Our mission

Our mission at Great Ormond Street Hospital Children’s Charity is to enhance Great Ormond Street Hospital’s ability to transform the health and wellbeing of children and young people, giving them the best chance to fulfil their potential.

Every day brings new challenges at Great Ormond Street Hospital. Every day, 618* children and young people from across the UK arrive. Every day, doctors and nurses battle the most complex illnesses, and the brightest minds come together to achieve pioneering medical breakthroughs.

This extraordinary hospital has always depended on charitable support. Without you, we can’t help fund groundbreaking research, advanced medical equipment, child and family support services, and the rebuilding and refurbishment of wards and medical facilities.

On behalf of patients, their families and the staff at the hospital and charity, a very big thank you.

*Source: The average daily figure based on annual data for 2016/17 financial year.
The year in numbers

Thanks to everyone who supports us, this year has been an incredible one for the charity. Here’s some of the highlights:

- **£1,124,715** was raised at the 2016 Record-Breaking GOSH Gala
- **£13 million** was invested in research to support the lives of children with complex conditions
- **£550,000** was raised by Sainsbury’s Christmas Partnership
- **1,124,715** supporters give regular gifts to the charity
- **7,500** RFTK Runners took part in the record-breaking Royal Bank of Canada Race for the Kids, raising an amazing £1 million
- **527** parents and families will be able to stay at Sandwich Street, our new parent accommodation close to the hospital.
- **148** grants were awarded supporting the hospital’s Play Team through to funding a package of new operating theatre equipment
- **22,600** Christmas messages were sent by supporters to children on the wards of GOSH
Chairman’s statement

Every day there are huge challenges at Great Ormond Street Hospital (GOSH or the hospital) and every donation of time or money to Great Ormond Street Hospital Children’s Charity (GOSH charity) helps to meet those challenges – giving young patients the best chance to fulfil their potential.

This year (2016/17) our generous supporters enabled us to commit more than £80 million in helping to enable a better future for seriously ill children. We did this by funding the rebuilding and refurbishment of hospital facilities, the purchase of valuable equipment and systems and support for children and their families.

At the start of 2017 we completed a merger with Sparks Charity that will allow us to fund even more pioneering research at the hospital and across the UK. Together, we have already launched a £2 million call to researchers to apply for funding for child health research projects across the UK – the largest charitable call of its kind.

Charitable activities
Demand for GOSH’s world-class care continues to rise and, thanks to the generosity of our supporters, we’re able to help with the hospital’s most urgent needs. In the Trustees’ Report we highlight several of the projects that we’ve been proud to make possible this year. I want to mention three key areas of progress that will make a difference to patients and families at GOSH for many years to come.

The research carried out by the hospital and its academic partner, the UCL Great Ormond Street Institute of Child Health (ICH), is essential to discovering the treatments and cures of the future. In 2016 we completed our new research and innovation strategy, which prioritises six disease areas that affect many GOSH patients and puts an emphasis on getting discoveries into clinical practice as rapidly as possible. Guided by the strategy, in 2016/17 we invested more than £13 million into new research projects.

Our £37.8 million commitment and spend on medical equipment and systems included funding for leading edge perinatal diagnosis technology and brain-mapping equipment to aid intricate brain surgery. We also supported GOSH’s critical Electronic Patient Records (EPR) system, to be implemented over the next two years. The EPR will ensure every health professional at GOSH has immediate access to information they need to know about their patients. This will help clinicians to make timely and informed decisions about each child’s treatment and care as well as providing vital data to support research.

GOSH’s exciting redevelopment projects progressed apace with the fitting-out of the new Premier Inn Clinical Building, the second part of the Mittal Children’s Medical Centre. Due to open to patients later in 2017, it will enable even more children to be treated at GOSH in state-of-the-art facilities that have been designed around their needs. We invested £31.0 million in the project this year, and a further £15.9 million on the first stage of construction of the Zayed Centre for Research into Rare Disease in Children (Zayed Centre for Research). Finally, we invested £6.3 million in acquiring and refurbishing two nearby properties for families to stay close to their loved ones while they have treatment at GOSH.

Fundraising
Thanks to the incredible support that we receive from donors, and the tireless commitment of our volunteers and staff, in 2016/17 we raised £91.3 million. We are extremely grateful to everyone who has given, no matter the size of your donation. Your generosity means we can make a difference to seriously ill children. With such diverse support from so many people, the following highlights demonstrate just a few of the stories of generosity and dedication of our benefactors this year.

GOSH’s redevelopment has been made possible thanks to the generous philanthropy of a handful of lead donors. Her Highness Sheikha Fatima bint Mubarak has been instrumental in funding the Zayed Centre for Research, which will significantly expand the hospital’s world-class capabilities into rare disease research and treatment. Her Highness donated a further £2.5 million this year towards the overall donation of £60 million.

We are very grateful to the Mittal Family, Morgan Stanley and Whittington, owners of Premier Inn & Restaurants, for supporting the Mittal Children’s Medical Centre, comprised of the Morgan Stanley Clinical Building and the Premier Inn Clinical Building. Premier Inn & Restaurants had another record-breaking fundraising year, surpassing its original target of £75 million. Morgan Stanley and its staff also raised over £1 million towards Morgan Stanley House – a new accommodation for parents – and donated its wonderful RHS Chelsea Flower Show garden to the hospital.

We were thrilled to be chosen by Sainsbury’s to be the beneficiary of its coveted Christmas campaign. The charity logo featured on the supermarket’s Christmas advert and money was raised through sales and donations at the till point. This seven-week campaign raised £500,000 and gave us valuable exposure through the TV advert and in-store branding.

Shop Wear Care, our designer fashion evening, returned for its second year as part of our diverse portfolio of fundraising events. Other notable events included The Royal Bank of Canada Race for The Kids, which moved to the Queen Elizabeth Olympic Park in May 2016. This allowed for a record-breaking 7,500 people to participate, raising more than £1 million. And our London Santa Dash went from strength to strength doubling the number of costume-clad participants on the previous year.

I am pleased that we once again saw a rise in the number of people who make regular gifts to the charity, with more than 11,000 loyal supporters signed up by March 2017. We also learned of many kind individuals who had left us a gift in their Will, providing legacy income of £14 million in 2016/17 towards GOSH’s amazing work.

During this year the Tick Tock Club helped us to hit the £10 million target for a new surgery centre, which was also supported by a transformational £2 million gift from The Dorfman Foundation. We have now launched the fourth Tick Tock Club Research Appeal, with a target of £10 million for an intra-operative MRI (iMRI) suite to help improve outcomes for children undergoing brain surgery.

Regulation
We were disappointed to be one of the charities fined for data breaches when the Information Commissioner’s Office concluded its investigation into charity practices in early 2017. We never take the trust of our supporters for granted and aim to not only comply with all regulations but to continuously improve and achieve sector-leading standards of behaviour and compliance. Since 2015 we have taken a number of steps to review and further improve our procedures and controls (refer to page 30 for more detail). When we fall short, we endeavour to take corrective action quickly.

Looking ahead to next year
This year ahead promises to be very exciting. The Mittal Children’s Medical Centre will be completed with the opening of the Premier Inn Clinical Building in late 2017. We will see the topping-out of the Zayed Centre for Research, progress on the installation of the hospital’s ePR and digital research platforms, and the commissioning of the vital iMRI scanners theatre. We are also exploring the possibility of establishing a new clinical centre specialising in the treatment of ‘sight and sound’ conditions.

Finally
The work of the charity would not be possible without the hard work and dedication of our Trustees. Jennifer Bethlehem, Nina Bibby, Nicky Bishop, Sandeep Katwala and Michael Marriott joined the Board of Trustees this year, as well as Dr Benjamin Jacobs and Professor Mary Rutherford joining as Associate Trustees. They bring an exceptional depth of experience to the charity and reflect our commitment to having the strongest governance focus and processes. I’d like to thank Steven Sharp, who stepped down this year, for his contribution as a Trustee.

As we round-up another year, it is important to recognise the contribution of our staff. They have a passion and drive to make us the best that we can be, and in turn make better futures for more seriously ill children and young people. Together, with our incredible supporters and volunteers, we can continue to help GOSH transform the lives of many thousands of children from all over the UK and across the world.

John Connolly
Chairman of Trustees
Great Ormond Street Hospital Children’s Charity
Objectives and activities

The charity’s objects are to further such charitable purposes relating to:

a) the hospital services (including research) of GOSH* and

b) any other part of the health service associated with GOSH as the Trustees think fit

*provided that such support is not of a kind that would ordinarily be given by the statutory authorities.

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

Pioneering research
pioneering research, from revolutionary gene therapy to tailor-made organs for transplant, to find treatments for the most complex childhood illnesses.

Advanced medical equipment and systems
the most advanced medical equipment and systems for treating the toughest and rarest conditions from iMRI scanners to new IT software to improve patient care, experience and research.

Child and family support
services that can ease the burden on families, raise spirits, and support children and young people through their treatment.

Rebuilding and refurbishment
wards and medical facilities designed around children and young people that let the hospital treat more patients in the best possible surroundings.

The NHS can only do so much. It meets the day-to-day running costs of the hospital, but GOSH relies on the support of all of the charity’s donors and volunteers to go above and beyond, pioneering new treatments for more children and providing the extraordinary care the hospital is so well known for.
With your help, in 2016/17 we funded pioneering research to aid discoveries that will improve the lives of seriously ill children now, and in the future.

The year at a glance:

- We joined forces with children’s medical research charity Sparks to make more money available for vital child health research across the UK (read more on page 12).
- GOSH charity funded 77 pioneering research projects at the hospital, the UCL Great Ormond Street Institute of Child Health (ICH) and institutions around the UK. These ranged from searching for the first ever treatment for a rare brain condition and better ways to beat cancer, to creating a transplantable ear from a child’s own cells.
- We helped more children get access to groundbreaking treatments by building the capacity to run clinical trials and by supporting new ideas that could lead to novel treatments and tests.
- Guided by our research strategy, we invested in a programme of work that focuses on special stem cells that can be created from a patient’s own tissues, like skin, which could hold the key to treating many conditions.
- And we began a global search for world-leading cancer professors to join GOSH.

“Without the staff working hard to develop these new drugs and treatments, my life would be very different to how it is now.”

Joe, GOSH patient

With support from our wonderful donors in 2017/18 we will:
- allow GOSH surgeons to operate on a baby with spina bifida while still in the womb, for the first time in the UK.
- invest £1.5 million to find new and better ways to treat children with cancer by improving GOSH’s ability to run clinical trials.
- fund a much-needed programme to train the next generation of surgical scientists, who will carry out innovative research alongside their clinical work.
The new GOSH charity family

In February 2017, Sparks, the children’s medical research charity, merged with the charity.

Sparks was set up in 1991 and to-date has funded almost 300 child health research projects across the UK and overseas. Sparks will continue to raise money exclusively for child health research across the UK, in a joint funding initiative with GOSH charity.

From 2017/18 we will merge our national research funds, making up to £2 million available annually. This will be the largest fund in the UK dedicated to child health research and will benefit children at GOSH, nationally and around the world.

The race to find the first ever treatment for a rare brain condition

Professor Yannick Crow, University of Manchester

Labrune syndrome is an exceptionally rare and devastating condition that affects the blood vessels in the brain. There is currently no cure. Symptoms start in early childhood, and some patients lose their lives to the disease. With our funding, Professor Crow will use his discovery of the genetic mistake behind Labrune syndrome to offer the hope of treatments in the future. More immediately, his work will lead to a simple diagnostic blood test, giving patients and families the answers and support they need more quickly, without the need for brain biopsy.

“Support from GOSH charity has allowed us to take advantage of a major opportunity to not only improve the diagnosis of Labrune syndrome, but to work towards the first ever cure.”

Professor Yannick Crow

Could a bone-forming super-gel improve cleft palate treatment?

Dr Richard Shelton, University of Birmingham

Children born with a severe cleft lip and palate undergo a painful operation at the age of eight to repair the gap in their gum. The operation involves taking bone from their hip and transplanting it into their jaw. Dr Shelton wants to create a new, kinder treatment that would spare children the pain, complications and long-term effects of the operation. His groundbreaking technique involves injecting the site with a liquid gel that sets in the body, which contains cells that have been programmed to form bone tissue. This project will test the technique in the lab and prepare it for use in the clinic.

"The support from Sparks is incredibly important, it means we can develop research that could lead to a solution for so many patients.”

Dr Richard Shelton
With your help, this year we provided high-tech hardware to ensure children at GOSH have access to the least invasive and most effective treatments.

The year at a glance:

- From new patient monitors and life-saving defibrillators, to the latest equipment that helps diagnose genetic conditions quickly, this year we provided vital tools to help GOSH go above and beyond for its patients.
- We funded four of the latest ultrasound scanners. One will help to diagnose heart problems in babies before they are born, another will assist in sight-saving operations.
- Some of GOSH’s operating theatre equipment needed updating, so we provided funding to put the most up-to-date kit at surgeons’ fingertips.
- We funded a high-tech scanner that allows surgeons to view a patient’s spine in multiple dimensions during complex spinal surgery.
- We have committed £31.5 million to a new, much-needed, digital project that will enhance the experience and care of all patients and families and fuel life-changing research.

With support of donors in 2017/18 we will:

- purchase new specialist equipment to expand the intensive care units, allowing the hospital to help more critically ill babies and children.
- support work on a brand new scanning facility that allows surgeons to get images during brain surgery, giving each child the best chance of a successful operation.
- provide state-of-the-art equipment to help doctors diagnose and treat heart conditions without the need for open-heart surgery.

"Thanks to a specialist scan at 20 weeks, my son’s heart condition was diagnosed early and they were able to continue to monitor us both throughout my pregnancy."

Lucy, GOSH Mum

Isita is five years old and is having cancer treatment at GOSH.
The future at our fingertips: Digital innovations to transform patient care

GOSH has embarked on a new digital project that will enhance the experience and care of all patients and families and fuel life-changing research.

Technology is advancing at an unparalleled rate. With funding from the charity, the hospital can now take advantage of this to give every child and family the best care possible.

The systems we are helping to purchase will provide a single, comprehensive clinical record for each patient, which is fully integrated with medical devices and systems used by other clinicians and carers within the NHS. It will provide a digital connection with patients at home to enable the delivery of innovative care and provide information prior to appointments.

Housing all patient data in one place will ensure clinicians have the most up-to-date information on all patients and their specific needs. Clinicians will also have access to the latest research evidence through the system, supporting complex clinical decision-making and helping to ensure consistent standards of care across the hospital. The system will allow real-time 24-hour monitoring of patients in the hospital, and also others who are at home, alerting if action needs to be taken, and gathering information for research.

This comprehensive data will drive a research and innovation platform, which will enable GOSH to carry out research more effectively. We will be able to mine the vast volumes of gathered data to find new ways to diagnose or treat complex conditions and could lead to prediction of catastrophic events like cardiac arrest.

Over 200 hospital staff have been involved in the plans to implement this electronic patient record and research system, which will be one of the most important investments the hospital and charity will ever make. It could even allow GOSH to employ new technologies including virtual reality and robotics.

For the first time in GOSH history, we’ll be able to collect – in one place – all information on every aspect of care, for every child at the hospital, giving a better hospital experience for each child and each family.

The ability to analyse that information will kickstart a new age of data-driven research, transforming the speed and type of medical investigations we can undertake.

Neil Sebire, Chief Research Information Officer and Professor of Paediatric and Developmental Pathology
Child and family support

Objective: We aimed to spend more than £5 million to maintain and develop new projects that provide vital support to patients and families.

Performance: We achieved our goal and have spent £5.8 million in the year.

With the help of our donors and volunteers, in 2016/17 we continued to provide services to ease the burden on families, raise spirits, and support children and young people through their treatment.

The year at a glance:

- From providing free accommodation for parents to funding GOSH Arts projects that lift spirits, in 2016/17 we helped make hospital life better for more families.
- We continued to fund the hospital’s much-loved Play Team. They use play to help children come to terms with being in hospital, ease their worries about procedures and treatments, and let children be children, even while they’re ill.
- We funded an innovative system to collect on-the-spot feedback from patients and families. This will allow hospital staff to act on feedback much more quickly, making GOSH better for everyone.
- We continued to cover the costs of GOSH’s parent accommodation. This is particularly important for those parents whose children are being treated in intensive care, and those who have travelled long distances to be at GOSH.

With help from our many donors in 2017/18 we will:
- fund new projects designed to enhance and innovate in our provision of child and family support.
- enable more parents to stay close to their children, by supporting existing parent accommodation and taking on running costs for new properties.
- continue to fund teams and activities that support patients and families, including the Play Service, GOSHArts, Social Care Service and patient parties.

Families were supported by the hospital’s Citizens Advice Service (funded by the charity), from advice on debt to guidance on housing issues.

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GOSH’s toy-toting superheroes

Spend any amount of time at GOSH and you’ll soon notice a legion clad in purple and lilac, moving purposefully around the hospital carrying teddies, buckets of bricks or stacks of books. This colourful crew is the Play Team, who are dedicated to bringing fun into the hospital and making life as normal as possible for the children who need to be there. They can ease a child’s anxieties about being in hospital and even help them to recover more quickly.

The team consists of Play Specialists and Play Workers, who work together to share their unique expertise in childcare and play.

THE WAY WE PLAY

Bringing fun into the hospital
Letting children be children, and helping them to feel comfortable, relaxed and engaged.

Supporting the whole family
Supporting parents and carers by explaining complicated illnesses to children. The team also make time to play with siblings.

Making milestones fun
Delivering activities to help a child progress and develop, which complements the work of GOSH school and pre-school activity centre.

Preparation for procedures
Using techniques like role-play and drawing to help the child understand their illness or treatment and what will happen to them in hospital.

Distraction during procedures
Using activities to redirect a child’s attention during procedures that are invasive, painful or upsetting, helping to ensure that they get the treatment they need.

Easing anxieties
Using therapeutic techniques to help children relax or to overcome things that are upsetting them, such as needles.

Janet Holmes, Senior Play Specialist

“In you take play away from a child, it’s totally abnormal. That’s what we’re here for: to try and put some normality back in an environment that isn’t normal to a child. We show them they can have fun and be in control in hospital.”

Janet Holmes, Senior Play Specialist

The charity covers the cost of 38 Play Specialists and Play Workers, as well as training and toys.

In 2016/17, the Play Team interacted with more than 160 patients and siblings each day.
With the support of the charity’s many donors, GOSH’s redevelopment programme continued with the creation of patient-centred spaces to deliver world-class care for some of the UK’s sickest children.

The year at a glance:

- Construction continued of the Premier Inn Clinical Building, the final part of the Mittal Children’s Medical Centre, due to open in late 2017, which will provide 107 new inpatient and ICU beds, 35 daycase spaces and facilities for parents of very sick children to stay and sleep by their bedside.

- A cast of Disney stars have been making their way into an outdoor space, completing an interactive play area that will remain under wraps until September 2017.

- TV’s DIY SOS took on a challenge with a difference – transporting an award-winning garden from the RHS Chelsea Flower Show across London to GOSH.

With your support in 2017/18 we will:
- complete the Mittal Children’s Medical Centre, by opening the Premier Inn Clinical Building, enabling GOSH to treat more patients than ever before.
- open comfortable new accommodation, just 10 minutes’ walk from GOSH, for parents who may have travelled long distances or have a child in intensive care.
- progress construction of the Zayed Centre for Research, bringing us closer to the promise of bigger facilities with more room for groundbreaking research.
- support initial work to convert one of our historic buildings into a new sight and sound clinical centre.
- continue to scope the next phase of GOSH’s redevelopment – the main entrance and surrounding buildings.

“The garden is somewhere to escape to. It is a wonderful contrast to the harshly lit, sterile environment of intensive care, and so quiet and calm compared to the constant beeping of machines.”

Sara, GOSH Mum
A breath of fresh air for patients, staff and families

In May 2016, the TV home improvers from DIY SOS worked with an army of volunteers to move mountains – of soil! They transported an entire garden, including more than 2,000 plants, four miles across central London from the RHS Chelsea Flower Show to a rooftop courtyard at the heart of the hospital. The award-winning Morgan Stanley Garden, designed by Chris Beardshaw, was hefted into its new home with the help of 200 volunteers and 73 crane lifts. The garden opened in September 2016 and has endured the test of a British winter, providing a place for visitors to rest and reflect, at any time of the year. Staff, patients and families can relax under the garden’s shelter or walk around its paths, enjoying a peaceful atmosphere away from the buzz of the hospital.

"A tranquil space, where you can just ‘be’ and not have to make any decisions or think about anything is very rare in hospital and it is probably the thing you need most.” 
Lyn, GOSH Mum

Five years of the Morgan Stanley Clinical Building – the first part of the Mittal Children’s Medical Centre

As the Morgan Stanley Clinical Building, the first part of the Mittal Children’s Medical Centre, reached its fifth birthday in June 2017, we look back at some of the patients that have passed through its corridors.

GOSH surgeon Richard Hewitt has seen the benefits of the building first hand "Patients in the Morgan Stanley Clinical Building have their own, quiet rooms, helping them to get a proper night’s sleep. We know from research that proper sleep can help children recover more quickly, and I’ve seen myself that these children go home sooner and that their families are less stressed - that’s good news for everyone.”

Ashley, Emily’s Dad

Since the Morgan Stanley Clinical Building opened in June 2012:

- 422 children have been treated for kidney conditions in our dedicated unit
- 6,081 patients have been treated in the Heart and Lung Centre
- 13,000 procedures have taken place in its four state-of-the-art operating theatres

"Koala Ward is an incredible place - lovely, light and airy with a real family feel to it. Emily liked to ride round the ward in a little push-around car, and the play facilities were great”
Ashley, Emily's Dad

“Monroe is two years old and having tests for suspected epilepsy

A tranquil space, where you can just ‘be’ and not have to make any decisions or think about anything is very rare in hospital and it is probably the thing you need most.”
Lyn, GOSH Mum
Volunteering

We’ve worked hard over the last year to ensure we understand and look after our diverse volunteer workforce and recognise the contribution that they make within the hospital and in charity fundraising. We have focused on embedding good volunteer management practices to support these amazing individuals and to measure the impact that they make.

At the hospital

In 2016/17, more than 1,000 hospital volunteers provided emotional and practical support for staff, patients and parents, as well as bringing some fun to a hospital stay for many children. Working across 72 different roles, ranging from play volunteers and befrienders, to information desk volunteers and ward administrators, the GOSH volunteers are recruited and managed by the hospital. This year they contributed more than 4,000 hours per week, generously sharing their time, skills and energy with the hospital.

For the charity

From individuals to whole companies, hundreds of charity volunteers provided vital support for our fundraising activities and were integral to the success of our events.

In 2016/17 our team of volunteer community ambassadors grew to 126, supporting and inspiring thousands of others in their support of the hospital. And our Corporate Partnership Board and fundraising leadership boards, whose volunteers number nearly 200, raised much-needed funds for a range of projects across the hospital.

During the last year, the number of our own employees who volunteered increased to more than 70%, a testament to the level of dedication that the charity’s staff have to the hospital.
Governance

Fundraising and governance
We are privileged to have the support of so many generous donors and supporters and we endeavour at all times to exercise the highest standards and good governance and continually review and improve our resources and practices in relation to our fundraising activities.

Objective: Continue to evaluate and invest in our controls and governance procedures to ensure that we warrant and maintain the trust of our donors, supporters and regulators.

Performance: Ongoing. We have invested in and further strengthened our controls and will continue to do so in order to maintain best practice. We acknowledge the penalty we received from the ICO and have ceased all of our activities.

Fundraising and governance
We are committed to the highest standards of good governance. We adhere to the Code of Fundraising Practice and have registered with the newly formed Fundraising Regulator. In addition, we are members of the Institute of Fundraising.

During the year we published a new supporter commitment, setting out our promise to always strive for sector-leading standards in fundraising practice. This commitment is built into our five-year strategy and a committee, chaired by the Chief Executive, meets fortnightly to review performance against this standard.

Our supporter commitment
We have reviewed our supporter commitment to ensure it is clear, and we published the latest version in May 2017. The commitment states the standards we set ourselves for every interaction with our supporters and the public.

Our key pledges to our supporters are:

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

The full supporter commitment is published on our website www.gosh.org/about-us/our-fundraising/our-supporter-commitment.

Standards and monitoring
We endeavour at all times to exercise the highest standards and good governance and continually review and improve our resources and practices. This is one of the fundamental enablers in our five-year strategy and is firmly embedded within the charity’s values.

Throughout the past year, we have strengthened our systems and processes in terms of governance, risk management, compliance and planning. We continue to undertake ongoing and regular monitoring both of our own practices and those of our agencies and third parties. In 2017 we established a new sub-committee of the Board: the Governance, Reputation and Risk Committee. On behalf of the Board, this committee has assumed responsibility for oversight, scrutiny and governance of matters relating to fundraising, regulation and reputation and all non-financial risks.

We have increased our focus on monitoring and governance and compliance by redeveloping our internal review programme of compliance against the Code of Fundraising Practice and incorporating governance reviews into our internal audit programme (undertaken by Grant Thornton, independent auditors). We have increased our involvement and engagement in sector-wide standards initiatives, including the recent appointment of our Director of Marketing and Public Fundraising to the Institute of Fundraising Standards Advisory Board.

Complaints
We sincerely regret that supporters and the general public occasionally have the need to raise complaints. However, when this happens we treat complaints very seriously and ensure that all complaints are properly investigated and that a full and appropriate response is given. We also take time to reflect on our policies and procedures and, in the light of complaints, identify ways to further strengthen and improve them, recognising that we do not always meet the high standards we wish to be recognised for.

In 2016/17, our Supporter Care team received a total of 526 complaints – regrettable this reflects a significant increase (34%) on the number of complaints received in 2015/2016 (392). This increase principally reflects higher levels of activity in our direct marketing fundraising, in particular door to door fundraising. We understand that some people do not like this method of fundraising and we regret and apologise where its use causes any offence or upset. In cases where our investigation shows that methods or behaviours of third party fundraisers have not met our expectations we take steps to ensure that appropriate follow up action is taken either to retrain or discipline persons responsible.

However, the income we raise from direct marketing income remains very important to our work, and without being complacent on the number of complaints we receive, it is below the mean ratio reported for the charity sector by the Fundraising Standards Board (FRSB) in their 2015 report. Despite this, we will continue to work to further improve processes and controls and to achieve the highest standards in all of our fundraising and maintain the trust of all our supporters.

Treating people fairly
We recognise that every individual is unique in their background, experience and circumstance and every interaction between the charity and members of the public is different. We continue to require all our staff, agencies and other third parties working on our behalf to help protect those who may be vulnerable or be in a vulnerable circumstance.

Our Treating People Fairly policy includes guidance on how to identify indicators that an individual may require additional care or support to make an informed decision, and to assess whether it is appropriate to accept a donation or continue a conversation.

During 2016/2017 we implemented a training programme for fundraising staff and our third party agencies on treating people fairly, which supports our policy and commitment to making fundraising a positive experience for everyone.

Data protection and information governance
We are committed to ensuring compliance with privacy legislation, working to a culture that puts the individual first and foremost. During the year, we updated and reviewed the charity’s privacy policy, relaunching a new version in May 2017. We are also reviewing and updating the data protection statements used in our marketing materials to ensure these are as clear as possible for donors and supporters.

Principal fundraising activities
The charity benefits from a very broad and diverse supporter base who donate in a wide variety of ways. In 2016/17 these included:

- Regular donations – more than 176,000 supporters (2015/16: 164,000) made regular donations, usually on a monthly basis.
- Individual donations – for example, from supporters responding to a specific major charity appeal, attending an event, entering a raffle or buying merchandise.
- Community fundraising – 3,202 community-based fundraisers helped raise funds, often organized by a patient’s loved ones. And many people participated in large events, of the charity, raising significant income.
- Corporate fundraising – 66 corporate partners chose to give donations to the charity, delivering cause-related marketing programmes and/or engaging with their employees to help raise funds for the charity.
- Legacies – we received 570 legacy gifts this year (541 in 2015/16), where supporters have chosen to give a gift to the charity in their Will.
- Fundraising code of practice
As a fundraising charity, we depend upon the generosity of our donors to be able to raise funds for GOSH. Therefore, we are acutely aware of how critical it is to maintain the trust of our donors. We know that it matters to people not just how we spend their donations, but how we go about raising funds.

We are committed to the highest standards of good governance. We adhere to the Code of Fundraising Practice and have registered with the newly formed Fundraising Regulator. In addition, we are members of the Institute of Fundraising.

During the year we published a new supporter commitment, setting out our promise to always strive for sector-leading standards in fundraising practice. This commitment is built into our five-year strategy and a committee, chaired by the Chief Executive, meets fortnightly to review performance against this standard.

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- Individual donations – for example, from supporters responding to a specific major charity appeal, attending an event, entering a raffle or buying merchandise.
- Community fundraising – 3,202 community-based activities or challenge events took place in support of the charity, often organized by a patient’s loved ones. And many people participated in large events, such as the Virgin Money London Marathon, to raise funds for the hospital.
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Our supporter commitment
We have reviewed our supporter commitment to ensure it is clear, and we published the latest version in May 2017. The commitment states the standards we set ourselves for every interaction with our supporters and the public.

Our key pledges to our supporters are:

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

The full supporter commitment is published on our website www.gosh.org/about-us/our-fundraising/our-supporter-commitment.

Complaints
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In April 2017, following a review with our Trustees into our practices for obtaining consent for telephone fundraising, we implemented a permission-based model. This means that we need prior consent before telephoning a potential donor.

In 2016 we began to prepare for the new General Data Protection Regulations (GDPR), which will come into effect in May 2018. We have developed a privacy management framework that outlines how we will ensure the privacy of our donors and supporters through a three-tiered model that encompasses:

- Respect for the wishes of individuals, giving them choice in the management and use of their information.
- Demonstrable controls compliant with legislation and best practice.
- Transparency in our communications with individuals on how we use information.

In addition, we have developed procedures to allow individuals to choose how and when they wish to be contacted by us through registration with the Fundraising Preference Service, launched on 6 July.

**Information Commissioner investigation into charity practices**

The Information Commissioner’s Office (ICO) concluded its investigation into charity practices in early 2017. We were one of the charities to be issued with a monetary penalty notice for data breaches which was paid by a small group of supporters. Although we were disappointed with the decision, in the period since the investigation began (mid-2015), we have taken a number of steps to review and improve practice including:

- All of the activities criticised by the ICO have ceased.
- We have reviewed all our practices against the Code of Fundraising Practice and updated our methodology behind assessing compliance with the Code on a regular basis. This ensures we accurately and efficiently capture our compliance through a rolling programme of self-certification and review.
- We have strengthened our compliance resources, systems and processes.

We take our responsibilities to our donors and supporters extremely seriously and sincerely regret any distress caused by fundraising activities in the past.

**Fundraising on our behalf**

We use agencies and third parties to help us with certain elements of our fundraising, including door-to-door, telephone and private site fundraising and the processing of regular donations. All the agencies and third parties we work with are thoroughly briefed on the objectives of the charity and the need for them to comply with and meet our high standards, including our supporter commitment. We provide training to their staff on a regular basis and undertake regular monitoring and oversight of their activities through a combination of methods such as call monitoring, mystery shopping, meetings and internal audit reviews. We are revising all fundraising contracts to comply with the requirements of the new Charities (Protection and Social Investment) Act 2016 and best practice, outlining our expectations and oversight practices.
Financial review

Objective: Deliver total income of £98 million, including over £93 million from fundraising, and a cost:income ratio of not more than 30% over a five-year period.

Performance: Achieved in part. We had a strong financial performance, exceeding our target with total income of £101.8 million. However, at £88 million, fundraising income fell short of our target by £5.7 million due in the main to slower progress on the construction of the Zayed Centre for Research with related donations being due when milestones are achieved. The short fall in fundraising income was offset by outperformance in our investment portfolio. We achieved a sub-30% cost to income ratio in 2016/17 and over the past five years.

Income
Total income including gains/(losses) on investments was £101.8 million (2015/16: £91 million). The principal funding sources of the charity with comparisons to the target for 2016/17 and the previous year are shown alongside.

In the year to 31 March 2017, income (excluding investment income) remained strong at £93.3 million (2015/16: £93.8 million). Donations at £68.4 million were £5.7 million higher than 2015/16, driven by increases in corporate partnerships, community fundraising, individual giving and major gift fundraising. We continued to benefit from the generosity of a large number of legacy donors although overall legacy income was down against 2015/16, mainly due to one large gift received in 2015/16. Property income was lower this year due to a one-off grant from The Higher Education Funding Council for England (HEFCE) of £5 million that was received in 2015/16 as a contribution to the Zayed Centre for Research.

In addition, in 2016/17 there were significant gains in the values of our investments with realised and unrealised gains of £8.5 million (2015/16 loss of £2.8 million) principally driven by market movements following the EU membership referendum.

On 1 February 2017 GOSH charity merged with the Sparks charity. Sparks was acquired at no cost to the charity and so a donation of £1.4 million, representing the Sparks net assets, has been recorded as income on acquisition.

<table>
<thead>
<tr>
<th>Income</th>
<th>2016/17 actual £ million</th>
<th>2016/17 target £ million</th>
<th>2015/16 actual £ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>68.4</td>
<td>77.3</td>
<td>62.7</td>
</tr>
<tr>
<td>Legacies</td>
<td>14.1</td>
<td>14.0</td>
<td>17.8</td>
</tr>
<tr>
<td>Trading</td>
<td>5.5</td>
<td>2.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Total fundraising income</td>
<td>88.0</td>
<td>93.7</td>
<td>84.5</td>
</tr>
<tr>
<td>Investment income (realised)</td>
<td>1.9</td>
<td>2.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Property and other income</td>
<td>2.0</td>
<td>1.6</td>
<td>6.7</td>
</tr>
<tr>
<td>Sparks income</td>
<td>1.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income before gain/(loss) on investments</td>
<td>93.3</td>
<td>98.0</td>
<td>93.8</td>
</tr>
<tr>
<td>Gain/(loss) on investments</td>
<td>8.5</td>
<td>-</td>
<td>(2.8)</td>
</tr>
<tr>
<td>Total income including investment gains</td>
<td>101.8</td>
<td>98.0</td>
<td>91.0</td>
</tr>
</tbody>
</table>

Objective: Deliver total income of £98 million, including over £93 million from fundraising, and a cost:income ratio of not more than 30% over a five-year period.

67% Donations
14% Legacies
6% Trading
2% Investment income (realised)
2% Property and other income
1% Sparks income
8% Gain/(loss) on investments
Use of funds generated

The chart shows how the charity applied the 2016/17 income plus funds raised in prior years. The total expenditure and commitments in the year of £109.6m were funded by £101.8 million generated during the year and £7.8 million contributed from funds raised in prior years.

Commitments and expenditure made for charitable activities in 2016/17 totalled £59.2 million (2015/16: £27.1 million). The most significant area of increase was in medical equipment and systems, with commitments of £37.8 million in 2016/17 (£4.1 million in 2015/16). This increase is largely accounted for by the charity’s contribution of £31.5 million to the hospital’s new Electronic Patient Record (EPR) system. As at 31 March 2017 the charity’s contribution to this system, which will improve all aspects of patient experience and care and fuel ground breaking research, had been committed but not yet spent.

Funding is provided for research, medical equipment and systems, and patient, family and staff support on an annual basis. In 2016/17 funding of £59.2 million was provided for these charitable activities. However, commitments are only made to the hospital’s redevelopment and major patient related projects when they are ready to proceed. Consequently, the actual funding relating to the redevelopment and major project commitment may extend over a number of years, giving rise to significant variations in redevelopment expenditure from one year to the next. In 2016/17 no new commitments were made to major redevelopment projects.

In addition, in 2016/17 the charity spent a further £15.9 million (2015/16: £4.1 million) on its own development project, the Zayed Centre for Research, and £6.3 million on the acquisition of two properties in Sandwich Street, which are being converted and refurbished as parent accommodation. Accounting rules require this expenditure to be capitalised and, therefore, not reflected in charitable expenditure (see note 9 to the financial statements). In total our charitable expenditure including the charity’s capital projects was £81.4 million.

A total of £28.2 million (£18.8 million of fundraising costs and £9.4 million of governance and support costs) was required to enable us to raise our fundraising income, invest for future growth and ensure that appropriate controls and governance were maintained and strengthened. Ongoing focus is given to ensuring that the charity maximises the cost effectiveness of its activities, obtains value for money and provides the highest standards of supporter care and compliance. Governance and support costs includes CRM project cost write offs of £1.8 million.

<table>
<thead>
<tr>
<th>Use of Funds Generated</th>
<th>2016/17 actual £ million</th>
<th>2015/16 actual £ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>13.6</td>
<td>14</td>
</tr>
<tr>
<td>Medical equipment and systems</td>
<td>37.8</td>
<td>4.1</td>
</tr>
<tr>
<td>Patient, family and staff support projects</td>
<td>5.7</td>
<td>6.6</td>
</tr>
<tr>
<td>Accommodation and other</td>
<td>2.1</td>
<td>2.4</td>
</tr>
<tr>
<td>Charitable activities expenditure and commitments</td>
<td>59.2</td>
<td>27.1</td>
</tr>
<tr>
<td>Charity asset redevelopment - ZCR</td>
<td>15.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Parent accommodation - capital</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>Charitable activities including charity capital items</td>
<td>81.4</td>
<td>31.2</td>
</tr>
<tr>
<td>Fundraising expenditure</td>
<td>18.8</td>
<td>16.9</td>
</tr>
<tr>
<td>Governance and support costs</td>
<td>9.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Total expenditure and commitments including charity capital items</td>
<td>109.6</td>
<td>55.5</td>
</tr>
</tbody>
</table>

**USE OF FUNDS GENERATED**

**2016/17**

**£109.6m**

- **£31.5m** COMMITTED TO PATIENT RECORD SYSTEM
- **£22.2m** SPENT ON ZCR AND PARENT ACCOMMODATION
Grants policy
The Grants Policy provides an overarching policy for the charity’s grant-giving activity, including a description of our quality assurance processes across each area of charitable funding. The policy outlines the strategic vision and framework for deciding how to award funding to areas of greatest need that will have the most impact for the children at the hospital. The principles and steps set out in the document have been developed in consultation with the hospital and provided guidance to Trustees to help inform their decision making.

Funding, governance and support expenditure
The total costs of raising funds and operating the charity increased to £28.2 million (2015/16: £24.3 million).

The increase in expenditure incurred in raising funds principally reflected the higher levels of direct market fundraising activity, which in turn contributed to the increase of £1.7 million in donations (excluding legacies). Despite a time lag, we see a clear correlation between investing in raising funds (from direct marketing) and higher levels of ongoing regular fundraising costs due to the need to build and develop new events. Additional expenditure was incurred in support of the increased fundraising activity and to ensure the charity operates at the highest levels of governance and compliance. Consequently, the charity has had to incur additional support expenditure, primarily in operations, brand marketing, IT and strengthening the governance’s capability.

Expenditure on operations and raising funds

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<table>
<thead>
<tr>
<th>Year</th>
<th>Total (£ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/17</td>
<td>28.2</td>
</tr>
<tr>
<td>2015/16</td>
<td>24.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>2016/17</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>18.8</td>
<td>16.9</td>
</tr>
<tr>
<td>Governance, operations and support</td>
<td>9.4</td>
<td>7.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>28.2</strong></td>
<td><strong>24.3</strong></td>
</tr>
</tbody>
</table>

Costincome ratio
To ensure we maintain the trust and support of our donors, it is very important the charity operates efficiently.

An important indicator of the charity’s efficiency (and ensuring that the maximum amount donated is available for charitable activities) is the charity’s cost income ratio (explained underneath the graph below). As well as making annual calculations, we monitor and report the cost income ratio over a five-year period. We do this because the ratio inevitably varies from year to year due to the availability of large scale projects against which to raise specific funds (particularly from major donors and corporates), giving rise to fluctuations in the amount of annual income we receive, and changes in the amount we invest each year in raising funds. The five-year average gives us a truer picture of the long-term relationship between charity costs and income raised.

The Board of Trustees has set a target of ensuring the costs of fundraising are limited to an average maximum of 30% of total income over a five-year period. In 2016/17 that an average 72.5% more in every £1 donated over a five year period should be available for charitable activities. The graph below shows that we have met our 30% target this year and over the past five year period. In costs in 2016/17 reflects the investment in fund raising and governance made by the charity this year, laying the foundations for higher income in the coming years.

The cost income ratio is calculated as follows:
Cost expenditure on raising funds, governance, support and operations (£28.2 million) less investment management costs (£0.2 million) and CRM project cost write offs (£1.8 million).

Income: income before gains (losses) on investments (£93.9 million) less investment income (£19.1 million), Sparks income (£14.4 million) and property income (£17.1 million).

All income and expenditure not directly related to fundraising are excluded. This includes investments and property. The CRM cost is excluded as it relates to a one-off impairment in the year, not ongoing operational costs.

Tangible fixed assets
Tangible fixed assets of £159.5 million (2015/16: £157.6 million) mainly consist of properties owned by the charity and used for clinical, residential and administrative purposes by the hospital. Certain of the residential properties are let to key hospital employees to assist the hospital with staff recruitment and retention. Others are provided, free of charge, to parents of children undergoing treatment at GOSH. In addition, tangible fixed assets include the Guilford Street site that is being developed into the Zayed Centre for Research, the construction costs of which are included in assets under construction (£15.9 million) and the Zayed Centre for Research, the construction costs of which are included in assets under construction (£15.9 million) and the Zayed Centre for Research, the construction costs of which are included in assets under construction (£15.9 million) and the Zayed Centre for Research, the construction costs of which are included in assets under construction (£15.9 million).

A full valuation of the property portfolio was carried out at 31 March 2014, the results of which are reflected in the balance sheet value of tangible fixed assets.

Investment policy and performance
The investment policy of the charity is risk averse, with the Trustees’ first priority to preserve capital in order to meet existing and future commitments on capital programmes and other grants made. The Investment Committee, a sub-committee of the Board, continues to review the charity’s investment policy and strategy and, in compliance with the policy, explore ways of improving investment returns that minimise the risk of capital loss to the charity. The Investment Committee reviewed the composition of the investment portfolio in the current year and made a decision to sell its fixed income bond portfolio at a value of £40.7 million, and reduce the equity portfolio holding by 10% to realise £6.7 million. This was considered appropriate given the long-term nature and size of the charity’s commitments and intentions. The Investment Committee will continue to review the allocation of the investment portfolio on a periodic basis.

The charity uses the services of a number of investment managers, dependent on the investment type. The charity’s investment managers follow strict investment guidelines in line with the charity’s moral and ethical policy, which specifies that the charity does not invest in tobacco, arms manufacturing, or any stock in which either tobacco or arms manufacture are the main or a material element. The Investment Committee monitors the performance of the charity’s investment managers closely and was satisfied with the performance of the total investment portfolio in 2016/17, which showed an overall gain of 4.7% over 12 months, 1.6% above the overall RPI benchmark of 3.1%. The long-term portfolio, which holds the risk assets that the charity invests in, marginally underperformed the 21.9% against a benchmark gain of 20.7%. A 0.5% return on the short-term portfolio, which is made up of cash assets and other low risk investments, was just below the 0.7% benchmark (12 month LIBOR).

The value of the long-term portfolio at 31 March 2017 was £43.0 million spread across a number of funds managed by Blackrock, Ruffer and Investec. The short-term portfolio of £157.6 million is held across a number of direct investments with Royal London Cash Management and a short-term fixed income portfolio managed by HSBC. These short-term investments are required to meet the charity’s commitments over the next three to four years.

During 2016/17, there were significant gains in equity markets although this was offset by the continuing low interest environment. Net income, gains and losses earned from the charity’s investments total a net gain of £10.4 million (2015/16: loss of £0.2 million), split between income of £1.9 million (2015/6: £2.6 million), and realised and unrealised gains of £8.5 million (2015/16: £0.8 million), which are recognised as net income in the statement of financial activities.

Funds
The charity’s total funds increased by £14.4 million to £307.4 million at 31 March 2017 (31 March 2016: £293 million). These funds are required to finance the charity’s substantial existing commitments and anticipated future activities, including the Zayed Centre for Research, other redevelopment projects, parent accommodation projects and the charity’s research and innovation strategy. After allowing for
these existing plans, general charity reserves (that is funds not restricted, endowment or designated in respect of use) amount to £32.4 million, which the Trustees consider to be an appropriate level, considering the charity’s scale of operations and contingent liabilities.

**Restricted funds**
The charity holds a number of different funds to support specific activities chosen by donors, which fall within the objectives of the charity. At 31 March 2017 there was £12.9 million (2015/16: £2.2 million) in restricted funds. This includes a deficit of £5.6 million in the redevelopment fund for the Premier Inn Clinical Building, arising as a result of the £84 million commitment having been made to this project in 2013/14 for which fundraising is ongoing. The current shortfall in funding for this project can be more than covered by the unrestricted designated redevelopment funds (see note 19 to the financial statements). The Trustees expect to receive further restricted funding for the building prior to its completion, allowing for designated funds to be released to support other key priorities. Also included in restricted funds is £3.7 million held in special purpose funds, restricted for specific areas of work, some of which are detailed in note 19 to the financial statements.

**Endowment funds**
The charity holds five endowment funds totaling £0.7 million, which have been granted in order to generate funds to support specific charitable purposes.

**Unrestricted funds**
These are funds that are expendable at the discretion of the Trustees to further the charity’s objectives. The charity’s unrestricted funds at 31 March 2017 were £293.7 million and included £261.3 million of designated funds. Each year, the Trustees decide whether to designate unrestricted funds raised to the redevelopment of the hospital or to other specific projects to be committed and spent in future years. This helps to provide financial stability for vital areas of work within the hospital.

At 31 March 2017 the Trustees designated unrestricted funds as follows:

- Tangible and intangible assets (excluding assets under construction) of £141.5 million.
- Redevelopment fund of £94.9 million.
- Research fund of £24.9 million to cover the uncommitted element of the current five-year research and innovation strategy.

**Sparks**
During the 2 month period commitments totalling £1.2 million were made. As a result at 31 March 2017 the restricted funds had a deficit of £0.5 million (31 January 2017 surplus of £0.4 million). Designated funds reduced to £0.3 million (31 January 2017 of £0.6 million) and general funds remained at £0.3 million.

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

Redevelopment

The Trustees set aside £49.4 million to cover any shortfall arising on the restricted redevelopment fund (including the Premier Inn Clinical Building and the Zayed Centre for Research) and the costs of conversion and project programme. The key risks for the charity are:

• Project management and control to meet project budgets and timelines for major redevelopment projects in a highly inflationary construction market; the charity employs a range of construction industry professionals to implement best practice and mitigate risks. Where possible we have also tried to negotiate fixed cost contracts. However, the recent highly inflationary nature of the London construction markets has resulted in cost increases.

• Fundraising environment: the potential negative impact on income of both increasing competition for donations and the developing fundraising regulations and public expectations, including the EU data processing legislation. Adopting sector best practice is a high priority for the charity and we are frequently reviewing our practices to ensure they meet or exceed our supporters’ expectations. By delivering at the highest standards we hope we will maintain the trust and support of our donors.

• Cyber security: threats from global cyber attacks disrupting charity activities and compromising data. We have implemented several layers of protection for our applications and data and we regularly review our security to ensure it remains best practice and robust.

General reserves

The Trustees review the level of general reserves required on an annual basis in line with guidance issued by the Charity Commission and have assessed the risk facing the charity. 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.

The balance of general reserves at 31 March 2017 was £32.7 million, which included £20.3 million of general reserves in Sparks. The Trustees have reviewed the minimum level of reserves required to meet the higher of the forecasted uncertainty, or the risk of the charity, should it suffer a major downturn in its income, or to effect a managed cessation of activities and to provide adequate cover for ongoing commitments to external stakeholders. They have assessed this to be £30 million. Therefore, the Trustees believe the level of free reserves at 31 March 2017 to be appropriate.

Risk management

The Trustees are legally required to minimise significant risks to the charity. Risks are regularly reviewed by the charity’s management and Trustees, so that necessary steps can be taken to minimise or eliminate them. The key risks for the charity are:

• Reputation - factors affecting the charity’s, hospital’s and ICH’s reputation impact on our ability to fundraise successfully. Factors may include hospital malpractice, association with a particular donor or more media attention from higher brand exposure. GOSH and the charity share a professional Communications team that works to manage the hospital and charity reputation. There is close communication between GOSH and the charity throughout organisation structures and levels.

• Major and Corporate donor fundraising: The next phase of the corporate fundraising strategy looks to raise £50 million over 5 years, aiming to raise £50 million over 5 years. Meeting this target is dependent on the ability to attract and retain significant corporate and major gifts. The Trustees are confident that these obligations can be met. The charity’s fundraising streams are well diversified and, therefore, a significant drop in any one channel would not materially affect our ability to meet existing financial commitments. Consequently, the Trustees believe that there are adequate resources to continue in operation for the foreseeable future and that it is appropriate to continue to adapt the going concern basis of accounting in preparing this annual report and financial statements.

• Risk management: The Trustees are responsible for ensuring that the charity has adequate resources to continue in operation for the foreseeable future and that it is appropriate to continue to adapt the going concern basis of accounting in preparing this annual report and financial statements.

Plans for the future periods

During 2017/18 the charity has a number of significant milestones to be met, as well as some clear targets in our charitable activities as set by our strategic initiatives.

Significant milestones and activities:

• The Mital Children’s Medical Centre and the Premier Inn Clinical Building will open to patients in late 2017.
• Launch of the Discovery Appeal to progress fundraising for our research and innovation strategy, aiming to raise £50 million over 5 years.
• Commence funding for committed infrastructure and capital schemes, including intra-operative MRI, new angiography suite (XMR) and new Spect-CT.
• Investment in the hospital’s core ERP and analytics and associated medical research analytics platform.
• Continue the construction of the Zayed Centre for Research into Rare Disease in Children with topping out expected to be in December 2017/January 2018.
• Completion of new parent accommodation units, including Morgan Stanley House in Sandwich Street.
• Progress plans with the hospital for the development of the Italian Hospital building into a dedicated outpatient facility for ophthalmology and audiology patients (‘sight and sound’).
• Progress our national research grant making plans in partnership with Sparks.

Structure, governance and management

The Trustees confirm that the financial statements comply with the Companies Act 2006, Charities Act 2011, the Accounting and Reporting by Charities: Statement Of Recommended Practice (revised 2011) (SORP), applicable law and the provisions of the Memorandum and Articles of Association for both the charity and its subsidiaries.

Legal structure and governing document

For many years, Great Ormond Street Hospital Children’s Charity (charity number 235825) operated as an unincorporated charitable trust. However, the Special Trustees of Great Ormond Street Hospital Children’s Charity took the opportunity offered by what is now Part 12 of the Charities Act 2011 to incorporate the body of Trustees of that charity under the name ‘The Trustees of Great Ormond Street Hospital Children’s Charity’. This incorporated body held all the assets and contracts of the charitable trust and shares in its wholly owned subsidiary Great Ormond Street International Promotions Ltd (GOSIPL).
A new charity was incorporated on 5 December 2014, Great Ormond Street Hospital Children’s Charity (charity number 1160024), which is a Company Limited by Guarantee (company number 09338724), and, with effect from 1 April 2015, this new entity was appointed as the sole corporate Special Trustee of the original charity by the Department of Health. Immediately thereafter, the Charity Commission made an order under section 263 of the Charities Act 2011, which had the effect of vesting almost all of the property, rights and obligations of the incorporated body of Trustees in the new charity (the ‘charity’).

The legal ownership having vested, most of the assets of the original charity were released from the existing trust so that the charity owns them absolutely. The only assets that were excluded are the statutory rights regarding to Peter Pan and one property. We will transfer the remaining assets of the original charity in due course and then dissolve it. This change in legal structure had the effect of improving our governance arrangements but has not changed our charitable objects or daily to-day operations.

In the meantime, the Charity Commission has made a linking direction such that, for accounting purposes, both charity numbers 1160024 (the charity) and 235825 (the original charity) are treated as one charity and both charity numbers are merged accounting provisions have been applied.

In the current year Sparks Charity (charity numbers 1003825 (England & Wales), SCO39482 (Scotland) and company registration number 2634037) was added to the Group.

Trustees' appointment
The volunteer Board of Trustees currently consists of a Chair and ten Trustees appointed for their relevant and individual skills and experience. During the course of 2016/17 one trustee resigned and five new trustees were appointed, further strengthening the Board’s expertise. Trustees are appointed for a fixed term not exceeding four years. On retirement, they can be reappointed, but no Trustee may remain on the Board for more than nine years. Up to six further Associate Trustees can be appointed as volunteers to work with the Trustees on specific Board committees to increase the expertise available.

An induction programme is provided for Trustees on appointment. The Trustees set annual objectives for the Board and Chief Executive that are reviewed during the year and formally at the year end. Trustees, applying their own expertise, share information on relevant changes in legislation and best practice when required.

Responsibilities
The Board of Trustees meets six times per year and is responsible for providing governance for, and leadership to, the charity. It agrees strategic plans for fundraising and other operations and approves the allocation of charitable expenditure. The Board also sets operating plans and budgets and there is a review of operating and financial performance at every meeting. The Chief Executive and Director of Finance and Operations are invited to attend all meetings of the Trustees and other senior managers are invited to attend for presentations and discussions of specific relevant topics. While most of the business of the Charity is conducted at the scheduled Trustee meetings, there are occasional ad-hoc meetings to deal with matters of special interest.

Much of the Board’s work is delegated to five sub-committees with remits as follows:

Finance and Audit Committee
• Monitoring and reviewing the integrity of the charity’s financial statements and financial reporting (recommending the annual financial statements to the Board of Trustees for approval), including approving all accounting policies.
• Agreement of both external and internal audit plans and reports.
• Recommending appointment and reviewing the effectiveness of the external auditors.
• Monitoring of major internal charity projects and review of associated business cases (non-property).
• Review of all key HR policies and the annual pay award proposals on which it makes recommendations to Trustees.

Governance, Risk and Reputation Committee
• Monitor compliance with all governance policies, regulations, laws and sector guidelines.
• Recommend appointment of internal auditors, approve annual internal audit plan and monitor effectiveness of internal auditors.
• Policy-setting and monitoring of all fundraising including fundraising practices, supporter commitment and use, guidelines, monitoring of third parties and complaint monitoring.
• Review of risk register and risk management policy and monitoring all key non-financial risks of the charity.
• Monitoring the charity’s reputation and setting policy for the identification, assessment, management and resolution of material reputational risk to the charity.

Investment Committee
• Monitor the allocation and performance of the charity’s long and short term investment portfolios.
• Review the appointment of professional advisors annually and evaluate their performance.
• Review the investment strategy and policy and recommend required changes to the Board of Trustees.
• Invest funds in accordance with the investment policy and in support of the Board’s financial plan.
Pelesmenia, age nine, with her Healthcare Assistant Abosede Oshimubi during a long stay on the ward.

Property and Development Committee
- Review and monitor the effective and efficient management of the charity’s property interests.
- Review and recommend to the Board the strategy for the charity’s estate in support of the hospital, ICH and the charity and to monitor its implementation.
- Oversee the charity’s disbursements relating to the hospital’s property interests.

Grants Committee
- Recommend a research strategy for Board approval and recommend an overall grant making programme and grants strategy for the charity.
- Award and vary grants within the grant-award budget streams approved by the Board as part of the annual plan and ensure such grants are in compliance with the charity’s charitable objects.
- Monitor grants provided for all charitable activities and oversee the charity’s disbursements programme.
- Assess applications for funding and make recommendations to the Board including those from the Research Assessment Panel (RAP).

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

The Trustees appoint a Chief Executive, who is responsible for ensuring that their policies and strategies are followed and for ensuring the operational management of the charity. Trustees meet with the Executive Directors outside of Board Meetings to review and discuss ongoing critical and strategic issues.

Board performance review
During 2016/17, Lintstock Limited assisted the Board of Trustees with its performance review, involving a detailed self-assessment questionnaire being completed by all Trustees. The results of the questionnaire were used as the basis for reports produced by Lintstock, which analysed the performance of the Board and the chairman in his role. The chairs of the Finance and Audit Committee and Governance, Reputation and Risk Committee discussed the report on the chairman and its conclusions with him.

Overall, the performances of the Board and Chairman were seen to have improved since the last review (in 2015/16), however, the review identified a number of areas where improvements could be made. The key areas identified for attention in 2017/18 are in respect of Board dynamics and relationships (reflecting the recent appointment of five new Trustees) and the senior executive succession planning process. The agreed actions to capture improvements have informed the planning for the Board’s and Chairman’s priorities in 2017/18.

The review of the performance of the Board committees was limited to one question only this year: a more detailed review of the Board and its committees will be undertaken in 2017/18.

Related parties and subsidiary companies
Much of the GOSH research funded by the charity is undertaken in partnership with the ICH (see note 5 to the financial statements).

Great Ormond Street Hospital Children’s Charity (1852) is the original charity which has remained to receive Peter Pan royalties and hold certain other assets.

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 donated, under Gift Aid, to the charity. GOSIPL has its own Board of Directors, responsible for all governance issues. Financial details for GOSIPL are stated in note 1.3 of the group financial statements. Audited financial statements for GOSIPL are filed with the Registrar of Companies.

In October 2012, the Friends of the Children of Great Ormond Street (‘the Friends’) charity merged with Great Ormond Street Hospital Children’s Charity. The Trustees of the charity have assumed responsibility for use of 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 1.4 of the financial statements).

Sparks Charity became a member of the group on 1 February 2017.

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

Remuneration
Our approach to remuneration is led by our reward principles in paying in the upper quartile of the charity sector to attract and retain people who can deliver great results in a great place to work. We take into account external benchmarking in the Charity Brand Index top 10, the charity sector and industry as a whole, our overall charity financial performance and reference CPI/RPI and reward trends. The Finance and Audit Committee considers the remuneration policy and awards on an annual basis and makes recommendations on these matters to the Trustee Board.

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

The charity exists to benefit the patients and families of GOSH. Our grants are structured to ensure that the money raised is used to best effect to support the hospital’s work and is in line with donors’ wishes and the charity’s mission and objectives.

The charity does not provide facilities directly to the public but provides them to the hospital and, in so doing, to 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 that require an overnight stay, but do not require that stay to be on an acute hospital ward.

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

Reference and administrative details
The administrative details of the charity are stated on page 87.

John Connolly
Chairman of Trustees
Great Ormond Street Hospital Children’s Charity
The Trustees

Trustees throughout the year

**John Connolly**
Chairman
John is currently the Chairman of a number of companies including Amec Foster Wheeler plc and G4S plc.

**David Claydon**
Grants Committee
David is partner and co-founder at Macro Advisory Partners LLP, an economic and geopolitical risk advisory firm. David spent fifteen years in the advisory and research businesses at JP Morgan and Morgan Stanley.

**Diana Dunstan**
Grants Committee Chair
Diana retired in 2008 from the role of Director of Research Management at the Medical Research Council. She was the UK representative for the European and Developing Countries Clinical Trials Partnership and was Chair of its General Assembly.

**Margaret Ewing**
Finance & Audit Committee Chair
Investment Committee
Governance, Reputation & Risk Committee
After 13 years as a partner with Deloitte LLP, Margaret spent seven years as CFO of Trinity Mirror plc and subsequently BAA plc, returning to Deloitte in 2007 as Vice Chair and retiring as a Managing Partner in 2012.

**Kaela Fenn-Smith**
Property & Development Committee Chair
Kaela is Head of Commercial and sits on the London Executive Committee for the London Portfolio of Land Securities plc.

**Mark Sartori**
Finance & Audit Committee
Investment Committee
Mark retired from a career in Capital Markets where he worked in European Equities for Credit Suisse and Morgan Stanley. Mark also built a European Equities business at the Royal Bank of Canada.

Trustees appointed in year

**Jennifer Bethlehem**
Grants Committee
Property & Development Committee
Jennifer is a Corporate Partner at Freshfields Bruckhaus Deringer LLP, co-heading Freshfields’ M&A practice in London and leading the firm’s global healthcare team.

**Nina Bibby**
Governance, Reputation & Risk Committee
Nina is the Chief Marketing Officer at O2 responsible for marketing across O2 and with commercial profit and loss accountability for the consumer and SME mobile business.

**Nicky Bishop**
Governance, Reputation & Risk Committee Chair
Finance & Audit Committee
Nicky is and has been in the voluntary sector for 24 years. A repeat stay as CEO from 2007-10 at The Red Cross Children’s Hospital Trust included funding new child health initiatives across sub-Saharan Africa.

**Sandeep Katwala**
Governance, Reputation & Risk Committee Chair
Finance & Audit Committee
Sandeep spent 25 years as a lawyer with the global law firm Linklaters LLP where he was part of the Executive Committee and headed up the firm’s EEMEA Region and India business.

**Michael Marrinan**
Grants Committee
Michael was a consultant Cardiologist at King’s College Hospital from 1992 until 2015 and was Medical Director of King’s for the final six years of his time in the NHS.
Delano is 10 years old and comes to GOSH for dialysis every week. When he’s not at GOSH, he loves being outside and playing football in the park.

associated trustees

associate trustees throughout the year

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

Humphrey van der Klugt
Investment Committee
Humphrey spent most of his career at Schroder Investment Management Limited, where he was a director and member of the Group Investment and Asset Allocation Committees. He is currently chairman of Fidelity European Values Plc, a director of JPMorgan Gowerhouse Investment Trust Plc and director of Allianz Technology Trust plc.

Simon Stormer
Finance and Audit Committee
Simon has had an extensive career in the financial sector, most recently as a Managing Director in the Financial Control Group at Morgan Stanley, until April 2013. Prior to this he worked for PricewaterhouseCoopers and Credit Suisse.

Ruary Neill
Investment Committee Chair
Ruary had a long career in the financial sector working in Asian Equity Markets and then in Global Asset Allocation. He retired from UBS Investment Bank in June 2014. He currently is an Independent Non-Executive Director of JPMorgan Emerging Markets Investment Trust plc and is a member of the Advisory Council of The SOAS China Institute, London University.

Humphrey van der Klugt
Investment Committee
Humphrey spent most of his career at Schroder Investment Management Limited, where he was a director and member of the Group Investment and Asset Allocation Committees. He is currently chairman of Fidelity European Values Plc, a director of JPMorgan Gowerhouse Investment Trust Plc and director of Allianz Technology Trust plc.

Simon Stormer
Finance and Audit Committee
Simon has had an extensive career in the financial sector, most recently as a Managing Director in the Financial Control Group at Morgan Stanley, until April 2013. Prior to this he worked for PricewaterhouseCoopers and Credit Suisse.

Associate trustees appointed in year

Dr Benjamin Jacobs
Grants Committee
Benjamin has extensive experience in clinical and research paediatric practice. In 2009, he was appointed to the Trust Board at the Royal National Orthopaedic Hospital as Director of Children’s Services. He is a member of the Royal College of Paediatrics and Child Health (fellow) and the Royal College of Physicians.

Professor Mary Rutherford
Grants Committee
Mary trained as a paediatrician, specialising in neonatal neurology. Her expertise is in the acquisition and interpretation of fetal and neonatal MRI of the brain. Her research interests include optimising MR sequences to allow objective quantification of both normal and abnormal brain development. She is Professor of perinatal imaging at King’s College London and has an Honorary contract with Guys and St Thomas’ Trust (GSTT).

Associate trustees appointed in year

Dr Benjamin Jacobs
Grants Committee
Benjamin has extensive experience in clinical and research paediatric practice. In 2009, he was appointed to the Trust Board at the Royal National Orthopaedic Hospital as Director of Children’s Services. He is a member of the Royal College of Paediatrics and Child Health (fellow) and the Royal College of Physicians.
Statement of trustees’ responsibilities

The Trustees (who are also directors of Great Ormond Street Hospital Children’s Charity for the purposes of company law) are responsible for preparing the Trustees’ annual report (including the strategic report) and the financial statements, in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have prepared the financial statements in accordance with FRS 102 - the Financial Reporting Standard - applicable in the UK and Republic of Ireland (UK Accounting Standards) and applicable law.

Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Trustees are required to:

• Select suitable accounting policies and then apply them consistently.
• Observe the methods and principles in the Charities SORP.
• Make judgments and estimates that are reasonable and prudent.
• State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
• Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company’s transactions, and to disclose with reasonable accuracy at any time the financial position of the charitable company and the group, and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

(a) So far as the Trustee is aware, there is no relevant audit information of which the company’s auditors are unaware.
(b) The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the company’s auditors are aware of that information.

Nine-year-old George, from Kent, is being treated for a heart condition at GOSH.
Independent auditors’ report to the trustees of Great Ormond Street Hospital Children’s Charity

Report on the financial statements

Our opinion
In our opinion, Great Ormond Street Hospital Children’s Charity’s group financial statements and parent charitable company financial statements (the “financial statements”):

• give a true and fair view of the state of the group’s and of the parent charitable company’s affairs as at 31 March 2017 and of the group’s incoming resources and application of resources, including its income and expenditure and of the group’s cash flows for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

• have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
The financial statements, included within the Annual Report and Accounts (the “Annual Report”), comprise:

• the consolidated and charity balance sheets as at 31 March 2017;

• the consolidated statement of financial activities (incorporating an Income and Expenditure Account) for the year then ended;

• the consolidated statement of cash flow for the year then ended; and

• the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception
Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

• We have not received all the information and explanations we require for our audit; or

• adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

• the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees’ remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees’ remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit
Our responsibilities and those of the trustees
As explained more fully in the Statement of Trustees’ Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) (“ISAs (UK & Ireland)”). Those standards require us to comply with the Auditing Practices Board’s Ethical Standards for Auditors.

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

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). 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 charitable company’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.

We primarily focus our work in these areas by assessing the Trustees’ judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Jill Halford 18 July 2017
Senior Statutory Auditor
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors Landon
Great Ormond Street Hospital Children's Charity
Consolidated statement of financial activities for the year ended 31 March 2017
(Incorporating an income and expenditure account)

Income and endowments from:

Donations and legacies 21 45,859 38,063 83,922 44,831 35,582 80,413
Other trading activities 22 2,836 2,652 5,488 2,289 1,732 4,021
Investments 33 1,842 179 1,921 2,665 33 2638
Charitable activities 24 1,702 257 1,959 1,594 5209 6,706
Total 52,239 41,051 93,290 51,321 42,456 93,777

Expenditure on:

Raising funds 31 28,239 - 28,239 24,301 - 24,301
Charitable activities 32 4,805 54,403 59,208 4,613 22,479 27,092
Total 33,044 54,403 87,447 28,904 22,479 51,383

Net income before gain/(loss) on investments 19,195 (13,352) 5,843 22,417 19,977 42,394

Net gain/ (loss) on investments 8,513 - 8,513 (2,797) - (2,797)

Net income/ (expenses) 27,708 (13,352) 14,356 19,620 19,977 39,597

Transfers between funds 191/192/193 (23,540) 23,540 - 18,351 (18,331) -

Net movement in Funds 4,168 10,188 14,356 32,751 18,846 39,597

Reconciliation of funds:

Total funds brought forward 1 April 290,116 293,010 253,256 1,048 253,413
Total funds carried forward 31 March 294,284 13,082 307,366 29,016 2894 293,010

Notes 1 to 24 form part of these financial statements.
All gains and losses recognised in the year are included in the consolidated statement of financial activities. There are no material differences between the net income for the financial year and the historical cost equivalents.
### Great Ormond Street Hospital Children's Charity

**Consolidated statement of cash flow**

As at 31 March 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>Year ended 31 March 2017 £000</th>
<th>Year ended 31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net cash generated from operating activities</td>
<td>20.1</td>
</tr>
<tr>
<td></td>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dividends and interest from investments</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>Purchase of property, plant and equipment</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Purchase of intangible fixed assets</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Proceeds from sale of investments</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Movement in cash held as investments</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Purchase of investments</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Interest receivable on investments</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Net cash generated from/(used in) investing activities</strong></td>
<td>20,668</td>
</tr>
<tr>
<td></td>
<td>Change in cash and cash equivalents in the reporting year</td>
<td>32,034</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents at the beginning of the reporting year</td>
<td>20.2</td>
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<tr>
<td></td>
<td>Cash and cash equivalents at the end of the reporting year</td>
<td>182,855</td>
</tr>
<tr>
<td></td>
<td><strong>Analysis of cash and cash equivalents:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash in hand</td>
<td>25,275</td>
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<tr>
<td></td>
<td>Notice deposits – current asset investments</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents at the end of the reporting year</td>
<td>182,855</td>
</tr>
</tbody>
</table>

### Great Ormond Street Hospital Children's Charity

**Notes to the financial statements**

1. **Subsidiaries and accounting policies**

1.1 Great Ormond Street Hospital Children's Charity (1852) (charity number 235825)

Income and expenditure relates to legacies left specifically to the charity number 235825, Peter Pan donations, sundry costs and income and expenditure in relation to a leasehold property. All funds brought forward from 31 March 2015 were transferred to Great Ormond Street Hospital Children’s Charity (the charity) (charity number 1160024) on 1 April 2016, as this is a linked charity.

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March 2017 £000</th>
<th>Year ended 31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income and endowments from:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations and legacies</td>
<td>8,537</td>
<td>17,204</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,548</td>
<td>17,215</td>
</tr>
<tr>
<td><strong>Expenditure on:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure on raising funds</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Expenditure on charitable activities</td>
<td>17</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>13</td>
</tr>
<tr>
<td><strong>Net income and net movement in funds</strong></td>
<td>8,523</td>
<td>17,202</td>
</tr>
<tr>
<td>Total funds brought forward 1 April 2016</td>
<td>594</td>
<td>600</td>
</tr>
<tr>
<td>Transfer to the charity</td>
<td>8,524</td>
<td>17,208</td>
</tr>
<tr>
<td><strong>Fund balance carried forward at 31 March 2017</strong></td>
<td>582</td>
<td>594</td>
</tr>
</tbody>
</table>
1. Subsidiaries and accounting policies (continued)

1.1 Great Ormond Street Hospital Children’s Charity (1852) (charity number 235825)

Balance sheet as at 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>Total at 31 March 2017 £000</th>
<th>Total at 31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>582</td>
<td>594</td>
</tr>
<tr>
<td>Total fixed assets</td>
<td>582</td>
<td>594</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>-</td>
<td>789</td>
</tr>
<tr>
<td>Total current assets</td>
<td>-</td>
<td>789</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>-</td>
<td>789</td>
</tr>
<tr>
<td>Net current assets</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td>582</td>
<td>594</td>
</tr>
<tr>
<td>Total net assets</td>
<td>582</td>
<td>594</td>
</tr>
<tr>
<td>The funds of Great Ormond Street Hospital Children’s Charity (1852)</td>
<td>582</td>
<td>594</td>
</tr>
</tbody>
</table>

Gross profit

Turnover 2,166
Cost of sales (622)
Gross profit 1,544

Administrative expenses (295)
Profit on ordinary activities before taxation 1,249
Operating profit 1,149
Interest receivable and similar income 1
Profit for the financial year 1,150

Profit and loss account

For the year ended 31 March 2017

Turnover 2,166
Cost of sales (622)
Gross profit 1,544
Administrative expenses (295)
Operating profit 1,149
Interest receivable and similar income 1
Profit on ordinary activities before taxation 1,150
Operating profit 1,149
Income from operations 1,150
Operating profit 1,149
Profit for the financial year 1,150

Year ended 31 March 2017 £000

Year ended 31 March 2016 £000

Profit and loss account

For the year ended 31 March 2017

Turnover 2,166
Cost of sales (622)
Gross profit 1,544
Administrative expenses (295)
Operating profit 1,149
Interest receivable and similar income 1
Profit on ordinary activities before taxation 1,150
Operating profit 1,149
Income from operations 1,150
Operating profit 1,149
Profit for the financial year 1,150

Balance sheet as at 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>Total at 31 March 2017 £000</th>
<th>Total at 31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventories</td>
<td>96</td>
<td>56</td>
</tr>
<tr>
<td>Debtors</td>
<td>352</td>
<td>514</td>
</tr>
<tr>
<td>Cash</td>
<td>629</td>
<td>34</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(1,052)</td>
<td>(579)</td>
</tr>
<tr>
<td>Net assets</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Share capital and reserves</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>
Great Ormond Street Hospital Children’s Charity
Notes to the financial statements

1. Subsidiaries and accounting policies (continued)

1.3 The Friends of the Children of Great Ormond Street
The charity is the sole member of The Friends of the Children of Great Ormond Street (the Friends) company. 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.

<table>
<thead>
<tr>
<th>Year ended 31 March 2017</th>
<th>Year ended 31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Income and endowments from:</td>
<td></td>
</tr>
<tr>
<td>Donations and legacies</td>
<td>138</td>
</tr>
<tr>
<td></td>
<td>519</td>
</tr>
<tr>
<td>Expenditure on:</td>
<td></td>
</tr>
<tr>
<td>Expenditure on charitable activities</td>
<td>138</td>
</tr>
<tr>
<td></td>
<td>519</td>
</tr>
<tr>
<td>Fund balance carried forward at 31 March 2017</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Balance sheet as at 31 March 2017</td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>-</td>
</tr>
<tr>
<td>Bank and cash in hand</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(39)</td>
</tr>
<tr>
<td></td>
<td>(11)</td>
</tr>
<tr>
<td>Net assets</td>
<td>-</td>
</tr>
<tr>
<td>Reserves</td>
<td>-</td>
</tr>
</tbody>
</table>

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

1. Subsidiaries and accounting policies (continued)

1.4 Sparks Charity
The charity is the sole member of Sparks Charity (Sparks) company. The principal activity of Sparks is to provide grants for research into children’s diseases. Sparks became a subsidiary of the charity on 1 February 2017. Sparks year-end prior to joining the group was 31 January. To bring this in line with the rest of the group, Sparks has completed a two month set of financial statements, ended 31 March 2017.

<table>
<thead>
<tr>
<th>2 month period ended 31 March 2017</th>
<th>Year ended 31 January 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Income and endowments from:</td>
<td></td>
</tr>
<tr>
<td>Donations and legacies</td>
<td>31</td>
</tr>
<tr>
<td>Other trading activities</td>
<td>27</td>
</tr>
<tr>
<td>Income from investments</td>
<td>-</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>58</td>
</tr>
<tr>
<td>Expenditure on:</td>
<td></td>
</tr>
<tr>
<td>Raising funds</td>
<td>44</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>1,255</td>
</tr>
<tr>
<td>Net income before (loss)/gain on investments</td>
<td>(1,221)</td>
</tr>
<tr>
<td>Net gain on investments</td>
<td>4</td>
</tr>
<tr>
<td>Net (expense)/income</td>
<td>(1,217)</td>
</tr>
<tr>
<td>Total funds brought forward 1 February 2017</td>
<td>1,397</td>
</tr>
<tr>
<td>Total funds carried forward 31 March 2017</td>
<td>160</td>
</tr>
</tbody>
</table>
1. Subsidiaries and accounting policies (continued)

1.4 Sparks Charity

Balance sheet as at 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>Total at 31 March 2017 £000</th>
<th>Total at January 2017 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>Total fixed assets</td>
<td>-</td>
<td>2,403</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>9</td>
<td>16</td>
</tr>
<tr>
<td>Debtors</td>
<td>493</td>
<td>436</td>
</tr>
<tr>
<td>Cash</td>
<td>2,829</td>
<td>371</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3,331</td>
<td>823</td>
</tr>
<tr>
<td>Creditors, amounts falling due within one year</td>
<td>1,018</td>
<td>1,429</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>1,403</td>
<td>1,797</td>
</tr>
<tr>
<td>Creditors, amounts falling due after more than one year</td>
<td>1,225</td>
<td>1,401</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>160</td>
<td>1,397</td>
</tr>
<tr>
<td>The funds of Sparks</td>
<td>180</td>
<td>1,197</td>
</tr>
</tbody>
</table>

The funds of Sparks: amounts falling due after more than one year

Total assets less current liabilities 1,403

Net current assets 1,403

The funds of Sparks 180

Creditors: amounts falling due within one year

Total net assets 180

Creditors: amounts falling due after more than one year

1.5 Company information

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

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

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

1.5.1 Company information

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

1.5.1 Company information

The preparation of financial statements requires the use of judgements in the process of applying the group and charity accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.5.5.

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

The parent charity has taken advantage of the following exemptions:

i) from preparing a statement of cash flows for subsidiary companies, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the charity’s cash flows;

ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures.

1.5.2 Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis as a public benefit charity, under the historic cost convention, as modified for the revaluation of certain investments and properties measured at fair value, and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2015, Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, the Charities Act 2011 and the Companies Act 2006. No separate Statement of Financial Activities (SOFAs) has been presented for the charity alone, as permitted by section 408 of the Companies Act.

1.5.2 Basis of preparation

As described above and in the Annual Report, following the Trustees’ assessment of going concern (see page 41), the Trustees continue to adopt the going concern basis in preparing the financial statements.

1.5.3 Going concern

The charity meets its day-to-day working capital requirements through its bank facilities. The charity’s forecasts and projections, taking account of possible changes in performance, show that the charity should be able to operate within the level of its current facilities. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future.

As described above and in the Annual Report, following the Trustees’ assessment of going concern (see page 41), the Trustees continue to adopt the going concern basis in preparing the financial statements.

1.5.4 Basis of consolidation

The consolidated financial statements of the charity incorporate the financial statements of the Company Limited by Guarantee and its fully owned subsidiary undertakings, Great Ormond Street Hospital Children’s Charity (charity number 2558925), Great Ormond Street International Promotions Limited (GOSIPL), The Friends of Great Ormond Street (The Friends) and Sparks Charity (Sparks). Intercompany transactions and balances between charity
1. Subsidiaries and accounting policies (continued)

companies are eliminated. Consistent accounting policies
have been adopted across the group.

The net assets of subsidiaries at the date of association
are assessed on a fair value basis for the purpose of
consolidation into the results for the group. Any negative
goodwill arising is written off in the year of acquisition and
included as an incoming resource within the statement of
financial activities.

1.5.5 Critical accounting judgements and estimation
uncertainty

The charity makes estimates and assumptions concerning
the future. Estimates and judgements are continually
evaluated and are based on historical experience and
other factors, including expectations of future events that
are believed to be reasonable under the circumstances.

The resulting accounting estimates will, by definition,
seldom equal the related actual results. The estimates
and assumptions that have a significant risk of causing a
material adjustment to the carrying amounts of assets and
liabilities within the next financial year are addressed below.

(i) Impairment of intangible assets (note 4)

The charity considers whether intangible assets
software) are impaired annually. Where an impairment
is required, an estimation of the future economic benefits
from the software and also selection of appropriate
discount rates in order to calculate the net present value
of those economic benefits.

(ii) Provisions (note 21)

Provisions are made for future obligations and
contingencies. These provisions require management’s
best estimate of the costs that will be incurred based on
legislative and contractual requirements. In addition,
the timing of the cash flows and the discount rates used
to establish net present value of the obligations require
management’s judgement.

(iii) Recognition of legacy income

Legacy income is recognised when three criteria are
met. Entitlement is established, receipt of the income is
probable and it can be reliably measured.

- Entitlement is established when we receive notification of
an interest in an estate
- Income receivable is probable when the statement of
assets and liabilities is received
- Measurement criteria is considered met once the final
estate accounts are received

Only when these criteria have been met is income from
legacies recognised in the financial statements.

(iv) Impairment of property (note 9)

The charity undertakes an impairment review in the
years when there is no professional valuation carried
out. Where an indication of impairment is identified an
estimation of the recoverable value of the property is
required. This requires estimation of the future economic
benefits from the property and also selection of
appropriate discount rates in order to calculate the net
present value of those economic benefits.

1.5.6 Income and endowments

Income from non-exchange transactions are donations of
money, goods, facilities or services which are given freely
to the charity by a donor. All income are included in the
statement of financial activities (SOFA) when the charity
is legally entitled to the income, the amount can be quantified
with reasonable accuracy and the receipt of the income is
probable. The following specific policies apply to categories of
income:

a) Donations and legacies

- Donation in kind, except donated goods

In all cases, the amount at which donations in kind are
recognised is either fair value of the cost to the donor or
the amount actually realised.

i. Assets given for distribution by the charity are included in
the SOFA as income when receivable
ii. 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.

iii. During the year there were 196 general volunteers.

b) Restricted funds

Income from restricted funds is recognised when
received and allocated to restricted funds where applicable based
on the average balance held through the year.

1.6 Expenditure

Expenditure is accounted for on an accruals basis and
has been classified under the principal categories of
expenditure on fundraising activities, expenditure on charitable
activities, expenditure on raising funds and expenditure on
commercial sponsorship. These expenditure categories comprise
the costs incurred in generating donations and legacy income
including appointed support costs. Expenditure on charitable
activities comprises the costs incurred in delivering charitable
activities including appointed support costs.

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

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

1.7 Funds structure

Income 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 that is subject to specific
restrictions imposed by donors.

c) Unrestricted funds

Unrestricted funds include income received without
restriction, including the retained profits of the trading
subsidiary. Unrestricted funds are available for use at the
discretion of the Trustees in furtherance of the general
objectives of the charity.

d) Designated funds

Designated funds are funds delegated by the Trustees
for particular purposes. Designated funds are included
in the financial statements to meet various current or
future obligations, without restricting or committing the funds
legally.

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

1.8 Intangible fixed assets

a) Capitalisation

Intangible assets (software) that are capable of being
used for more than one year and have a cost equal to or
greater than £5,000, are capitalised. Software is included
in the financial statements at purchase cost or at total
cost of development if designated as other funds. Details of
the capitalised expenditure are included in note 19.

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Great Ormond Street Hospital Children's Charity

Notes to the financial statements

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

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1. Subsidiaries and accounting policies (continued)

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

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

1.9 Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

All assets falling into the following categories are capitalised:

i) Tangible fixed assets that are capable of being used for more than one year and have a cost equal to or greater than £5,000. Cost includes the original purchase price of the asset and the costs directly attributable to bringing the asset to its working condition for its intended use.

ii) Groups of tangible fixed assets that are interdependent or would normally be provided or replaced as a group, with a total value in excess of £5,000 and an individual value of £250 or more (except for computer equipment where only assets with a value of £1,000 or more are capitalised).

iii) Assets under construction comprising expenditure on the purchase and creation or enhancement of fixed assets not brought into use at the balance sheet date. Transfers are made from the asset under construction to the relevant category of fixed asset in the year the asset is brought into use.

a) Land and buildings
Land and buildings are stated at either open market value for their existing use or at depreciated replacement cost. Depreciated replacement cost is deferred where appropriate to recognise the presence of leases on the property (see note 9). Valuations are carried out professionally at five-yearly intervals, with an impairment review undertaken in all other years. A full revaluation was carried out at 31 March 2014 by Cluttons LLP.

b) Fixtures, fittings, vehicles and equipment
Fixtures, fittings, vehicles and equipment are valued at depreciated historical cost.

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

d) Depreciation
Each asset, other than land and assets under construction, is depreciated over its expected useful life from the date of use, as follows:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>50–100 years</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>15 years</td>
</tr>
<tr>
<td>Office equipment</td>
<td>10 years</td>
</tr>
<tr>
<td>Vehicles</td>
<td>10 years</td>
</tr>
<tr>
<td>IT equipment</td>
<td>3 years</td>
</tr>
</tbody>
</table>

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

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

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

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

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

i) Quoted stocks and shares, included in the balance sheet at market value, in fixed asset investments.

ii) Cash investments, held at cost plus accrued interest, in current asset investments.

iii) Assets for resale, held at net realisable value within current asset investments.

iv) Investments in subsidiary undertakings, stated at cost.

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

1.11 Inventories
Stocks consist of purchased goods for resale, which are valued at the lower of cost and the estimated selling price, less costs to complete and sell.

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

1.12 Employee benefits
The charity provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan.

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.
1. Subsidiaries and accounting policies (continued)

methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) 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.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ended 31 March 2012.

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 employee and employer representatives as deemed appropriate.

c) Scheme provisions
The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained.

The Scheme is a ‘final salary’ scheme. Annual pensions are normally based on 1/80th for the 1995 section and on the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section on reckonable pay per year of membership. Members who are practitioners as defined by the scheme regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can commute their pension choosing to give up some of their annual pension for an additional tax-free lump sum, up to a maximum amount permitted under HMRC rules.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the 12 months ending 30 September in the previous calendar year. From 2011/12 the Consumer Price Index (CPI) has been used instead of Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice the final year’s pensionable pay for death in service, and five times their annual pension for death after retirement, is payable.

For early retirements (other than those due to ill health) the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase Additional Voluntary Contributions (AVCs) run by the scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

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

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

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

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

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

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

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

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

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

Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.
Great Ormond Street Hospital Children’s Charity
Notes to the financial statements

3. Expenditure on:

3.1 Raising funds

<table>
<thead>
<tr>
<th></th>
<th>Direct costs</th>
<th>Support costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Direct gifts from individuals and trusts</td>
<td>12,101</td>
<td>3,629</td>
</tr>
<tr>
<td>Legacies</td>
<td>575</td>
<td>224</td>
</tr>
<tr>
<td>Community fundraising</td>
<td>2,543</td>
<td>2,894</td>
</tr>
<tr>
<td>Partnerships, campaigns, events and other income</td>
<td>2,701</td>
<td>2,651</td>
</tr>
<tr>
<td>Fair value of acquired assets (Note 2.5)</td>
<td>1,987</td>
<td>1,376</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,841</strong></td>
<td><strong>24,301</strong></td>
</tr>
</tbody>
</table>

3.2 Charitable activities:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Patient, family and staff support projects</td>
<td>5,406</td>
<td>6,638</td>
</tr>
<tr>
<td>Research</td>
<td>12,973</td>
<td>13,951</td>
</tr>
<tr>
<td>Medical equipment and systems</td>
<td>35,970</td>
<td>41,339</td>
</tr>
<tr>
<td>Redevelopment</td>
<td>92</td>
<td>114</td>
</tr>
<tr>
<td>Accommodation and other</td>
<td>1,930</td>
<td>2,240</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>56,371</strong></td>
<td><strong>59,208</strong></td>
</tr>
</tbody>
</table>

3.3 Expenditure includes charges for:

<table>
<thead>
<tr>
<th></th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Lease rentals</td>
<td>925</td>
<td>783</td>
</tr>
<tr>
<td>Fees payable to the charity's auditors for the audit of the group annual financial statements</td>
<td>55</td>
<td>56</td>
</tr>
<tr>
<td>Due diligence fees payable to the charity's auditors</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>Depreciation (Note 9)</td>
<td>1,007</td>
<td>960</td>
</tr>
<tr>
<td>Amortisation (Note 8)</td>
<td>395</td>
<td>208</td>
</tr>
</tbody>
</table>

Included in support costs for 2016/17 is £1.76 million for the impairment of costs associated with the ongoing development and implementation of the customer relationship management (“CRM”) system. This comprised £0.94 million incurred and capitalised in previous years, with the balance being costs incurred in the current year.

Under the terms of association agreement, it is appropriate that Sparks is consolidated within the Great Ormond Street Hospital Children’s Charity group using acquisition accounting. The fair values of the net assets acquired on the date of association are summarised above. There were no purchase costs incurred in acquiring these net assets. The resulting negative goodwill of £1,397,000 has been written off in the year and included as an incoming resource within the SOFA.
## 4. Support costs

<table>
<thead>
<tr>
<th>Staff costs</th>
<th>IT and comms</th>
<th>Other</th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Cost of expenditure on raising funds</td>
<td>4,488</td>
<td>2,150</td>
<td>2,760</td>
<td>6,998</td>
</tr>
<tr>
<td>Patient, family and staff support projects</td>
<td>110</td>
<td>62</td>
<td>80</td>
<td>272</td>
</tr>
<tr>
<td>Research</td>
<td>312</td>
<td>149</td>
<td>193</td>
<td>654</td>
</tr>
<tr>
<td>Medical equipment and systems</td>
<td>864</td>
<td>414</td>
<td>532</td>
<td>1,810</td>
</tr>
<tr>
<td>Redevelopment</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Patient, family and staff accommodation and other</td>
<td>46</td>
<td>22</td>
<td>29</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,042</strong></td>
<td><strong>2,798</strong></td>
<td><strong>3,915</strong></td>
<td><strong>12,235</strong></td>
</tr>
</tbody>
</table>

Support costs include the costs of the following departments and activities: Governance, Finance, Technology, Human Resources, Administration, Office Running Costs, Business Support, Brand Marketing, Communications and Supporter Services. These are allocated using a full-cost model, which is calculated using drivers from each department’s activities during the year.

## 5. Grant-funded activities

<table>
<thead>
<tr>
<th>Name of recipient</th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>Birkbeck University of London</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>The Brain Tumour Charity</td>
<td>283</td>
<td>278</td>
</tr>
<tr>
<td>Sophia Children’s Hospital, The Netherlands</td>
<td>149</td>
<td>-</td>
</tr>
<tr>
<td>Great Ormond Street Hospital</td>
<td>43,363</td>
<td>13,441</td>
</tr>
<tr>
<td>Institute of Child Health</td>
<td>9,015</td>
<td>9,338</td>
</tr>
<tr>
<td>Imperial College London</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>LG Leuven, Belgium</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>King’s College London</td>
<td>-</td>
<td>133</td>
</tr>
<tr>
<td>University of Newcastle-Upon-Tyne</td>
<td>-</td>
<td>157</td>
</tr>
<tr>
<td>Queen Mary University of London</td>
<td>149</td>
<td>-</td>
</tr>
<tr>
<td>Royal Hospital for Children, Glasgow</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>University of Bath</td>
<td>147</td>
<td>-</td>
</tr>
<tr>
<td>University of Birmingham</td>
<td>147</td>
<td>-</td>
</tr>
<tr>
<td>University College London</td>
<td>317</td>
<td>76</td>
</tr>
<tr>
<td>UCL Institute of Women’s Health</td>
<td>-</td>
<td>296</td>
</tr>
<tr>
<td>University of Nottingham</td>
<td>-</td>
<td>49</td>
</tr>
<tr>
<td>University of Manchester</td>
<td>133</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54,363</strong></td>
<td><strong>23,918</strong></td>
</tr>
</tbody>
</table>

## 6. Details of staff costs

The average number of employees is split as follows:

- Support: 28
- Fundraising: 166
- Charitable expenditure: 37
- Governance: 10

Total: 241

### 6.1 Analysis of staff costs

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>£000</td>
</tr>
<tr>
<td>Social security costs</td>
<td>930</td>
</tr>
<tr>
<td>Pension costs</td>
<td>658</td>
</tr>
<tr>
<td>Ex gratia and redundancy</td>
<td>90</td>
</tr>
<tr>
<td>Other employee benefits</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total emoluments of employees</strong></td>
<td><strong>10,344</strong></td>
</tr>
</tbody>
</table>

Pension costs are split as follows:

- Defined contribution scheme | £000 |
- Final salary scheme | £000 |

Total pension costs | £658 |

Other employee benefits include contributions from the National Employment Savings Trust (nestrust), which is an automatic enrolment pension scheme. The pension costs are calculated using a cost model, which allocates pension costs to each department using drivers from each department’s activities during the year.

There are four main categories of employees:

- UK employees
- Non-UK employees
- Local staff
- Non-local staff

The cost of each category is calculated using a cost model, which allocates to each department using drivers from each department’s activities during the year.

### 5. Grant-funded activities

<table>
<thead>
<tr>
<th>Name of recipient</th>
<th>Year ended 31 March</th>
<th>Year ended 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>Birkbeck University of London</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>The Brain Tumour Charity</td>
<td>283</td>
<td>278</td>
</tr>
<tr>
<td>Sophia Children’s Hospital, The Netherlands</td>
<td>149</td>
<td>-</td>
</tr>
<tr>
<td>Great Ormond Street Hospital</td>
<td>43,363</td>
<td>13,441</td>
</tr>
<tr>
<td>Institute of Child Health</td>
<td>9,015</td>
<td>9,338</td>
</tr>
<tr>
<td>Imperial College London</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>LG Leuven, Belgium</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>King’s College London</td>
<td>-</td>
<td>133</td>
</tr>
<tr>
<td>University of Newcastle-Upon-Tyne</td>
<td>-</td>
<td>157</td>
</tr>
<tr>
<td>Queen Mary University of London</td>
<td>149</td>
<td>-</td>
</tr>
<tr>
<td>Royal Hospital for Children, Glasgow</td>
<td>150</td>
<td>-</td>
</tr>
<tr>
<td>University of Bath</td>
<td>147</td>
<td>-</td>
</tr>
<tr>
<td>University of Birmingham</td>
<td>147</td>
<td>-</td>
</tr>
<tr>
<td>University College London</td>
<td>317</td>
<td>76</td>
</tr>
<tr>
<td>UCL Institute of Women’s Health</td>
<td>-</td>
<td>296</td>
</tr>
<tr>
<td>University of Nottingham</td>
<td>-</td>
<td>49</td>
</tr>
<tr>
<td>University of Manchester</td>
<td>133</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>54,363</strong></td>
<td><strong>23,918</strong></td>
</tr>
</tbody>
</table>
6. Details of staff costs (continued)

6.2 Senior employees
The following number of employees received emoluments falling within the following ranges (excluding pension contributions):

<table>
<thead>
<tr>
<th>Range</th>
<th>Year ended 31 March 2017</th>
<th>Restated</th>
<th>Year ended 31 March 2016</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000 - £69,999</td>
<td>3</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£70,000 - £79,999</td>
<td>7</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£80,000 - £89,999</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£90,000 - £99,999</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£100,000 - £119,999</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£130,000 - £139,999</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>£140,000 - £149,999</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The two highest bands reflect the emoluments, excluding pension contributions, of the Chief Executive Officer and the Director of Finance and Operations.

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

<table>
<thead>
<tr>
<th>Year ended 31 March</th>
<th>Key management personnel £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>778</td>
</tr>
<tr>
<td>2016</td>
<td>740</td>
</tr>
</tbody>
</table>

Key management personnel is defined as members of the Executive, 2016/17 (2015/16: 7) - further details on page 87.

7. Trustee remuneration
None of the Trustees received any remuneration from the charity or its subsidiaries 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 (2015/16: none).

A Trustee indemnity insurance policy is held with Dual Corporate Risks Ltd, providing indemnity of £10 million. The cost of the policy in 2016/17 was £5,561 (2015/16: £5,561).

8. Intangible assets

Charity and consolidated IT software £000

<table>
<thead>
<tr>
<th>Cost:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as at 1 April 2016</td>
<td>2,953</td>
</tr>
<tr>
<td>Additions</td>
<td>5,673</td>
</tr>
<tr>
<td>Impairments</td>
<td>(0,740)</td>
</tr>
<tr>
<td>Balance at 31 March 2017</td>
<td>6,862</td>
</tr>
</tbody>
</table>

Accumulated amortisation:

| Balance at 1 April 2016 | 677      |
| Charge for the year     | 395      |
| Impairments             | 0        |
| Balance at 31 March 2017| 1,072    |

Net book value at 31 March 2017: 4,990

Net book value at 31 March 2016: 1,476

Amortisation of intangible assets is allocated across support costs in the SOFA.

The impairment of costs previously capitalised is associated with the ongoing customer relationship management (“CRM”) project. This is made up of £0.94 million incurred and capitalised in previous years, with the balance being costs incurred in the current year. As the CRM came into use on 2 May 2017 there was no amortisation in 2016/17.
10. Investments

10.1 Analysis of fixed asset investments

<table>
<thead>
<tr>
<th>Investment category</th>
<th>Held in the UK</th>
<th>Held outside the UK</th>
<th>Total 31 March 2017</th>
<th>Total 31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Fixed asset investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value at 1 April 2016</td>
<td></td>
<td></td>
<td>82,006</td>
<td>83,499</td>
</tr>
<tr>
<td>Fair value of additions on acquisition</td>
<td></td>
<td></td>
<td>2,402</td>
<td>-</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals at carrying value</td>
<td></td>
<td></td>
<td>(64,446)</td>
<td>(67,710)</td>
</tr>
<tr>
<td>Acquisitions at cost</td>
<td></td>
<td></td>
<td>19,977</td>
<td>9,027</td>
</tr>
<tr>
<td>Interest</td>
<td></td>
<td></td>
<td>-</td>
<td>920</td>
</tr>
<tr>
<td>Movement on cash held as part of long-term portfolio</td>
<td></td>
<td></td>
<td>(219)</td>
<td>(634)</td>
</tr>
<tr>
<td>Net gain/(loss) on revaluation</td>
<td></td>
<td></td>
<td>5,279</td>
<td>(2,185)</td>
</tr>
<tr>
<td>Market value at 31 March 2017</td>
<td></td>
<td></td>
<td>42,999</td>
<td>82,006</td>
</tr>
<tr>
<td>Historic cost at 31 March 2017</td>
<td>39,205</td>
<td></td>
<td>39,205</td>
<td>32,431</td>
</tr>
</tbody>
</table>

10.2 Market value at 2017

<table>
<thead>
<tr>
<th>Held in the UK</th>
<th>Held outside the UK</th>
<th>Total 31 March 2017</th>
<th>Total 31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in a fixed income portfolio – directly held</td>
<td>-</td>
<td>-</td>
<td>40,851</td>
</tr>
<tr>
<td>Investments in equity funds</td>
<td>12,639</td>
<td>16,171</td>
<td>28,810</td>
</tr>
<tr>
<td>Investments listed on Stock Exchange</td>
<td>14,189</td>
<td>-</td>
<td>14,189</td>
</tr>
<tr>
<td>Total fixed asset investments at market value</td>
<td>26,828</td>
<td>16,171</td>
<td>42,999</td>
</tr>
</tbody>
</table>

Investments representing over 5% by value of the portfolio comprises:

<table>
<thead>
<tr>
<th>Investment category</th>
<th>Total 31 March 2017</th>
<th>Total 31 March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Gilts 4.00% 07/09/2016</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>European investment Bank 3.25% 07/12/2016</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>UK Gilts 17% 22/01/2017</td>
<td>62</td>
<td>62</td>
</tr>
<tr>
<td>UK Gilts 4.9% 22/07/2019</td>
<td>-</td>
<td>49</td>
</tr>
<tr>
<td>UK Gilts 4.0% 22/07/2020</td>
<td>-</td>
<td>12.8</td>
</tr>
</tbody>
</table>

For investment management purposes, the fixed income investments were included in the short-term portfolio. All other investments are included in the long-term portfolio.

Investment powers

The Charity Commission Scheme dated 18 August 1998 gives the charity unrestricted investment powers.
10. Investments (continued)

10.3 Investment in Great Ormond Street International Promotions Limited (GOSIPL)

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at 31 March 2017 £000</td>
<td>Total at 31 March 2016 £000</td>
<td>Total at 31 March 2017 £000</td>
</tr>
<tr>
<td>Goods for resale</td>
<td>105</td>
<td>56</td>
</tr>
<tr>
<td>Inventories</td>
<td>105</td>
<td>56</td>
</tr>
</tbody>
</table>

The net result for GOSIPL in 2016/17 is a surplus of £1,149,591 (2015/16: £828,751) with a distribution to the charity of £1,149,591 (2015/16: £828,751).

10.4 The Friends of the Children of Great Ormond Street

There is a £nil (2015/16: £nil) investment in The Friends of the Children of Great Ormond Street company.

10.5 Sparks Charity

There is a £nil (2015/16: £nil) investment in Sparks Charity.

11. Inventories

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at 31 March 2017 £000</td>
<td>Total at 31 March 2016 £000</td>
<td>Total at 31 March 2017 £000</td>
</tr>
<tr>
<td>Goods for resale</td>
<td>105</td>
<td>56</td>
</tr>
<tr>
<td>Inventories</td>
<td>105</td>
<td>56</td>
</tr>
</tbody>
</table>

12. Current asset investments

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at 31 March 2017 £000</td>
<td>Total at 31 March 2016 £000</td>
<td>Total at 31 March 2017 £000</td>
</tr>
<tr>
<td>Short-term deposits</td>
<td>157,580</td>
<td>139,221</td>
</tr>
<tr>
<td>Assets for resale</td>
<td>- 1,250</td>
<td>- 1,250</td>
</tr>
<tr>
<td>Investments</td>
<td>157,580</td>
<td>140,471</td>
</tr>
</tbody>
</table>

All current asset investments are held in the UK

Assets for resale comprised of a house in Wandsworth, London, donated to the charity in 2015, which was sold in October 2016, realising a net surplus of £257,000.

13. Debtors

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at 31 March 2017 £000</td>
<td>Total at 31 March 2016 £000</td>
<td>Total at 31 March 2017 £000</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>1,185</td>
<td>2,437</td>
</tr>
<tr>
<td>Amounts owed by group undertakings</td>
<td>-</td>
<td>- 824</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>1,091</td>
<td>- 1,170</td>
</tr>
<tr>
<td>Other debtors</td>
<td>589</td>
<td>805</td>
</tr>
<tr>
<td>Prepayments</td>
<td>1,763</td>
<td>1,393</td>
</tr>
<tr>
<td>Accrued income</td>
<td>8,491</td>
<td>2,362</td>
</tr>
</tbody>
</table>

Debtors falling due within one year 13,121 6,997 13,444 6,816

14. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at 31 March 2017 £000</td>
<td>Total at 31 March 2016 £000</td>
<td>Total at 31 March 2017 £000</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>2,030</td>
<td>1,433</td>
</tr>
<tr>
<td>Taxation and social security</td>
<td>-</td>
<td>201</td>
</tr>
<tr>
<td>Grants awarded (Note 17)</td>
<td>74,629</td>
<td>57,210</td>
</tr>
<tr>
<td>Other creditors</td>
<td>711</td>
<td>172</td>
</tr>
<tr>
<td>Accruals</td>
<td>1,673</td>
<td>1,357</td>
</tr>
<tr>
<td>Deferred income (Note 16)</td>
<td>684</td>
<td>934</td>
</tr>
</tbody>
</table>

Creditors falling due within one year 79,227 61,307 77,372 61,054

15. Creditors: amounts falling due after one year

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Charity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total at 31 March 2017 £000</td>
<td>Total at 31 March 2016 £000</td>
<td>Total at 31 March 2017 £000</td>
</tr>
<tr>
<td>Grants awarded (Note 17)</td>
<td>16,860</td>
<td>26,386</td>
</tr>
<tr>
<td>Rent-free provision</td>
<td>101</td>
<td>136</td>
</tr>
</tbody>
</table>

Creditors falling due after one year 16,961 26,522 15,757 26,522
16. Deferred income

<table>
<thead>
<tr>
<th></th>
<th>Total 1 April 2016 £000</th>
<th>Deferred £000</th>
<th>Released £000</th>
<th>Total 1 April 2017 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charity</td>
<td>835</td>
<td>540</td>
<td>(835)</td>
<td>540</td>
</tr>
<tr>
<td>Trading subsidiary</td>
<td>99</td>
<td>30</td>
<td>(99)</td>
<td>30</td>
</tr>
<tr>
<td>Sparks Charity</td>
<td></td>
<td>114</td>
<td></td>
<td>114</td>
</tr>
<tr>
<td>Deferred income</td>
<td>934</td>
<td>604</td>
<td>(934)</td>
<td>604</td>
</tr>
</tbody>
</table>

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

17. Grants awarded

<table>
<thead>
<tr>
<th></th>
<th>Total 31 March 2017 £000</th>
<th>Total 31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charity and consolidated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outstanding liabilities brought forward at 1 April</td>
<td>83,596</td>
<td>105,905</td>
</tr>
</tbody>
</table>

Fair value of additions on acquisition | 1,228 | - |

Awarded during the year

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redvelopment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medical equipment and systems</td>
<td>36,099</td>
<td>4,858</td>
</tr>
<tr>
<td>Research</td>
<td>12,917</td>
<td>11,604</td>
</tr>
<tr>
<td>Patient, family and staff support projects and other</td>
<td>5,367</td>
<td>5,664</td>
</tr>
<tr>
<td>Total awarded during the year</td>
<td>54,383</td>
<td>22,126</td>
</tr>
</tbody>
</table>

Paid during the year

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redvelopment</td>
<td>(30,124)</td>
<td>(25,281)</td>
</tr>
<tr>
<td>Medical equipment and systems</td>
<td>(3,625)</td>
<td>(4,007)</td>
</tr>
<tr>
<td>Research</td>
<td>(8,521)</td>
<td>(9,241)</td>
</tr>
<tr>
<td>Patient, family and staff support projects and other</td>
<td>(5,224)</td>
<td>(4,933)</td>
</tr>
<tr>
<td>Total paid during the year</td>
<td>(47,494)</td>
<td>(43,462)</td>
</tr>
</tbody>
</table>

18. Analysis of group net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted General £000</th>
<th>Unrestricted Designated £000</th>
<th>Restricted £000</th>
<th>Endowment £000</th>
<th>Total at 31 March 2017 £000</th>
<th>Total at 31 March 2016 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balances at 31 March 2017 are represented by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible and intangible fixed assets</td>
<td>141,503</td>
<td>22,971</td>
<td>164,474</td>
<td>13,669</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>42,335</td>
<td>644</td>
<td>42,999</td>
<td>82,006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets and liabilities</td>
<td>32,852</td>
<td>77,695</td>
<td>6,307</td>
<td>116,854</td>
<td>97,827</td>
<td></td>
</tr>
<tr>
<td>Long term liabilities</td>
<td>(101)</td>
<td>(16,860)</td>
<td>(16,961)</td>
<td>(26,522)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>32,751</td>
<td>261,533</td>
<td>12,418</td>
<td>664</td>
<td>307,366</td>
<td>293,010</td>
</tr>
</tbody>
</table>

Restricted funds include long-term liabilities of £16.9 million and short-term liabilities of £74.6m, relating to grants awarded to the hospital and the IOH.
### 19. Consolidated funds

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

#### 19.1 Endowment funds

<table>
<thead>
<tr>
<th>Name of fund</th>
<th>Capital in perpetuity bequest for general purposes.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Tippets and Crux</td>
<td>To provide finance for major building and capital development.</td>
</tr>
<tr>
<td>B Lewisohn</td>
<td>To support projects and roles relating to childhood cancer.</td>
</tr>
<tr>
<td>C Barnes</td>
<td>To support the Psychological Medicine Department.</td>
</tr>
<tr>
<td>D Mary Shepard Bequest</td>
<td>To conduct research into engineering rejection free organs with intestinal failure.</td>
</tr>
<tr>
<td>E John Lund Wells Bequest</td>
<td>To support projects and roles relating to childhood cancer.</td>
</tr>
</tbody>
</table>

#### 19.2 Restricted funds

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

#### 19.3 Unrestricted funds

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

### 19. Consolidated funds (continued)

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 transfers between funds represent:

- Where subsequent instructions are received from a donor restricting income that was originally received with no restrictions.
- 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.

Total restricted funds show a net surplus of £212 million at 31 March 2017. There is a deficit of £11.8 million in the restricted funds raised specifically for the development of The Premier Inn Clinical Building. The redevelopment project continues to be actively fundraised for. Trustees have designated funds of £30.4 million from unrestricted funds to cover any deficit on the current redevelopment and research plans.

The fixed assets fund represents the value of unrestricted funds invested in fixed assets that are not by nature of fixed assets, readily available for use for other purposes. The fixed assets fund is equal to the net book value of the fixed assets at 31 March 2017, excluding assets under construction.
Great Ormond Street Hospital Children's Charity
Notes to the financial statements

20. Notes to the consolidated cash flow statement

20.1 Reconciliation of cash flows from operating activities to net income

<table>
<thead>
<tr>
<th></th>
<th>31 March 2017</th>
<th>£000</th>
<th>31 March 2016</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>14,356</td>
<td></td>
<td>36,597</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation charges</td>
<td>1,402</td>
<td>1,168</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>(1,921)</td>
<td>(2,638)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised (gain)/loss on investments</td>
<td>(5,279)</td>
<td>2,185</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of investments acquired</td>
<td>(2,402)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of intangible assets</td>
<td>1,764</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in asset held for sale</td>
<td>1,250</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in stocks</td>
<td>(49)</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>(6,124)</td>
<td>2,374</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase/decrease in creditors</td>
<td>8,359</td>
<td>(2,140)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash inflow from operating activities</strong></td>
<td>11,356</td>
<td>21,377</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20.2 Analysis of net funds

<table>
<thead>
<tr>
<th></th>
<th>1 April 2016</th>
<th>£000</th>
<th>Cash flows</th>
<th>31 March 2017</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>11,610</td>
<td>13,645</td>
<td>25,275</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current asset investments</td>
<td>139,221</td>
<td>18,359</td>
<td>157,580</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>150,831</td>
<td>32,024</td>
<td>182,855</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

21. Commitments, liabilities and provisions

The Trustees do not have any other commitments, liabilities or provisions requiring disclosure other than those included in the financial statements (2015/16: £ nil).

22. Legacies

The charity has been notified of 211 legacies which have not been included within the financial statements, as no notification of impending distribution has been received (2015/16: 175). Of these, 24 per cent are pecuniary legacies which normally have an average value of £3,104 (2015/16: 15 per cent £883) and the remaining 76 per cent are residuary, life interest, income trust and specific legacies which have an average value of £7,2186 (2015/16: 85 per cent £63,207). The charity does not have any indication of when it is due to receive these monies and there is no probability of receipt. Included within the above figures are 35 legacies (2015/16: 33) which are subject to a life interest, as well as 2 specific legacies (2015/16: 5) which are not subject to a life interest.

23. Annual commitments under non-cancellable operating leases

<table>
<thead>
<tr>
<th></th>
<th>Total 31 March 2017</th>
<th>£000</th>
<th>Total 31 March 2016</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating leases which expire:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within one year</td>
<td>23</td>
<td>41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between one and five years</td>
<td>408</td>
<td>45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>After five years</td>
<td>209</td>
<td>760</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>640</td>
<td>836</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The leases relate to the 40 Bernard Street and 6 and 8 Tinworth Street premises, line rentals and IT and other equipment.

24. Related party transactions

During the year the following related party transactions took place:

John Connolly, the Chairman of the board of Trustees of the charity is also a retired partner of Deloitte LLP and the Chairman of the group board of the G4S Group PLC. During the year G4S provided cash banking and security services. Transactions valued at £16,675 (2015/16: £16,656) were undertaken between the charity and G4S Cash Solutions (UK) Limited, a subsidiary of G4S Group PLC. Of this amount £Nil (2015/16: £3,700) was owed by the charity to G4S at the year end.

During the year, the charity engaged Deloitte LLP to complete the CRM project. Transactions valued at £3,306,657 (2015/16: £Nil) were undertaken between the charity and Deloitte. Of this amount £Nil (2015/16: £Nil) was owed by the charity to Deloitte at the year end.

Margaret Ewing, who is on the board of Trustees of the charity, is also a retired partner of and currently an advisor to Deloitte LLP.

Kellie Gread is a valuations partner within the transaction services department of PricewaterhouseCoopers, who are the charity’s auditors. Her husband Amit Aggarwal was appointed the charity’s Director of Corporate Partnerships on 6 July 2015. His wife has no relationship with the charity or its audit. The audit fee, inclusive of VAT, for the financial year was £55,440 (2015/16: £55,800), all of which was outstanding at the year end. In addition to this, a one off cost of £30,600 for the due diligence into Sparks charity was incurred in the year by PricewaterhouseCoopers.

During the year donations of £231,202 (2015/16: £79,352) were received from related parties.
24. Related party transactions (continued)

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

<table>
<thead>
<tr>
<th>Party</th>
<th>Nature of Relationship</th>
<th>Transaction</th>
<th>Income for the year ended 31 March 2017</th>
<th>Expenditure for the year ended 31 March 2017</th>
<th>Debtor balance as at 31 March 2017</th>
<th>Creditor balance as at 31 March 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOSIPL Wholly owned subsidiary</td>
<td>Management charge for costs incurred by GOSH charity, distribution of year-end profit to GOSH charity and costs incurred by one entity on behalf of another entity.</td>
<td>1,415,239</td>
<td>612,032</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sparks Wholly owned subsidiary</td>
<td>Costs incurred by one entity on behalf of the other entity.</td>
<td>-</td>
<td>-</td>
<td>178,730</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>The Friends Wholly owned subsidiary</td>
<td>Distribution of year-end profit to GOSH charity and costs incurred by one entity on behalf of another entity.</td>
<td>132,499</td>
<td>33,880</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

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

Great Ormond Street Hospital Children’s Charity
Administrative details

Executive Directors
Tim Johnson (Chief Executive)
Richard Bowyer (Director of Marketing and Public
Ian Chivers (Director of Finance and Operations)
Neal Donnelly (Director of Major Gift and Special Event Fundraising)
Cymbeline Moore (Director of Communications)
Amir Aggarwal (Director of Corporate Partnerships)
Heather Morgan (Director of People and Planning, appointed 4 April 2016)

Charity Patrons
Vernon Kay and Tess Daly

Independent Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor
Embankment Place, London WC2N 4RH

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

Solicitors
Macfarlanes
20 Cursitor Street, London EC4A 1LT

Bircham Dyson Bell
50 Broadway, London SW1H 0BL

Blake Morgan
6 New St Square, London EC4A 3DJ

Withers
16 Old Bailey, London EC4M 7EG

Hunt & Williams
30 St. Mary Axe, London EC3A 8EP

Wilkins
Alexandra House, St Johns Street, Salisbury SP1 2SB

Investment managers
HSBC Asset Management (Europe) Ltd,
London SW1A 1EU

BlackRock
Murray House, One Royal Mint Court, London EC3N 4HQ

Ruffer LLP
80 Victoria Street, London SW1E 5J

Investec Wealth & Investment Limited
2 Gresham Street, London EC2V 7QP

Independent investment consultants
Barnett Waddingham
Cheapside House, 138 Cheapside, London EC2V 6BW

Great Ormond Street Hospital Children’s Charity
Registered charity number 1160024

Great Ormond Street Hospital Children’s Charity (1852)
Registered charity number 235825

Great Ormond Street International Promotions Limited
Company limited by share capital. Registered number 2265303

The Friends of the Children of Great Ormond Street
Registered charity number 296370

Sparks Charity
Registered charity number 1003825

Principal and registered office
40 Bernard Street, London WC1N 1LE
T: 02038413841 www.gosh.org

Description of charity’s objective
Any charitable purpose relating to Great Ormond Street Hospital for Children NHS Foundation Trust, including research.

Trustees
John Connolly (Chairman)
Diana Dunstan OBE
Margaret Ewing
Kaela Fenn-Smith
David Claydon
Mark Sartori
Steven Sharp (resigned 23 December 2016)
Frances Murphy (deceased 25 May 2016)
Sandeep Katwala (appointed 10 January 2017)
Jennifer Bethlehem (appointed 10 January 2017)
Nicky Bishop (appointed 10 January 2017)
Michael Marrinan (appointed 16 February 2017)

Associate Trustees
Simon Stormer
Ruven Nell
Humfrey van der Klugt
Chris Morris
Dr Benjamin Jacobs (appointed 1 May 2016)
Prof Mary Rothforsd (appointed 1 May 2016)

Party Nature of Relationship Transaction Income for the year ended 31 March 2017 Expenditure for the year ended 31 March 2017 Debit balance as at 31 March 2017 Credit balance as at 31 March 2017 £’s £’s £’s £’s

GOSIPL Wholly owned subsidiary Management charge for costs incurred by GOSH charity, distribution of year-end profit to GOSH charity and costs incurred by one entity on behalf of another entity. 1,415,239 612,032

Sparks Wholly owned subsidiary Costs incurred by one entity on behalf of the other entity. - - 178,730 -

The Friends Wholly owned subsidiary Distribution of year-end profit to GOSH charity and costs incurred by one entity on behalf of another entity. 132,499 - 33,880 -
Erin, age three, has a complex combination of symptoms and no diagnosis for her condition. Erin loves Power Rangers and dinosaurs and her bright personality has made lots of friends across the hospital.