30,891	28,833	–	59,724	57,029
Activities for generating funds	3.2	2,241	2,619	–	4,860	4,230
Investment income	4.0	3,287	344	3	3,634	3,380
Total incoming resources from generated funds		36,419	31,796	3	68,218	64,639
Incoming resources from charitable activities	3.4	1,513	411	–	1,924	1,696
Total incoming resources		37,932	32,207	3	70,142	66,335
Resources expended						
Cost of generating funds						
Cost of generating voluntary income		16,811	–	–	16,811	14,404
Fundraising trading: cost of goods sold and other costs		457	–	–	457	738
Investment management costs		217	–	–	217	213
Total cost of generating funds	5.1	17,485	–	–	17,485	15,355
Charitable activities						
Patient welfare		1,935	1,434	3	3,372	3,988
Staff welfare		489	275	–	764	975
Research		10,120	4,587	–	14,707	12,343
Medical equipment and capital schemes		5,154	(333)	–	4,821	10,254
Redevelopment		847	26,254	–	27,101	(9,629)
Property expenditure		1,105	–	–	1,105	1,059
Total charitable activities	5.2	19,650	32,217	3	51,870	18,990
Governance costs	5.3	708	7	–	715	786
Total resources expended		37,843	32,224	3	70,070	35,131
Net incoming/(outgoing) resources before transfers		89	(17)	–	72	31,204
Gross transfers between funds	21.3	822	(822)	–	–	–
Total net incoming/(outgoing) resources before other recognised gains and losses		911	(839)	–	72	31,204
(Loss)/gains on revaluation and disposal of own fixed assets		(9)	–	–	(9)	11,825
Gains on revaluation and disposal of Investment assets		2,157	411	–	2,568	162
Net movement in funds		3,059	(428)	–	2,631	43,191
Fund balances brought forward at 1 April 2012		194,709	38,928	664	234,301	191,110
Fund balances carried forward at 31 March 2013		197,768	38,500	664	236,932	234,301

Notes 1 to 26 form part of these accounts.
All income relates to continuing activities.

Balance sheets

As at 31 March 2013

	Notes	Consolidated		Charity	
		Total at 31 March 2013 £000	Total at 31 March 2012 £000	Total at 31 March 2013 £000	Total at 31 March 2012 £000
Fixed assets					
Intangible Fixed assets	10	132	116	132	116
Tangible Fixed assets	11	113,679	113,716	113,679	113,716
Investments	12.2	113,166	95,328	113,166	95,328
Total fixed assets		226,977	209,160	226,977	209,160
Current assets					
Stocks	13	339	29	300	—
Investments	14	75,326	73,933	75,326	73,933
Debtors	15	3,237	3,282	3,219	3,370
Cash at bank and in hand		1,132	903	926	561
Total current assets		80,034	78,147	79,771	77,864
Creditors: amounts falling due within one year	16	57,365	41,277	57,127	41,019
Net current assets		22,669	36,870	22,644	36,845
Total assets less current liabilities		249,646	246,030	249,621	246,005
Creditors: amounts falling due after more than one year	17	12,714	11,729	12,714	11,729
Total net assets		236,932	234,301	236,907	234,276
Funds of the charity					
Capital funds:					
Endowment funds	21.1	664	664	664	664
Income funds:					
Restricted	21.2	38,500	38,928	38,500	38,928
Unrestricted	21.3	197,768	194,709	197,743	194,684
Total funds		236,932	234,301	236,907	234,276

Notes 1 to 26 form part of these accounts.

Approved by the Board of Trustees on 23 July 2013 and signed on its behalf by



Alan Hodson
Chair

Consolidated cash flow statement

For the year ended 31 March 2013

	Notes	Total at 31 March 2013 £000	Total at 31 March 2012 £000
Cash inflow from operating activities	22.1	13,604	5,297
Returns on investments and servicing of finance			
Interest received		1,362	1,324
Investments in fixed income portfolio and equities		2,272	2,056
Net cash inflow from returns on investments and servicing of finance		3,634	3,380
Capital expenditure			
Payments to acquire fixed assets		(346)	(172)
Payments to acquire investments		(15,273)	(17,058)
Proceeds from sale of investments		3	7,500
		(15,616)	(9,730)
Net cash inflow/(outflow) before management of liquid resources		1,622	(1,053)
Management of liquid resources			
(Decrease)/increase in short-term deposits		(1,393)	686
Net cash (outflow)/inflow from management of liquid resources	22.2	(1,393)	686
Increase/(decrease) in cash		229	(367)

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

These 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, 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 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 10). 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 undertakings, Great Ormond Street Promotions Limited. The financial statements of The Friends of Great Ormond Street (The Friends) were consolidated for the first time this year. The assets of The Friends were treated as a donation as at 1 October 2012.

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 at the earlier of receipt or 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 2013. Legacies are disclosed under voluntary income in the SOFA (see note 3.1 on page 24).

c) Income from fundraising activities

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

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.

e) Trading income

Income from the charity's trading subsidiary is disclosed under activities

for generating funds. This income is recognised on sale of goods when dispatched, on royalty and licence income for contractual periods ending in the financial year and for challenge events in line with when these take place.

1.4 Resources expended

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.

Full provision is made within the accounts for grant expenditure at the point when an unconditional commitment is made, and the liability can be quantified with reasonable certainty.

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 activities. 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.

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 be spent are accounted for as permanent endowment funds.

b) Restricted funds

Restricted funds include income which is subject to specific restrictions imposed by donors.

Notes to the accounts continued

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. Details of the transfers made in the year are included in note 21.

1.6 Intangible fixed assets

a) Capitalisation

Intangible assets (software) 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 depreciated historical cost.

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 (except for computer equipment where only assets with a value of £1,000 or more are capitalised).

b) Valuation

Tangible fixed assets are valued as follows:

- i Land, buildings and installations are stated at either open market value for their existing use or at depreciated replacement cost where appropriate. Valuations are carried out professionally at five-yearly intervals, with an impairment review undertaken in all other years. The last full valuation was made on 31 March 2012.
- ii Fixtures, fittings, vehicles and equipment are valued at depreciated historical cost.

c) Depreciation

- i Depreciation is charged on each main class of tangible asset as follows: land is not depreciated, fixtures and fittings are depreciated over the assessed remaining life of the asset. Buildings are not depreciated, but are subject to an annual impairment review in the years between the formal valuations.

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

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

d) Donated assets

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

1.8 Investment: fixed and current assets

Fixed and current assets investments consist of long-term and short-term portfolios that are recognised at market value.

- i Quoted stocks and shares are included in the balance sheet at bid 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 and unrealised 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 Stocks

Stocks consists of:

- Purchased goods for resale, which are valued at the lower of cost and net realisable value.
- Assets for resale, which are held at net realisable value.

Provision is made for any obsolete or slow-moving items.

1.11 Pension contributions

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

The charity also participates in the NHS Pension Scheme, with five current employees and a number of former employees being members of this scheme. This is an unfunded, defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the charity. 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. It is therefore accounted for as if it were a defined contribution scheme. Information on contributions for the year are as stated in note 8.1.

The scheme is subject to a full actuarial valuation every four years. However, the last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2004. Formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value

for money grounds while consideration is given to recent reforms to public service pensions and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015. The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The next formal valuation to be used for funding purposes will be carried out as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

A valuation of the scheme liability is carried out annually by the scheme actuary. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data. The valuation of the scheme liability as at 31 March 2013 is based on the valuation data as at 31 March 2012 updated to 31 March 2013. In undertaking this actuarial assessment, the methodology prescribed in International Accounting Standard (IAS) 19, relevant Financial Reporting Manual (FRM) interpretations, and the discount rate prescribed by HM Treasury have also been used.

Additional disclosures about the scheme are provided in Great Ormond Street Hospital NHS Foundation Trust Annual Report and Accounts which can be obtained from www.gosh.nhs.uk

1.12 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 Great Ormond Street International Promotions Ltd, 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 and income relating to operating leases are recognised in the SOFA over the life of the lease on a straight line basis.

Notes to the accounts continued

2. Subsidiaries

2.1 Great Ormond Street International Promotions Ltd

The charity has a 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.

	Total at 31 March 2013 £000	Total at 31 March 2012 £000
Profit and loss account		
Turnover	2,433	2,403
Cost of sales	(331)	(293)
Gross profit	2,102	2,110
Administrative expenses	(354)	(348)
Net profit	1,748	1,762
Amount passed as Gift Aid to the charity	(1,748)	(1,762)
Taxation	-	-
Result for the year	-	-
	Total at 31 March 2013 £000	Total at 31 March 2012 £000
Balance sheet		
Stocks – goods held for resale	39	29
Debtors	942	593
Cash	166	342
Current liabilities	(1,122)	(939)
Net assets	25	25
Share capital and reserves	25	25

2.2 The Friends of the Children of Great Ormond Street

In October 2012, The Friends of the Children of Great Ormond Street Charity combined its activities with Great Ormond Street Hospital Children's Charity and £2.2 million funds was transferred to Great Ormond Street Hospital Children's Charity. The principal activity for The Friends is to provide grants to key areas of the hospital such as family support and children's play services.

A summary of its results since 1 October 2012 and net assets is shown below. These results are included in the Group consolidation. Audited accounts are filed with the Registrar of Companies.

**Period 1 October
2012 to 31 March
2013**
£000

Profit and loss account

Voluntary Income	390
Investment Income	1
	391

Governance	6
Charitable expenditure	385

Total resources expended	391
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Net incoming resources	-
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Fund balance carried forward at 31 March 2013	-
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Balance sheet

Debtors	2
Bank and Cash in hand	40
Current liabilities	(42)

Net assets	-
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Share capital and reserves	-
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Notes to the accounts continued

3. Incoming resources

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2013 £000	Total at 31 March 2012 £000
Incoming resources from generated funds					
3.1 Voluntary income					
Direct gifts from individuals and trusts	13,933	16,711	—	30,644	32,384
Legacies	10,647	1,389	—	12,036	11,465
Community fundraising	4,628	4,619	—	9,247	7,385
Partnerships, campaigns, events and other income	1,683	6,114	—	7,797	5,795
Total	30,891	28,833	—	59,724	57,029
3.2 Activities for generating funds					
Auctions, tickets, sponsorship and other income	1,234	1,193	—	2,427	1,827
Fundraising trading	1,007	1,426	—	2,433	2,403
Total	2,241	2,619	—	4,860	4,230
3.3 Investment Income					
	3,287	344	3	3,634	3,380
3.4 Incoming resources from charitable activities					
Grants	—	411	—	411	213
Property	1,513	—	—	1,513	1,483
Total	1,513	411	—	1,924	1,696
Total incoming resources	37,932	32,207	3	70,142	66,335

4. Investment income

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2013 £000	Total at 31 March 2012 £000
Investments in a fixed income portfolio	1,928	344	—	2,272	2,056
Cash investments	1,359	—	3	1,362	1,324
Total	3,287	344	3	3,634	3,380

5. Resources expended

	Direct costs £000	Support costs £000	Total at 31 March 2013 £000	Total at 31 March 2012 £000
5.1 Costs of generating funds				
Cost of generating voluntary income:				
Direct gifts from individuals and trusts	9,347	2,470	11,817	10,110
Legacies	519	150	669	514
Community fundraising	1,076	582	1,658	1,313
Partnerships, campaigns, events and other expenditure	1,868	799	2,667	2,467
Total cost of generating voluntary income	12,810	4,001	16,811	14,404
Fundraising trading: costs of goods sold and other costs	348	109	457	738
Investment management costs	217	–	217	213
Total	13,375	4,110	17,485	15,355

The costs to the charity of generating funds increased by £2.4 million to £16.8 million. This increase principally reflected the charity's continuing investment in growing our fundraising income capabilities including £1.7 million to increase income from regular donors and £0.6 million to support increased participation in challenge and flagship fundraising events.

	Direct costs £000	Support costs £000	Total at 31 March 2013 £000	Total at 31 March 2012 £000
5.2 Charitable activities				
Patient welfare	3,313	59	3,372	3,988
Staff welfare	751	13	764	975
Research	14,448	259	14,707	12,343
Medical equipment and capital	4,737	84	4,821	10,254
Redevelopment	26,622	479	27,101	(9,629)
Property expenditure	1,086	19	1,105	1,059
Total	50,957	913	51,870	18,990
5.3 Governance costs	466	249	715	786
Total resources expended	64,798	5,272	70,070	35,131

	Total at 31 March 2013 £000	Total at 31 March 2012 £000
5.4 Resources expended include charges for:		
Plant and machinery	86	63
Other operating lease rentals	618	658
Fees payable to the charity's auditor for the audit of the charity's annual accounts	38	31
Fees payable to the charity's auditor for other services:		
- Tax compliance services	2	3
Depreciation	358	342
Amortisation	124	106

Plant and machinery includes the hire of photocopier, franking machine and IT leases.

Other operating lease rentals include rental costs for the use of 40 Bernard Street premises.

Fees payable to the charity's auditor for the audit of the charity's consolidated accounts £38k (£31k – 2011/12) includes £12k (£6k – 2011/12) for the audit of the subsidiary undertakings.

Notes to the accounts continued

6. Support costs

	Staff costs £000	IT and Comms £000	Other £000	Year ended 31 March 2013 Total £000	Year ended 31 March 2012 Total £000
Cost of generating voluntary income	2,162	687	1,152	4,001	3,502
Fundraising trading	53	13	43	109	131
Patient welfare	29	7	23	59	104
Staff welfare	6	2	5	13	26
Research	127	31	101	259	323
Medical equipment and capital schemes	42	10	32	84	268
Redevelopment	234	58	187	479	10
Property expenditure	9	2	8	19	28
Governance costs	123	29	97	249	268
Total	2,785	839	1,648	5,272	4,660

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. This increase in support costs is largely driven by investment in IT systems, controls and higher operating costs.

7. Grant-funded activities

	Aggregate amount awarded Year ended 31 March 2013 £000	Aggregate amount awarded Year ended 31 March 2012 £000
Name of recipient:		
Great Ormond Street Hospital for Children NHS Foundation Trust	42,675	20,140
UCL Institute of Child Health	7,079	5,665
Coram's Fields	–	25
Oxford John Radcliffe Hospitals	–	27
University of Leeds	–	240
University of Manchester	281	259
University of Glasgow	159	–
University of Cambridge	100	–
Institute of Cancer Research	227	–
Arthritis Research UK	261	–
Total	50,782	26,356

8. Details of staff costs

	2013 No. of staff	2012 No. of staff
The average number of employees is split as follows:		
Support staff	44	43
Cost of generating funds	94	85
Charitable expenditure	21	22
Governance	5	6
Total	164	156

8.1 Analysis of staff costs

	Total year ended 31 March 2013 £000	Total year ended 31 March 2012 £000
Salaries and wages	6,163	5,627
Compensation for loss of office	82	33
Social security costs	664	619
Pension costs	427	429
Total emoluments of employees	7,336	6,708

Agency staff	355	177
Total emoluments	7,691	6,885

Pension costs are split as follows:

Defined contribution scheme	404	410
Final salary scheme	23	19
Total pension costs	427	429

Outstanding contributions as at the year end were:

Defined contribution scheme	43	47
Final salary scheme	2	2

8.2 Pension contributions for senior employees

Twelve out of the 14 employees earning more than £60,000 participated in the defined contribution pension scheme (2012: nine of the 11). Contributions relating to these employees were £92,336 (2012: £85,000).

Notes to the accounts continued

8. Details of staff costs (continued)

8.3 Senior employees

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

	Total year ended 31 March 2013 £000	Total year ended 31 March 2012 £000
£60,000 to £69,999	7	6
£70,000 to £79,999	–	–
£80,000 to £89,999	–	1
£90,000 to £99,999	2	1
£100,000 to £109,999	1	2
£110,000 to £119,999	–	–
£120,000 to £129,999	1	1

During the year, the charity strengthened its governance and support to the hospital through the appointment of a Deputy Director of Property and Redevelopment and Head of Grants.

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 (2012: none).

A trustee indemnity insurance policy is held with Dual Corporate Risks Ltd, providing indemnity of £5 million. The cost of the policy in 2012/13 was £4,759 (2011/12: £4,068).

10. Intangible fixed assets

Charity and consolidated

IT software
£000

Cost:

Balance at 31 March 2012	334
Additions	140
Balance at 31 March 2013	474

Accumulated depreciation:

Balance at 31 March 2012	218
Charge for the year	124
Balance at 31 March 2013	342

Net book value at 31 March 2013	132
Net book value at 31 March 2012	116

Historic cost less depreciation at 31 March 2013 132

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	Asset under construction £000	Total £000
Cost:					
Balance at 31 March 2012	112,650	1,164	771	–	114,585
Additions	–	29	34	143	206
Disposals	–	(15)	–	–	(15)
Balance at 31 March 2013	112,650	1,178	805	143	114,776
Accumulated depreciation					
Balance at 31 March 2012	–	361	508	–	869
Disposals	–	(6)	–	–	(6)
Charge for the year	–	91	143	–	234
Balance at 31 March 2013	–	446	651	–	1,097
Net Book value at 31 March 2013	112,650	732	154	143	113,679
Net Book value at 31 March 2012	112,650	803	263	–	113,716
Historic cost less depreciation at 31 March 2013	79,799	817	297	–	80,913

The charity undertakes a full independent professional valuation of all properties every five years, with impairment reviews undertaken as necessary in accordance with the Statement of Recommended Practice 2005. A full valuation was performed as at 31 March 2012 and an impairment review as at 31 March 2013 by Gould & Co, chartered surveyors, acting as independent valuers. As a result of this valuation, the value of properties held by the charity was increased by £11.8 million. The net book value of properties includes two buildings at £54.7 million used by the hospital as clinical facilities. The most commonly used method for the valuation of specialised assets such as these is depreciated replacement cost. 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 which is recognised by the International Valuation Standards Council. Although these two buildings are subject to leases between the charity and the hospital for unexpired terms of 23.5 years at peppercorn rentals, the value to the charity is in the charitable benefit that the properties generate, and therefore the value to them of these properties under the depreciated replacement cost method is not reduced by the fact that peppercorn leases are in place. Although this is the accepted method of valuation for properties of this type, it should be made clear that this value would not be realisable on the open market in the event of disposal due to the specialist nature of the assets and existence of the peppercorn leases. All other properties are valued at existing use value.

Due to the use of regular impairment reviews, which identify material changes to the carrying value of these assets, buildings are not depreciated.

Asset under construction relates to work on Phase 3A redevelopment project.

12. Fixed asset investments

Analysis of fixed asset investments

12.1 Charity and consolidated

	2013 Total £000	2012 Total £000
Fixed asset investments:		
Market value at 1 April 2012	95,328	85,608
Less:		
Disposals at carrying value	(3)	(7,500)
Add:		
Acquisitions at cost	15,273	17,058
Net gain on revaluation	2,568	162
Market value at 31 March 2013	113,166	95,328
Historic cost at 31 March 2013	109,310	94,040

12.2 Market value at 31 March 2013

	Held in the UK £000	Held outside the UK £000	2013 Total £000	2012 Total £000
Investments in a fixed income portfolio – directly held	59,254	14,946	74,200	72,749
Investments in equity funds	23,339	11,347	34,686	20,164
Investments listed on stock exchange	10	-	10	12
Investments in gold commodities	-	4,270	4,270	2,403
Total fixed asset investments	82,603	30,563	113,166	95,328

For investment management purposes, the long term portfolio comprises the equity funds and investments in gold commodities. The fixed income investments are included in the short term portfolio.

Investment powers

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

12.3 Investment in Great Ormond Street International Promotions Ltd

	2013 Total £2	2012 Total £2

The net result for the company in 2012/13 is a surplus of £1,747,699 (2012: 1,762,384) with Gift Aid payments of £1,747,699 (2012: £1,762,384).

There is £nil investment in the Friends of the Children of Great Ormond Street Charity.

Notes to the accounts continued

13. Stocks

	Consolidated		Charity	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Stock				
Stock for resale	39	29	–	–
Asset for resale	300	–	300	–
	339	29	300	–

Asset for resale comprises a house in Richmond donated to the charity in the year which is currently being prepared for sale.

14. Current asset investments

Charity and consolidated

	2013 Total £000	2012 Total £000
Short-term deposits	75,326	73,933
Total current assets investments	75,326	73,933

All current asset investments are held in the UK.

15. Debtors

	Consolidated		Charity	
	31 March 2013 £000	31 March 2012 £000	31 March 2013 £000	31 March 2012 £000
Amounts falling due within one year:				
Trade debtors	927	1,195	417	903
Amounts due from subsidiary	–	–	925	683
Other debtors	340	308	338	307
Prepayments	849	912	846	910
Accrued income	1,121	867	693	567
Total debtors falling due within one year	3,237	3,282	3,219	3,370

Trade debtors include £94k related to monies due for events and £832k monies receivable for fundraising activities.

16. Creditors: amounts falling due within one year

	Consolidated		Charity	
	Total 31 March 2013 £000	Total 31 March 2012 £000	Total 31 March 2013 £000	Total 31 March 2012 £000
Trade creditors	2,391	5,521	2,391	5,513
Taxation and social security	342	447	156	335
Grants awarded ¹	48,448	25,059	48,448	25,059
Other creditors	150	1,299	181	1,298
Accruals	5,437	8,473	5,385	8,458
Deferred income	597	478	566	356
Total charity creditors falling due within one year	57,365	41,277	57,127	41,019

(1) See note 19 below

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

	Consolidated		Charity	
	Total 31 March 2013 £000	Total 31 March 2012 £000	Total 31 March 2013 £000	Total 31 March 2012 £000
Grants awarded ¹	12,537	11,526	12,537	11,526
Rent-free provision	177	203	177	203
Total creditors falling due after more than a year	12,714	11,729	12,714	11,729

(1) See note 19 below

18. Deferred income

	31 March 2012 £000	Deferred £000	Released £000	31 March 2013 £000
Income from fundraising activities:				
Charity	356	566	(356)	566
Trading subsidiary	122	31	(122)	31
Total deferred income – consolidated	478	597	(478)	597

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

Notes to the accounts continued

19. Grants awarded

	2013	2012
	Total	Total
	£000	£000
Outstanding liabilities at 1 April	36,585	63,841
Awarded during the year:		
Redevelopment	27,543	35
Medical equipment and capital schemes	5,527	10,248
Research	14,046	11,768
GOSH welfare and other	3,666	4,305
Total	50,782	26,356
Paid during the year:		
Redevelopment	(9,502)	(24,689)
Medical equipment and capital schemes	(4,432)	(9,317)
Research	(5,302)	(5,023)
GOSH welfare and other	(4,216)	(3,052)
Total	(23,452)	(42,081)
Adjustments in the year:		
Redevelopment	(1,500)	(10,000)
Medical equipment and capital schemes	(842)	(556)
Research	(345)	(634)
GOSH welfare and other	(243)	(341)
Total	(2,930)	(11,531)
Outstanding liabilities at 31 March	60,985	36,585
Amounts falling due within one year	48,448	25,059
Amounts falling due after more than one year	12,537	11,526
Total	60,985	36,585

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.

20. Analysis of group net assets between funds

	Unrestricted		Restricted	Endowment	Total Funds
	General	Designated			
	£000	£000	£000	£000	£000
Fund balances at 31 March 2013 are represented by:					
Tangible and intangible fixed assets	–	113,811	–	–	113,811
Investments	74,802	–	37,700	664	113,166
Current assets and liabilities	13,058	–	9,611	–	22,669
Long term liabilities	(3,903)	–	(8,811)	–	(12,714)
Total net assets	83,957	113,811	38,500	664	236,932

Restricted funds include long-term liabilities of £8,811k which relate to grants awarded to Great Ormond Street Hospital NHS Foundation and the Institute of Child Health held for medical research and replacement of equipment.

Notes to the accounts continued

21. Group and charity funds

	Balance 31 March 2012 £000	Incoming resources £000	Resources expended £000	Transfers between funds £000	Gains and losses £000	Balance 31 March 2013 £000
21.1 Endowment funds						
A Tippetts & Crux	222	1	(1)	–	–	222
B Lewisohn	11	–	–	–	–	11
C Barnes	7	–	–	–	–	7
D Mary Shepard Bequest	407	2	(2)	–	–	407
E John Lund Wells Bequest	17	–	–	–	–	17
Total endowment funds	664	3	(3)	–	–	664
21.2 Restricted funds						
A Redevelopment	30,132	17,833	(26,254)	4,066	295	26,072
B Louis Dundas Centre	117	701	(488)	–	–	330
C Gastroenterology Research Collaboration	480	620	(1,095)	–	–	5
D Craniofacial Fund	181	17	(14)	–	–	184
E The Richard Wright Fund	2,926	–	–	(1,192)	18	1,752
F Clinical Cardiac Chair	430	2	(58)	–	–	374
G Olivia Hodson Cancer Fund	310	45	(29)	–	–	326
H Family Studies	251	81	(5)	–	–	327
I Other special purpose funds	3,614	584	(813)	–	37	3,422
J Other restricted purpose funds	487	12,324	(3,468)	(3,696)	61	5,708
Total restricted funds	38,928	32,207	(32,224)	(822)	411	38,500
21.3 Unrestricted funds						
General funds	18,391	37,932	(37,491)	(6,243)	2,148	14,737
Designated funds:						
Redevelopment Fund	62,486	–	–	6,734	–	69,220
Fixed Assets Fund	113,832	–	(352)	331	–	113,811
Total unrestricted funds	194,709	37,932	(37,843)	822	2,148	197,768
Total funds	234,301	70,142	(70,070)	–	2,559	236,932

The above funds comprise those of the group after the inclusion of £25k retained unrestricted funds of the Great Ormond Street International Promotions Limited subsidiary company.

21. 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 bequests to be used for staff awards.
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 Gastroenterology Research Collaboration	To research causes of and new treatments for severe gut disorders and food allergies.
D Craniofacial Fund	To research and purchase equipment for craniofacial disorders.
E The Richard Wright Fund	To fund research into infant and childhood leukaemia.
F Clinical Cardiac Chair	To provide support costs for the post of Clinical Cardiac Chair.
G Olivia Hodson Cancer Fund	To support projects and roles related to childhood cancer.
H Family Studies	To provide support to the Psychological Medicine Department.
I Other special purpose funds	Funds delegated by the trustees to various departments within Great Ormond Street Hospital and UCL Institute of Child Health.
J 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, including designated 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 is appropriate.

Notes to the accounts continued

22. Notes to the consolidated cash flow statement

22.1 Reconciliation of cash flows from operating activities to net incoming resources

	2013	2012
	£000	£000
Net incoming resources before other recognised gains and losses	72	31,204
Depreciation charges	358	342
Investment income	(3,634)	(3,380)
(Increase)/decrease in stocks	(310)	20
(Increase)/decrease in debtors	45	(569)
Increase/(decrease) in creditors	17,073	(22,320)
Cash inflow/(outflow) from operating activities	13,604	5,297

22.2 Analysis of net debt

	Balance 31 March 2012 £000	Cash flows £000	Balance 31 March 2013 £000
Cash at bank and in hand	903	229	1,132
Current asset investments	73,933	1,393	75,326
Total	74,836	1,622	76,458

23. Commitments, liabilities and provisions

The Trustees do not have any commitments, liabilities or provisions requiring disclosure other than those included in the financial statements (2011/12: £ nil).

24. Legacies

The charity has been notified of 234 legacies which have not been included within the financial statements, as no notification of impending distribution has been received (2011/12: 302). Of these, 24 per cent are pecuniary legacies which have an average value of £4,602 (2011/12: 24 per cent, £4,442) and the remaining 76 per cent are residuary, life interest, income trust and specific legacies which have an average value of £50,226 (2011/12: 76 per cent, £44,648). The charity does not have any indication of when it is due to receive these monies and there is no certainty of receipt. Included within the above figures are four pecuniary legacies (2011/12: three), 24 residuary legacies (2011/12: 28) and six specific legacies (2011/12: seven) which are subject to a life interest, as well as one specific legacy (2011/12: 10) which is not subject to a life interest.

25. Annual commitments under non-cancellable operating leases

	Land and buildings		Other leases	
	2012/13 £000	2011/12 £000	2012/13 £000	2011/12 £000
Operating leases which expire:				
Within one year	34	38	12	12
Between one and five years	270	270	20	20
After five years	296	296	—	—
Total	600	604	32	32

The leases relate to 40 Bernard Street premises.

26. 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	2013 £000	2012 £000	Details of transaction
Great Ormond Street Hospital	Dr Jane Collins (Chief Executive to 31 July 2012)	Dr Jane Collins was the Chief Executive of the hospital	42,675	20,140	Grants made to Great Ormond Street Hospital
			<i>48,454</i>	<i>30,590</i>	Creditors outstanding
			1,705	2,005	Amounts paid for services provided, ie rent and property recharges
			<i>(66)</i>	<i>(419)</i>	Debtors outstanding
CHGRMUPR campaign (formerly Jeans for Genes campaign)	Tim Johnson (Executive Director)	Tim Johnson was a Trustee and Director of CHGRMUPR campaign until February 2012	—	61	Grants received and amounts charged for licences

Administrative details

Names of charity and its subsidiary undertakings

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.

The Friends of Great Ormond Street

Registered charity number 296370.
Company House number 2093843.

Principal and registered office

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

Description of charity's objective

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

Special Trustees

Alan Hodson (Chairman)
Gabrielle Abbott
Susan Burns
Diana Dunstan OBE
Hugo Llewelyn
Sir Mark Potter
Christopher Spratling

Associate Trustees

Simon Brewer
Simon Stormer
Michael Weston
Edward Wozniak
(appointed 14 August 2012)
David Elms
(retired 7 November 2012)

Board of Directors

Dr Jane Collins MSc MD FRCP FRCPCH
(Chief Executive to 31 July 2012)

Tim Johnson
(Executive Director to 31 July 2012)
(Chief Executive from 1 August 2012)

Antonia Dalmahoy
(Director of Corporate Partnerships)

Neal Donnelly
(Director of Major Gift Fundraising)

Andrew Hibbert
(Director of Finance and Support Services, resigned 10 October 2012)

Ian Chivers
(Director of Finance and Operations from 4 December 2012)

Lesley Miles
(Director of Marketing Communications and Community Fundraising)

Charity Patrons

Vernon Kay and Tess Daly

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Chartered Accountants
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Registered charity no. 235825.

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