



Annual Report
and Accounts 2013/14

The child first and always

Cover: three-year-old twins Remi and Wojciech Psionka were born with Wiskott-Aldrich syndrome. They both had bone marrow transplants at the hospital, the only cure for this rare genetic disease.

Chairman's statement

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

Many of the families who come to GOSH have nowhere else to receive the treatment that their children so desperately need. For this reason it is vital that the hospital maintains and seeks to improve the care it offers. Charitable giving allows the hospital to deliver even better services and support than would otherwise be possible.

Our support is focused on four key areas:

- The redevelopment programme to replace outdated clinical facilities and accommodation, enabling the hospital to treat many more children.
- Support for pioneering research to seek new treatments and cures.
- Investment in new equipment so the hospital can harness the latest technologies.
- Welfare and clinical development projects to help improve the experience of patients and their families, enable clinical innovation and provide important support for the hospital's hardworking staff.

Details of some of the projects that we have supported in each of these areas in 2013/14 are contained in the body of this report.

Our achievements this past year

I am delighted to report that our ability to support the hospital was strengthened by a record amount of charitable income this year. During 2013/14, our income grew by 6.2 per cent to £74.5 million, the majority of which was generated by fundraising activities. This, together with reserves generated in previous years, enabled us to provide £98.3 million of funds for charitable activities, including £84 million to fund the next stage of the redevelopment programme.

We owe this success to the incredible strength of support we receive. The charity's Trustees are very grateful to every individual, family, trust, company and industry that has supported us so generously over the past year. The breadth of the support is staggering – from families taking part in fundraising and challenge events such as Bake it Better and RBC Race for the Kids, to individuals donating and leaving legacy gifts in their wills. We also had support from charitable foundations making grants and companies engaging hundreds – and sometimes thousands – of employees to support us as their

chosen charity. Very many of our supporters are GOSH parents and I would like to extend special thanks to all of them for their incredible commitment and dedication.

It is difficult to choose particular fundraising highlights because the year saw so many people give their valuable time and energy to help raise funds for the charity, but I would like to mention a few.

Our community fundraising income was the highest it has ever been, raising more than £10 million for the first time. This was in part due to the increasing number of supporters participating in established challenge events, including the Royal Parks Foundation Half Marathon, and joining new ventures like RideLondon.

During the year, we have seen a continued rise in the number of people who give regular gifts to the charity which, by the end of the year, had risen to 141,500. Christmas is a time when many of our supporters are particularly generous, and this was demonstrated by our Great Big Stocking appeal, which received almost 100,000 individual donations.

We also held a number of high-profile events, where our supporters gave generously. We were delighted to be part of new events such as Party in the Park at Art Antiques London, the Windsor Race night, and the Reuben family's 'Adventure in Wonderland'. We were also the beneficiary of Sparkle Children's Charity annual ball. These were very welcome additions to our busy events calendar, which also included our annual F1® Party and Christmas Carol Concert. None of these events would have been possible without the dedicated support of our volunteer committees.

The Channel 4 Comedy Gala is a hugely enjoyable event where dozens of top comedians have come together to raise money for a brand-new operating theatre at the hospital. However, we were extremely sad to lose Addison Cresswell this year, who was the tour de force and mastermind behind the event from its inception. We cannot thank Addison enough for his support and it is an honour to dedicate one of the new operating theatres to his memory.

Great Ormond Street Hospital Children's Charity is extremely fortunate to benefit from the support of many volunteers who give us their time, expertise and relationships through their roles on our fundraising appeal boards.



Two-year-old Yunis Ali,
on Lion Ward

Chairman's statement

continued

Over the past year, we launched the third Tick Tock Club appeal under the chairmanship of Grahame Chilton. This £10 million appeal is focused on raising funds for the hospital's new state-of-the-art surgery centre, which will allow many more children to receive life-saving surgery. The new centre will be housed in the Morgan Stanley Clinical Building and the Premier Inn Clinical Building, which together will form the Mittal Children's Medical Centre. The Premier Inn Clinical Building is due to open in 2017, and its naming reflects the generous support we have received from Whitbread Hotels and Restaurants.

We also launched the second phase of the OSCAR (The Ocean and Shipping Community Advancing Children's Health and Research) appeal under the chairmanship of Phil Parry, to raise £1 million towards immunology research.

Under the chairmanship of John Connolly, we held a private dinner to increase awareness of our new redevelopment appeal, which aims to raise £85 million to create a new Centre for Research into Rare Disease in Children.

In December 2013, we officially 'had the X Factor' as Sony kindly donated the proceeds from the winner's single which were shared between Great Ormond Street Hospital Children's Charity and Together for Short Lives and gave some of GOSH's patients once-in-a-lifetime opportunities to visit the studios and meet the competitors. We have also continued to receive incredible support from The Walt Disney Company Ltd, Credit Suisse, British Gas and ASK Italian, among many others.

Throughout the year, the charity staff have continued to perform outstandingly. Their passion and commitment to the charity's work across all of our teams is remarkable. They have established new organisational values, and aspire to be collaborative, passionate, enterprising, accountable and respectful in all elements of the organisation's ethos and activities.

Sir Mark Potter stepped down on 31 March after four years as a Special Trustee. He has been replaced by John Connolly, who formally joined the Trustees on 1 June 2014. I would like to thank Mark for his commitment and guidance over the past few years and to welcome John to the Board.

Looking ahead to next year

Next year promises to be just as exciting. The hospital's redevelopment programme continues apace with the start of works to the Premier Inn Clinical Building. This new building will realise the hospital's ambition to provide modern facilities for all its acute inpatients, including space for a parent or carer to stay at the child's bedside.

Rare diseases – such as childhood cancers, cystic fibrosis and muscular dystrophy – still affect children disproportionately, with almost one-third of children who suffer from a rare disease not reaching their fifth birthday. To combat this, we are working with the hospital and UCL Institute for Child Health (ICH) to create a facility that will help transform the lives of these children. The vision for this pioneering centre is becoming a reality as the architect's designs for the Centre for Research into Rare Disease in Children on Guilford Street went to public consultation in June 2014. Since the year end, the charity has also been delighted to announce that a gift of £60 million will be donated over the next four years by Her Highness Sheikhha Fatima bint Mubarak, wife of the late founder of the United Arab Emirates, towards the building costs for the Centre for Research into Rare Disease in Children.

We will also be working with the hospital and ICH to review our research grant-making and develop research-focused fundraising campaigns so that we can better support the transition from the laboratory to new ground-breaking treatments and therapies.

Children come to the hospital from all over the country, and as the demand increases, we will also be exploring whether we can support an expansion of much-needed parent and family accommodation.

Making the lives of patients and their families better is at the heart of everything we do with the hospital, and we can only do this with our dedicated staff and the help of our generous supporters. We would like to thank each and every person who has given their money, time, skills and energy to help us support the hospital and its patients over this and previous years. We very much hope you will continue to support our important work into the future, so that we can continue to help the hospital transform the lives of thousands of children who face life-threatening or life-shortening conditions.



Alan Hodson

Chair of Special Trustees

Great Ormond Street Hospital Children's Charity



Beatrice, age five,
on Squirrel Ward.

Trustees' annual report

Review of 2013/14

Charity objectives

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

Objective	Whether met
<p>Fundraising</p> <p>Target net income of £43 million and a cost income percentage of no more than 30.6 per cent.</p> <p>Deliver £8 million net income from Direct Marketing while meeting the milestone of 145,000 regular givers.</p>	<p>Met and exceeded:</p> <ul style="list-style-type: none">• £54 million net income.• 29.0 per cent cost/income ratio. <p>Partially met: £8.9 million net income achieved. However, in a tough fundraising climate, we fell short of our target with regular givers at 141,500 by the year end.</p>
<p>Charitable expenditure</p> <p>Undertake the next stage of the redevelopment programme:</p> <ul style="list-style-type: none">• Commence construction on the Premier Inn Clinical Building and associated works.• Commence the detailed planning phase of the Centre for Research into Rare Disease in Children. <p>Develop an overarching grants strategy while continuing to fund key research projects, equipment and welfare projects for patients, parents and hospital staff.</p>	<p>Met: The enabling works were undertaken during the year and the main works have commenced on schedule in June 2014.</p> <p>Met: Detailed planning is underway and the initial public consultation took place in June 2014.</p> <p>Met: A new grants policy was approved by the Special Trustees during the year, which sharpened our focus on projects that have the potential to have the greatest impact for hospital patients.</p>
<p>Governance</p> <p>Invest in our systems, processes and people. Enhance the working environment for the increased charity headcount and develop a 'People Strategy'.</p>	<p>Met: A 'People Strategy' was developed by the newly appointed Director of HR, which has been very well received, addressing all key people and organisational issues.</p>

Trustees' annual report

Charitable activities



Centre for Research into Rare Disease in Children

Objective 1 – Redevelopment

The ambitious four-phase redevelopment programme aims to rebuild two-thirds of Great Ormond Street Hospital's (GOSH) site over a 20-year period.

Phase 2

The Mittal Children's Medical Centre

Phase 2A

The Morgan Stanley Clinical Building

Since opening in June 2012, the Morgan Stanley Clinical Building, the first part of the Mittal Children's Medical Centre, has seen inpatient admissions increase by around 15% to 47,000.

Three of the hospital's largest specialties – cardiac, renal and neurosciences – have moved into the new building and have experienced a huge difference, with improved wards and more spacious facilities and cutting-edge equipment.

Phase 2B

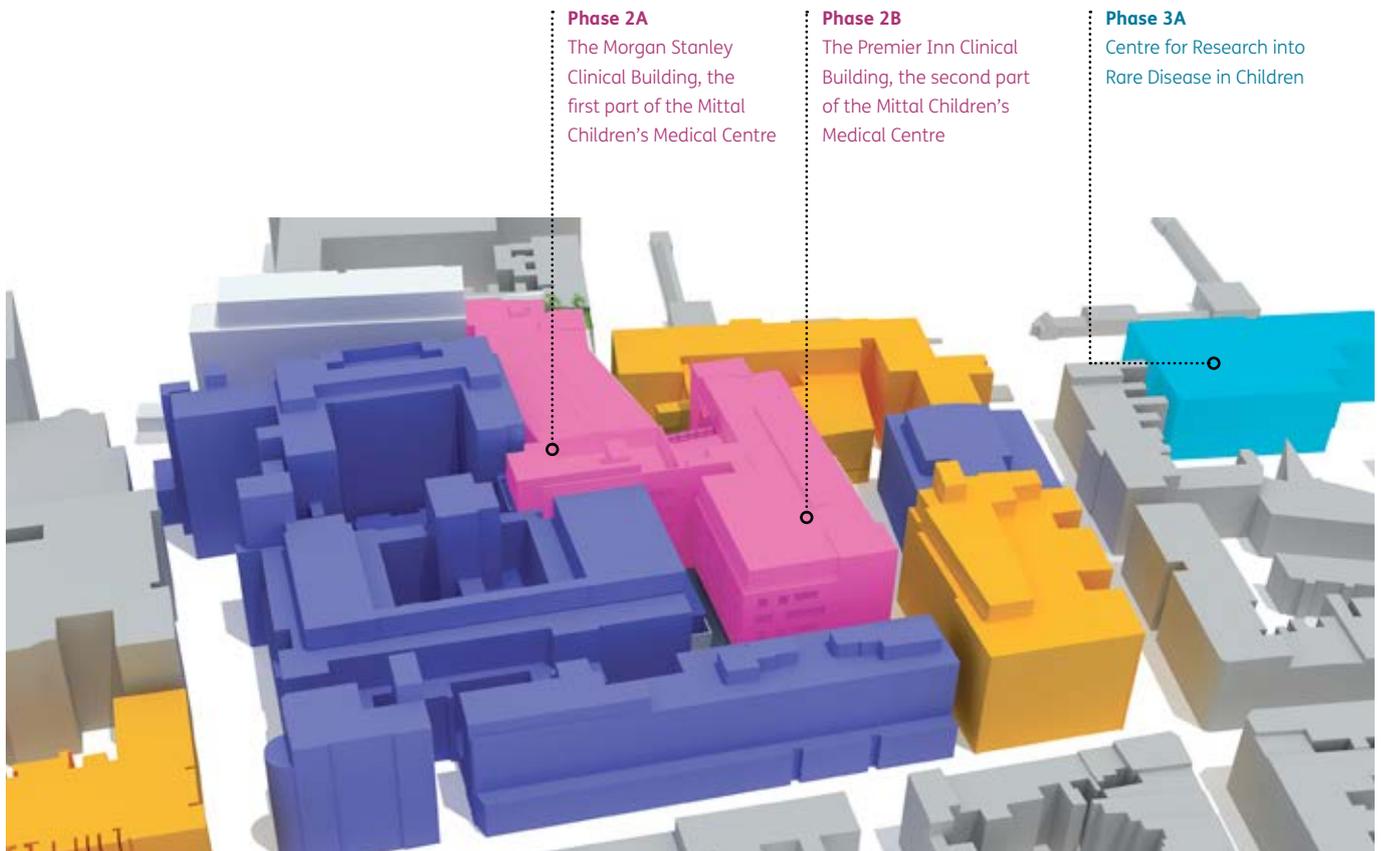
The Premier Inn Clinical Building

The next goal in our redevelopment programme is to deliver Phase 2B, the Premier Inn Clinical Building. This is the second part of the Mittal Children's Medical Centre and is due to open in 2017. It will involve redeveloping and refurbishing the current Cardiac Wing and will house a new surgery centre and inpatient wards for clinical specialties including

rheumatology, dermatology, infectious diseases, neurosciences and cardio-respiratory. The two clinical buildings will be connected floor by floor, allowing a seamless delivery of patient support across the two buildings. Phase 2B will realise the hospital's vision to provide modern facilities for all our acute inpatients, including space for a parent or carer to stay comfortably by their child's bedside.

The focus in 2013/14 was on completing the Phase 2B enabling works to prepare the site for construction to begin. The enabling works have included relocating wards to suitable alternative areas across the hospital campus and creating the Lionhearted Interventional Radiology Suite, a state-of-the-art paediatric angiography suite that will be used for diagnostic and treatment procedures guided by ultrasound or X-ray images. The opportunity was also taken to carry out a much-needed refurbishment of the main hospital reception. This greatly improved reception provides a 'one-stop' centre for patients and helps families better navigate their way around the hospital.

The enabling programme has remained on time and within budget (£27.1 million was committed in 2012/13). Consequently, the charity committed £84 million towards the main works of Phase 2B of the redevelopment programme, which commenced as scheduled in summer 2014, with the demolition of the Cardiac Wing.



Phase 2A
The Morgan Stanley Clinical Building, the first part of the Mittal Children's Medical Centre

Phase 2B
The Premier Inn Clinical Building, the second part of the Mittal Children's Medical Centre

Phase 3A
Centre for Research into Rare Disease in Children



Meet Susanna

“I’m 17 years old now and have been visiting Great Ormond Street Hospital for almost my entire life, receiving treatment for epilepsy. I come in every six months for consultations and every other week to see a psychologist.

“For the most part, I used to stay on Tiger Ward. The staff always made the ward as nice as possible, but it was quite dull and felt and looked like a hospital. There were also one or two issues, such as not having your own bathroom. It meant that to go to the toilet I had to unplug myself from my monitoring equipment every single time, which was a real pain. My dad used to get frustrated as well, as he didn’t have a proper place to sleep and he has a bad back, so that caused real problems for him.

“Earlier this year I moved over to the new Koala Ward, which is so much better than the old ward. I like the cool pictures on the wall and the larger rooms. Also the problems with the bathroom and parent sleeping situation have been solved. During my stay I had my own en suite, which was much more convenient, and my dad had a much more padded and comfortable sofa bed so he could stay next to me easily.

“It’s clear that the planners also really considered the needs of teenagers when designing the new ward. Sometimes I feel that as a teenager we get forgotten on the NHS, as you turn 16 and stop being a child. However, Koala Ward has its own adolescent recreation room for people like me. It means we can relax with people our own age, which is great as you naturally have more in common.

“I’ll soon be leaving the hospital but I do love Great Ormond Street Hospital and what they’ve done for me. Once I turn 18 I’m hoping to volunteer for the charity team as I’m just about to start a two-year media course at Barnet College. It’d be great to be able to give something back when they’ve given me so much over the years.”

Trustees' annual report

Charitable activities

Objective 2 – Research

Advancing pioneering research to find new treatments and cures for the rare and complex illnesses treated at GOSH is one of the hospital's main objectives. In 2013/14, the charity committed £5.7 million towards research projects at GOSH and its academic partner the UCL Institute of Child Health (ICH), and other external research partners across the UK. The charity aims to support high-quality translational research with the potential to improve the lives of children treated at the hospital through better diagnosis, treatment, improved care or cures.

The charity funds research across a number of funding streams. Last year, we committed almost £1 million through our national call, which is open to researchers from across the UK. The theme of the 2013/14 call was translational paediatric biomarker research, and the six applications that were funded sought to accelerate the development of new medical treatments. In 2013/14, the ICH also drew down on its second year of PhD scholarship funding, which is part of a £1 million five-year programme to support a group of charity-funded PhD students. The funding supports young scientists starting their career in child health research and the students are often match-funded through other schemes in order to maximise the charity's funding.

The charity supported nine projects totalling just over £500,000 via its new funding stream, Clinical Research Starter Grants (CRSG). The funding stream aims to help provide pump-prime funding for clinically focused pilot or feasibility studies with strong potential for children at the hospital, and to have an impact at the point-of-care. One of the primary objectives of these pilot grants is again to use charity support to attract further funding from other organisations.

Professor Lucy Wedderburn, Professor and Honorary Consultant in Paediatric Rheumatology at ICH and GOSH, was successful in securing a grant through the CRSG stream, which was then funded by the J P Moulton Charitable Foundation. Professor Wedderburn's work aims to improve the health and wellbeing of children and adolescents with arthritis and other rheumatological conditions, such as juvenile idiopathic arthritis (JIA) and juvenile dermatomyositis (JDM). Professor Wedderburn's grant will use a muscle biopsy score tool to predict disease outcome and severity in JDM, which is a rare but serious

childhood autoimmune disorder of the skin and muscle with unpleasant and potentially life-threatening complications. The tool will be used to identify whether a child is at low or high risk of developing a severe form of JDM, from which the clinical team can design a treatment plan that is most effective.

“It is vital in paediatric research to receive pilot funding, especially when you are talking about a new subject in a rare disease,” said Professor Wedderburn. “To attract larger grants you need to prove your track record, generate pilot data in your study and be ready to apply at short notice. The Clinical Research Starter Grants from Great Ormond Street Hospital Children's Charity have played an essential role in securing our grant from the National Institute for Health Research.”





Meet Michelle

Michelle, 28, describes her life living with juvenile idiopathic arthritis and how GOSH has helped her.

We knew that something was wrong

“When I developed a stiff neck while playing outside, my family and I immediately knew that something was wrong. I remember that I couldn’t play anymore which was quite unusual for me. I was only eight.

“Initially, I had a fever and a rash, symptoms that indicated meningitis. Luckily, this wasn’t the case, and I avoided a scary lumbar puncture (a procedure where a needle is inserted into the lower part of the spine to look for evidence of conditions affecting the nervous system). But it left us without an answer of what it could be. I was later transferred to a hospital in Germany, where we were living, and I stayed there for quite some time before my doctor recognised my symptoms. Eventually, I was flown to England and had more tests before being diagnosed with juvenile idiopathic arthritis.”

Getting a diagnosis

“I had a lot of blood tests in order to get diagnosed. The doctors were monitoring the inflammation in my joints as well

as things like my white and red blood-cell count. From then on I had a lot of pain from my joints because they were so inflamed, stiff and swollen. I hadn’t experienced pain to that degree before, so I didn’t really know how to cope and I didn’t understand why it was happening. I was really scared, and definitely confused.”

Coming to Great Ormond Street Hospital

“My care was transferred to GOSH a few years into my treatment. I didn’t know much about GOSH, I just knew that they treated children, and that they were the ‘cream of the crop’ of the medical world. I knew that I was definitely going to be in the right place.

“GOSH was where I came to get expertise on my arthritis. I tried a different range of treatments, including steroid treatment, administered intravenously through a drip as well as high oral doses. I was continually assessed by the doctors on how my condition was progressing, and they always offered me the best treatment option. Coming to GOSH for my appointments was always a great experience, partly because I had to come to England, but also because it is such an institution. I’m really grateful that I was treated there, I look back on it quite fondly – it did make me feel quite special.”

Day-to-day life

“I can’t predict from one day to the next what the pain in my joints is going to be like. Sometimes I have a good day where I can drive and go to the shop, but there are also days when I can’t get out of bed and I have to really rely on other people for support. I am really lucky. I have an amazing family and some amazing friends. If there is ever a problem, or something that I can’t do, I know that there are people to help me.

“If I could say anything to my younger self, it would be ‘listen to the doctors’. I understand now that they are experts in their field. If they tell you to do exercises every day, take calcium supplements, and remember to do your injection every night, you should make sure that you do – it is only you that will suffer further down the line. Above all, it’s important to keep a positive attitude, because being different makes you all the more special.”

Trustees' annual report

Charitable activities

Objective three – equipment

If the hospital is to maintain its position as one of the top paediatric research hospitals in the world, it is essential that we invest in the technology and equipment that enables it to continue to provide world-class treatment to patients and perform leading-edge research. This includes the purchase of replacement or additional medical equipment that allows the clinical and research teams to take advantage of advances in medical science and technology to deliver better care to children, and to replace old equipment that is no longer fit for purpose.

In 2013/14, the charity committed £7.9 million towards medical equipment, including investment in imaging capacity through a £4.8 million award towards an innovative imaging suite due to open at the end of 2014. Imaging is a high priority for the hospital, and the grant from the charity has allowed the hospital to purchase new CT and 3T-MRI scanners, and to commence construction of the imaging suite. The new scanners are the latest technology in their field, and the hospital will be among the first hospitals anywhere in the world to have this type of highly sophisticated imaging equipment.

The charity committed just over £3 million towards a wide range of other medical equipment. This included £120,000 towards equipment for developing a service for the home monitoring of cardiac babies. Babies with congenital heart disease are one of the most complex groups, which also results in them being extremely vulnerable after discharge from the hospital. The home monitoring service picks up babies with problems that need intervention early, surgery, or review by the Cardio-respiratory team, and this approach has shown that it could potentially improve outcomes and save lives in this vulnerable group of patients. There is no other children's cardiac centre in the UK that currently runs a home monitoring package such as this.

In 2013/14, the hospital also purchased a matrix-assisted laser desorption ionisation time-of-flight (MALDI-TOF) mass spectrometer with our charitable funding. The MALDI-TOF allows rapid detection of micro-organisms, such as bacteria, in a matter of hours or even minutes. Previously, those same tests would have taken days. This means that antibiotic treatment can start more quickly.

A Computerised Tomography (CT) scan uses X-rays and a computer to create detailed images of structures inside the body. CT scans can be used to diagnose and monitor a variety of different health conditions, or injuries to internal organs.

Although scans are generally safe, they do expose patients to radiation. In most cases, the benefits outweigh any potential risks, but children are considerably more sensitive to radiation than adults.

Investing in a CT scanner is essential for the hospital, and in recent years technical innovation has improved massively, with faster scan times and reduced radiation doses to the child, therefore reducing potential harm. The new equipment will be of an extremely high specification and bring excellent benefits, including:

- Reduced amounts of radiation to which each patient is exposed when being scanned, and therefore reduce the possible harm from exposure to radiation. This is especially important for children seen at the hospital because they often have complex and long-term conditions and require multiple scans.
- Improved image quality, which further improves the accuracy of diagnosis. This is incredibly important for patients and families, especially because it means that a child's treatment could potentially start more quickly.
- Increased speed at which images are taken, so that fewer children will need to go under general anaesthetic and be sedated. Currently, it is difficult for children under seven years old to be scanned without general anaesthetic because they wriggle too much or are unable to hold their breath, causing images to be blurred. Many of the scans will take less than one second, so that the need for children to stay still is more easily managed. Fewer patients requiring general anaesthetics reduce overall costs for the hospital, because they will not need an anaesthetist present or post-anaesthetic care.

All children treated at the hospital have the potential to benefit from the introduction of this new technology, particularly those in critical care, because it is even more important to identify the cause of any infection as quickly as possible. This technology not only has the potential to save lives, improve outcomes and make our young patients better faster, but it also gives more time to the biomedical staff at the hospital to perform other more complex tests, and crucially helps to minimise infection.

Objective 4 – Welfare and Clinical Development

Great Ormond Street Hospital Children’s Charity funds patient and staff welfare and clinical development projects that support patients, parents and staff at GOSH and seek clinical improvements. This support takes place across three main areas:

- patient and family experience
- clinical excellence and innovation
- staff development, recognition and wellbeing

In 2013/14, the charity committed £4.9 million towards welfare and clinical development projects.

We believe in caring not only for the child but for the whole family. This care comes in many forms, from spiritual counselling to the provision of accommodation for parents. Providing free-of-charge accommodation is an essential way for us to help families from all across the UK. Enabling families to stay close to the hospital helps to alleviate some of the emotional and financial strains they face at a very stressful time. The charity provides 80 rooms and 10 flats across a number of buildings that are heavily used and these are vital for the families that use them.

Family support is also provided through services such as the Citizens Advice Bureau (CAB). The CAB aims to provide timely and appropriate welfare rights advice to assist patients and their families with the problems they face. On average, the CAB supports between 300 and 350 new families a year. By helping families manage stress and maintain good mental health and wellbeing, the CAB has contributed to better outcomes for children who are treated at GOSH. Importantly, 73 per cent of



Meet Robyn

For eight-year-old Robyn Fellows and her parents, GOSH is a very special place. Robyn has achondroplasia, a disorder of bone growth that causes the most common type of dwarfism.

Since first coming to GOSH, Robyn and her family have made the journey to the hospital from Pembrokeshire in Wales more than 30 times, for pre-op appointments, operations and outpatient appointments. When they come to the hospital, they stay in the family accommodation. “I can’t say enough how fantastic GOSH is,” said Robyn’s mum, Jane. “It’s really changed Robyn’s life. Not only has she received fantastic care – she’s also grown into a confident young girl.

“GOSH is a long way from home, as we live in West Wales. So, it’s fantastic to know that we’ve got somewhere to stay when we come for appointments and that we can cook healthy meals for the family.”

Trustees' annual report

Charitable activities

families who accessed the service reported being less worried or stressed after receiving advice, with 67 per cent feeling better overall. The service is improving patients and families' ability to deal with everyday problems while they are at GOSH, as well as adding value and enhancing the work of existing family support services. The CAB was supported by the charity initially as a three-year project and the first funding instalment ended in 2013/14. Due to its success, the CAB is now funded by the charity on an ongoing basis.

As part of driving clinical excellence and innovation, the charity provides funding for the hospital's Transformation team, which is responsible for delivery of the quality and improvement strategy at the hospital. GOSH is seen nationally and internationally as being a leader in this field and throughout the year has been awarded a number of prominent national safety awards for the zero harm programme. Areas that the team have focused on include improving patient flow through the intensive care units, improving planning for inpatient stays and better use of theatres and outpatient facilities.

The charity also recognises the importance of supporting the wellbeing and experiences of staff working at the hospital. This includes projects such as the staff counselling service, staff nursery, sabbaticals for consultants and study leave for nurses. In 2013/14, Professor Alison Salt took sabbatical leave funded by the charity, the main aim of which was to find time to provide written guidance and publications to support the work of the developmental vision clinic at GOSH. Professor Salt said: "The highlight of the sabbatical was the opportunity to reflect on and collate expertise and other teaching materials developed over the past 15 years so that these can be passed on to future professionals working in the team."

Volunteering

Recognising the vital role and added value that volunteers bring to the hospital, the charity is pleased to continue its support for the Volunteer Services team run by the hospital, which recruits and supports nearly 700 volunteers within the hospital. These volunteers together contribute approximately 2,700 hours per week, helping to cover reception, providing relief for parents so they can take some time away from their child, supporting the Play team and acting as guides to help families navigate the hospital site.

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

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

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

We are supported by volunteers on fundraising leadership boards, which are central in our fundraising to redevelop the hospital, including the Tick Tock Club, Theatres for Theatres, the Christmas Carol Service and Bringing Research to Life. We also receive support from the Corporate Partnerships Board, which helps raise money for a wide range of projects across the hospital. More recently, an Appeal Board was established to lead fundraising for the Centre for Research into Rare Disease in Children. For more information about volunteer opportunities at the charity and how you can get involved, please email supporter.care@gosh.org or call 020 7239 3000.



Baby Émilie, at the hospital to receive treatment for a hernia.

Trustees' annual report

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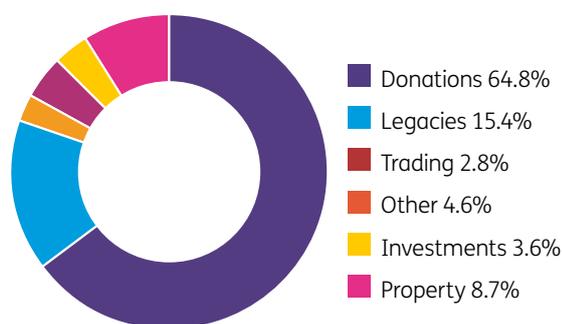
Financial review

Total income grew by 6.2 per cent to £74.5 million (2012/13: £70.1 million), principally driven by an increase in income from charitable activities, which grew to £6.9 million. These excellent results were driven by record levels of donations across a number of our fundraising streams including regular givers, community fundraising and corporate donors.

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

Funding sources 2013/14

	2013/14 £ million	2012/13 £ million
Donations	48.3	47.7
Legacies	11.5	12.1
Trading	2.1	2.4
Other*	3.4	2.8
Investments	2.7	3.6
Property	6.5	1.5
Total	74.5	70.1



* Other includes grants, auctions, tickets and sponsorship.

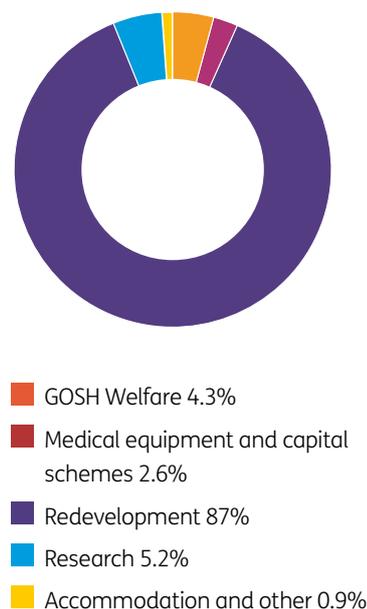
The total costs of generating funds increased by £2.3 million to £19.7 million (2012/13: £17.5 million) primarily as a result of further investment in both Direct Marketing and Community Fundraising and additional staff to support increased fundraising activities. Both Direct Marketing and Community Fundraising are providing significant growth in long-term sustainable income.

Expenditure for the year totalled £118.8 million (2012/13: £70.1 million), with £98.2 million being spent or committed to charitable activities through grants awarded in the year as follows:

Charitable expenditure 2013/14

	Grants awarded 2013/14 £ million	Other costs* 2013/14 £ million	Total 2013/14 £ million	Total 2012/13 £ million
GOSH welfare	4.9	(0.7)	4.2	4.1
Medical equipment and capital schemes	7.9	(5.3)	2.6	4.8
Redevelopment	83.7	1.7	85.4	27.1
Research	5.7	(0.6)	5.1	14.7
Accommodation & other	-	0.9	0.9	1.1
Total	102.2	(4.0)	98.2	51.8

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



The charity has a number of key capital projects it wishes to fund in the future and the investment committee continues to explore ways of improving investment returns that minimise the risk of capital loss to the charity. Income earned from the charity's investments totalled £2.7 million (2012/13: £3.6 million), the decrease being reflective of the ongoing challenges in the investment environment and low interest rates (see also investment policy below).

Tangible fixed assets mainly consist of a number of properties that are used for operational purposes by the hospital in the furtherance of the charity's objects. The portfolio contains properties used for clinical, office and residential purposes in addition to a site on Guilford Street that will be used to develop the Centre for Research into Rare Disease in Children. The charity did not acquire or dispose of any property during 2013/14.

At the instigation of the Trustees, a full valuation of the property portfolio was carried out at 31 March 2014 by Chartered Surveyor Cluttons LLP. As a result of this exercise, two clinical properties, Octav Botnar Wing and the Frontage Building, which were previously valued on a depreciated replacement cost (DRC) basis, are now valued on a DRC with deferment basis. The deferment basis takes into account the 30 year charitable leases which the charity entered into with the hospital in October 2006. This has the effect of treating the grant of the lease as charitable expenditure. Consequently as a result of this change in estimation basis, a prior year adjustment of £42.25 million has been made to reduce the value of these assets in the accounts as at 1 April 2012 as shown in note 10.1 on page 38. The revaluation of the total portfolio of properties has led to an overall increase of £60.7 million in the value of the property portfolio which is reflected in the balance sheet as at 31 March 2014. The Trustees consider that the revised valuations provide a more realistic value of the underlying worth of these assets to the charity and that these adjustments to the values of assets have no impact on the operations of the charity.

During 2013/14, the charity's overall funds increased by £13.9 million to a balance of £208.6 million at the year end (2012/13 as restated: £194.7 million). Significant factors affecting reserves include the £60.7 million gain on the revaluation of properties noted above and an £84 million commitment to the redevelopment of Phase 2B. This significant

commitment has meant that the restricted redevelopment fund has a £33.4 million deficit at the year-end although there were more than enough designated funds to cover this shortfall. Fundraising is continuing for Phase 2B and the Trustees expect to receive further restricted funding prior to its completion.

The charity's unrestricted reserves include £202.4 million of designated funds split between fixed assets of £133.2 million and a redevelopment fund of £69.2 million which the Trustees have set aside to cover any deficit arising on the restricted redevelopment fund (including Phase 2B). After designations, there were £23.4 million of freely available reserves. The Trustees have reviewed the minimum level of reserves required to either meet the operating liabilities of the charity should it suffer a major downturn in its income or, in the extreme case, a managed cessation of activities. The Trustees have assessed this to be £10 million. The current level of freely available reserves exceeds this minimum requirement, but any current excess is expected to be used in future years to fund anticipated projects.

Plans for the future and key objectives for 2014/15

2014/15 is the third and final year of the charity's current three-year strategy, which aims to secure at least £208 million of income. This was set as an ambitious target but is one that the charity believes it will meet this year. Total net income in 2014/15 is budgeted at over £80 million with a cost income ratio below 30 per cent.

The charity's fundraising plans will continue to deliver a diverse range of activities that aim to maximise opportunities to support the work of the charity while spreading risk. Direct Marketing is aiming to grow the charity's pool of regular givers to 150,500 by the year end. Community Fundraising is aiming to increase its income through nationwide community-based campaigns, and challenge events such as the RBC Race for the Kids, which is aiming to achieve 6,000 participators (a 50 per cent increase compared with 2013/14).

In addition to progressing the planning for the Centre for Research into Rare Disease in Children, the main works on Phase 2B will commence during 2014/15. Consideration will also be given to increasing accommodation for families to stay near to GOSH.

Trustees' annual report

continued

The charity will be reviewing its Research and Development Strategy to ensure we are targeting funds where they are most needed and can make the biggest difference to advancing translational research. During the year we will also be overseeing our fourth national call for research, which we plan to deliver in partnership with Action Medical Research.

The charity will continue to raise funds to support other vital work, including welfare projects and the provision of specialist medical equipment.

Further major advancements are planned in the capability and robustness of the charity's systems, processes and governance during 2014/15, with the development of a new client relationship management system, an improved content management system for both the charity's and hospital's websites, and a new HR system.

Following the Department of Health review of NHS charities, the Trustees will also progress a change to the charity's legal structure to form a company limited by guarantee.

With the current strategic plan ending and GOSH moving to a five-year planning cycle, the charity will be developing a new strategic plan to take it forward from 2015 to 2020.

Administrative details

The administrative details of the charity are stated on page 48.

Structure and governance

Governing document

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

Trustees' appointment

The volunteer Board of Special Trustees consists of a Chairman and six Special Trustees, chosen for their skills and experience. The Trustees are appointed by the Appointments Commission, acting on behalf of the Secretary of State for Health, as Special Trustees for Great Ormond Street Hospital Children's Charity under Section 95 of the NHS Act 1977. Trustees are appointed

for a minimum period of two years, which may be extended up to a maximum of 10 years. Up to five further Associate Trustees are appointed as volunteers to work with the Special Trustees to increase the expertise available.

A tailored induction programme is provided for Trustees on appointment. The Trustees set annual objectives that are reviewed at each meeting and formally reviewed at the year end. Each member of the Board receives an annual appraisal and the Chairman's performance is in turn evaluated by fellow Trustees. Members of the Board have individual areas of expertise and trustees are kept updated on relevant changes in legislation and best practice when required.

Responsibilities

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

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

The Trustees appoint a Chief Executive, who is responsible for ensuring that their policies and strategies are followed and for ensuring the operational management of the charity.

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

Related parties

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



Five-year-old Lita,
on Peter Pan Ward.

Trustees' annual report

continued

Great Ormond Street International Promotions Ltd (GOSIPL) is a wholly-owned subsidiary of the charity. It is responsible for all commercial activities of the group, namely licensing, sales promotions and mail order. All surplus funds earned are paid under Gift Aid to the charity. The company has its own Board of Directors, responsible for all governance issues. Financial details for GOSIPL are stated on page 27. Audited accounts are filed with the Registrar of Companies.

In October 2012, the Friends of the Children of Great Ormond Street (the Friends) charity was merged with Great Ormond Street Hospital Children's Charity. The Trustees have taken on the responsibility to use the funds of the Friends, and any subsequent donations received for the benefit of the hospital in accordance with the former Friends Trustees' wishes (see page 28).

Risk management

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

Public benefit statement

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

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

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

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

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

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

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

Going concern

The Trustees have reviewed the financial position of the charity, its forecast cash flows, liquidity position and existing and potential funding commitments for the next five years. The charity's fundraising streams are well diversified and therefore a significant drop in any one channel would not materially affect the charity's ability to meet its existing financial commitments. The Trustees will only commit funds to charitable activities and other capital projects when they are confident that these obligations can be met. As a consequence, the Trustees believe that the charity has adequate resources to continue in operation for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the Annual Report and Accounts.

Funds and reserves

The Trustees review the level of free reserves required on an annual basis, in line with the guidance issued by the Charity Commission. They recognise the need to ensure that the reserves held enable financial stability, are adequate to meet working capital requirements and can safeguard the charity's current commitments against fluctuations in income levels. Specifically, the Trustees wish to ensure that sufficient unrestricted reserves are available to guarantee that operations can continue over the short term and commitments can be met.

Trustees' annual report

continued

The balance of free reserves as at 31 March 2014 was £23.4 million. The Trustees have reviewed the minimum level of reserves required to either meet the operating liabilities of the charity should it suffer a major downturn in its income or to effect a managed cessation of activities and have assessed this to be £10 million. The current level of reserves exceeds this minimum requirement, but any current excess is expected to be used in future years.

The Trustees therefore believe this level of reserves to be appropriate in order to maintain future commitments of the charity. The Trustees regularly assess the risks facing the charity and review reserve levels.

The charity has various funds available to finance its activities:

Restricted funds

These are funds subject to specific restrictions imposed by donors, which fall within the wider objectives of the charity. There is currently a net deficit of £17.9 million in restricted funds, of which a deficit of £33.4 million relates to the redevelopment due to the £84 million commitment having been made to the Phase 2B project for which fundraising is ongoing (see also designated funds below). Also included in restricted funds are £3.4 million held in special purpose funds, restricted for specific areas of work, some of which are detailed in Note 20 on page 45.

Unrestricted funds

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

Designated funds

Redevelopment and other charitable commitments

Each year, the Trustees decide whether to designate funds raised to the redevelopment of the hospital or to other specific projects, to be spent in future years. This helps to provide financial stability for vital areas of work within the hospital. At the year end, £69.2 million had been designated by the Trustees to support the current redevelopment plans on which a £33.4 million deficit is currently shown in restricted funds.

Fixed assets (tangible and intangible)

The charity owns fixed assets, the majority of which are operational property used by the hospital. These properties are clinical and hospital administrative buildings or residential properties. The residential properties are either let out to hospital staff or offered, free of charge, to parents of children undergoing treatment at the hospital. As these properties serve a charitable purpose and are not held as investments, they cannot easily be converted into funds for day-to-day use. Therefore, the Trustees have decided that reserves relating to fixed assets should be placed in a designated fund, which, by definition, will increase or decrease to reflect the net book value of these assets. If a decision is taken to dispose of any properties, the attributable value is removed from the fixed asset fund.

Endowment funds

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

Details of the movement on total funds are disclosed in note 20 on page 44.

Investment policy

The investment policy is risk-averse, with the Trustees' first priority being to preserve capital in order to meet existing commitments on capital programmes and other grants made. The portfolio is broadly split between investments required to meet existing commitments and longer-term investments for awards that are yet to be committed. The Trustees consider this appropriate given the long-term nature and size of the charity's commitments. The charity's investment managers follow strict guidelines in line with the charity's moral and ethical policy. Investments are split between short-term and longer-term portfolios. The charity uses the services of a number of investment managers, dependant on the investment type. During the year, the charity invested an additional £1.8 million in its long-term portfolio and reduced its fixed-income portfolio by £34 million. Unrealised losses of £2.4 million during the year arose from the charity's very cautious portfolio. The value of the long-term portfolio closed the year at £40.4 million. The long-term portfolio is spread across a number of funds managed

by Blackrock, Newton Investment Management and Ruffer, as well as a direct gold holding. The short-term portfolio is held across a number of direct deposits with UK banks, investments in Royal London Cash Management and a short-term fixed income portfolio managed by HSBC. Although included within the charity's short-term portfolio for investment purposes, the fixed income portfolio is shown as Fixed Asset Investments in the balance sheet.

The performance of the charity's investment managers is closely monitored. The Trustees were disappointed with the overall performance in the year which showed a 0.4 per cent return on the short-term portfolio against a composite benchmark loss of 0.2 per cent and a loss of 0.2 per cent on the long-term portfolio against a benchmark gain of 5.1 per cent.

Statement of Trustees' responsibility

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

The law applicable to charities in England requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Alan Hodson

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



Three-year-old Harry,
on Koala Ward.

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2014 and of the group's and parent charity's incoming resources and application of resources and 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 section 144 of the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and the parent financial statements ("the financial statements"), which are prepared by Great Ormond Street Hospital Children's Charity, comprise:

- the balance sheet as at 31 March 2014;
- the consolidated statement of financial activities for the year then ended;
- the consolidated cash flow statement for the year then ended;
- 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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 charity's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts (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.

Other matters on which we are required to report by exception

Sufficiency of accounting records and information and explanations received

Under the Charities Act 2011 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
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

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 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 trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Regulation 30 of The Charities (Accounts and Reports) Regulations 2008) 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditor, London
17 July 2014

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

Consolidated statement of financial activities

For the year ended 31 March 2014

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2014 £000	Total 2013 (restated) £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2.1	32,125	27,615		59,740	59,724
Activities for generating funds	2.2	1,970	3,279	–	5,249	4,860
Investment income	2.3	2,551	106	3	2,660	3,634
Total incoming resources from generated funds		36,646	31,000	3	67,649	68,218
Incoming resources from charitable activities	2.4	1,539	5,311	–	6,850	1,924
Total incoming resources		38,185	36,311	3	74,499	70,142
Resources expended						
Cost of generating funds						
Cost of generating voluntary income		19,102	–	–	19,102	16,811
Fundraising trading: cost of goods sold and other costs		468	–	–	468	457
Investment management costs		167	–	–	167	217
Total cost of generating funds	4.1	19,737	–	–	19,737	17,485
Charitable activities						
Patient welfare		2,223	1,482	3	3,708	3,372
Staff welfare		444	58	–	502	764
Research		3,739	1,343	–	5,082	14,707
Medical equipment and capital schemes		2,418	172	–	2,590	4,821
Redevelopment		1,445	83,959	–	85,404	27,101
Property expenditure		966	–	–	966	1,105
Total charitable activities	4.2	11,235	87,014	3	98,252	51,870
Governance costs	4.3	803	–	–	803	715
Total resources expended		31,775	87,014	3	118,792	70,070
Net incoming/(outgoing) resources before transfers		6,410	(50,703)	–	(44,293)	72
Gross transfers between funds	20.2, 20.3	5,264	(5,264)	–	–	–
Total net incoming/(outgoing) resources before other recognised gains and losses		11,674	(55,967)	–	(44,293)	72
Gains on revaluation and disposal of own fixed assets		60,705	–	–	60,705	(9)
(Loss)/gains on revaluation and disposal of investment assets		(2,030)	(411)	–	(2,441)	2,568
Net movement in funds		70,349	(56,378)	–	13,971	2,631
Fund balances brought forward at 1 April 2013 as originally stated		155,518	38,500	664	194,682	234,301
Prior year adjustment	10.1	–	–	–	–	(42,250)
Fund balances brought forward at 1 April 2013 as restated		155,518	38,500	664	194,682	192,051
Fund balances carried forward at 31 March 2014		225,867	(17,878)	664	208,653	194,682

Notes 1 to 25 form part of these accounts.

All income relates to continuing activities.

There is no material difference between the net income of the year and the historical cost equivalents

Balance sheets

As at 31 March 2014

	Notes	Consolidated		Charity	
		Total at 31 March 2014 £000	Total at 31 March 2013 (restated) £000	Total at 31 March 2014 £000	Total at 31 March 2013 (restated) £000
Fixed assets					
Intangible assets	9	300	132	300	132
Tangible assets	10, 10.1	132,920	71,429	132,920	71,429
Investments	11.2	80,140	113,166	80,140	113,166
Total fixed assets		213,360	184,727	213,360	184,727
Current assets					
Stocks	12	348	339	300	300
Investments	13	118,552	75,326	118,552	75,326
Debtors	14	9,277	3,237	9,090	3,219
Cash at bank and in hand		2,809	1,132	2,636	926
Total current assets		130,985	80,034	130,578	79,771
Creditors: amounts falling due within one year	15	50,949	57,365	50,567	57,127
Net current assets		80,036	22,669	80,011	22,644
Total assets less current liabilities		293,397	207,396	293,371	207,371
Creditors: amounts falling due after more than one year	16	84,743	12,714	84,743	12,714
Total net assets		208,653	194,682	208,628	194,657
Funds of the charity					
Capital funds:					
Endowment funds	20.1	664	664	664	664
Income funds:					
Restricted	20.2	(17,878)	38,500	(17,878)	38,500
Unrestricted					
General	20.3	23,427	14,737	23,402	14,712
Designated	20.3	202,440	140,781	202,440	140,781
Total funds		208,653	194,682	208,628	194,657

Notes 1 to 26 form part of these accounts.

The financial statements on pages one to 48 were approved by the Board of Trustees on 17 July 2014 and signed on its behalf by



Alan Hodson
Chair

Consolidated cash flow statement

For the year ended 31 March 2014

	Notes	Total 2014 £000	Total 2013 £000
Cash inflow from operating activities	21.1	12,879	13,604
Returns on investments and servicing of finance			
Interest received		1,049	1,362
Investments in fixed income portfolio and equities		1,611	2,272
Net cash inflow from returns on investments and servicing of finance		2,660	3,634
Capital expenditure			
Payments to acquire fixed assets	9,10	(1,221)	(346)
Payments to acquire investments	11	(3,415)	(15,273)
Proceeds from sale of investments	11	34,000	3
Net cash inflow/(outflow) from capital expenditure		29,364	(15,616)
Net cash inflow before management of liquid resources		44,903	1,622
Management of liquid resources			
(Decrease) in short-term deposits		(43,226)	(1,393)
Net cash (outflow) from management of liquid resources	21.2	(43,226)	(1,393)
Increase in cash		1,677	229

Notes to the accounts

1. Subsidiaries

1.1 Great Ormond Street International Promotions Ltd

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

	Total 2014	Total 2013
	£000	£000
Profit and loss account		
Turnover	2,140	2,433
Cost of sales	(351)	(332)
Gross profit	1,789	2,102
Administrative expenses	(361)	(354)
Net profit	1,428	1,748
Amount passed as Gift Aid to the charity	(1,428)	(1,748)
Taxation	-	-
Result for the year	-	-

	Total at 31 March 2014	Total at 31 March 2013
	£000	£000
Balance sheet as at 31 March 2014		
Total expenditure		
Stocks – goods held for resale	48	39
Debtors	655	942
Cash	168	166
Current liabilities	(846)	(1,121)
Net assets	25	25
Profit and Loss Account	25	25
Share capital and reserves	25	25

Notes to the accounts

1.2 The Friends of the Children of Great Ormond Street

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.

	Total 2014	Total 2013
	£000	£000
Income and Expenditure		
Voluntary Income	1,116	390
Investment Income	-	1
	1,116	392
Resources Expended		
Governance	4	7
Charitable expenditure	1,112	385
Total resources expended	1,116	392
Net incoming resources	-	-
Fund balance carried forward at 31 March 2013	-	-
	Total at 31 March 2014	Total at 31 March 2013
	£000	£000
Balance sheet		
Debtors	14	2
Bank and Cash in hand	4	40
Current liabilities	(18)	(42)
Net assets	-	-
Surplus	-	-
Share capital and reserves	-	-

Notes to the accounts

1.3 Accounting policies

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

1.3.1 Basis of preparation

These financial statements have been prepared under the historic cost convention, as modified for the revaluation of certain investments and properties, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, published in 2005, and the Charities Act 2011. No separate Statement of Financial Activities (SOFA) has been presented for the charity alone, as permitted by paragraph 397 of the SORP.

Total incoming resources for the charity before consolidation are £72,595,000 (2013: £70,012,000) with total resources expended of £118,319,000 (2013: £69,391,000).

The Trustees have a reasonable expectation that they have adequate resources to continue activities for the foreseeable future, as stated within their annual report (see page 18). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3.2 Basis of consolidation

The consolidated accounts of the group incorporate the accounts of the charity and its subsidiary undertakings, Great Ormond Street International Promotions Limited and The Friends of Great Ormond Street 'The Friends'. Inter-company transactions and balances between group companies are eliminated. Consistent accounting policies have been adopted across the group.

1.3.3 Incoming resources

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

a) Gifts in kind

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

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

b) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes virtually certain. This occurs at the earlier of receipt or once the final estate accounts have been approved by all parties. This approval provides confirmation that payment of the legacy will be made or property transferred, and confirms that all conditions attached to the legacy have been fulfilled. Legacies are included as incoming resources if the approval happened before 31 March. Legacies are disclosed under voluntary income in the SOFA (see note 2.1 on page 32).

c) Income from fundraising activities

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

d) Grants and other time-related income

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

e) Investment income

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

f) Trading income

Income from the charity's trading subsidiary is disclosed under activities for generating funds. This income is recognised on sale of goods when dispatched, on royalty and licence income for contractual periods ending in the financial year and for challenge events in line with when these take place.

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'costs of generating funds' and 'charitable activities'. These classifications comprise direct expenditure attributable to the activity. The costs of generating funds comprise the costs incurred in generating voluntary and legacy income including apportioned support costs. Charitable expenditure comprises the costs incurred on delivering charitable activities including apportioned support costs.

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

Notes to the accounts

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

Support costs, which include the central functions of Finance, IT, HR, Administration, Business Support and Supporter Services, are allocated across the categories of cost of generating funds, charitable activities and governance costs. The basis of the cost allocation is set out in note 5.

1.5 Funds structure

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

a) Permanent endowment funds

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

b) Restricted funds

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

c) Unrestricted funds

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

Transfers between funds may arise where there is an authorised release of restricted or endowed funds, or when charges are made from unrestricted to other funds. Details of the transfers made in the year are included in note 20.

1.6 Intangible fixed assets

a) Capitalisation

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

b) Valuation

Software is valued at amortised historical cost.

c) Amortisation

Software is amortised over three years, or over the specific period of the purchased licence to reflect its relative short life cycle and constant advances in information technology.

1.7 Tangible fixed assets

a) Capitalisation

All assets falling into the following categories are capitalised:

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

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

b) Valuation

Tangible fixed assets are valued as follows:

i) Land, buildings and installations are stated at either open market value for their existing use or at depreciated replacement cost, adjusted for the granting of leases on the property where appropriate. Valuations are carried out professionally at five-yearly intervals, with an impairment review undertaken in all other years. A full revaluation was carried out as at 31 March 2014 by Cluttons LLP.

There has been a change in the basis of accounting estimation from depreciated replacement cost to depreciated replacement cost with deferment to recognise the existing lease arrangements on the charity's specialised properties. This change has resulted in a prior year adjustment to restate the valuation that was carried out as at 31 March 2012. Total fixed assets funds brought forward were reduced by £42.25 million to £71.56 million.

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

iii) Asset under construction are valued at cost.

c) Depreciation

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

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

Years

Fixtures and Fittings	15
Office equipment	10
Vehicles	10
IT equipment	3

d) Donated assets

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

Notes to the accounts

e) Asset under construction

Assets under construction are not depreciated and comprise of 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 the year the asset is brought in use.

1.8 Investment: fixed and current assets

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

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

Investments in subsidiary undertakings are stated at cost.

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

1.9 Stocks

Stocks consists of:

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

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

1.10 Pension contributions

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

The charity also participates in the NHS Pension Scheme, with five current employees and a number of former employees being members of this scheme. This is an unfunded, defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the charity. The scheme is not designed to be run in a way that would enable the Trustees to identify their share of the underlying scheme assets and liabilities. It is therefore accounted for as if it were a defined contribution scheme. Information on contributions for the year are as stated in note 7.

The scheme is subject to a full actuarial valuation every four years. However the last formal actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2004, and

was updated for March 2012 (released in June 2014). Formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent reforms to public service pensions. Employer and employee contribution rates are currently being determined under the new scheme design.

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. An actuarial assessment for the previous accounting period is carried out in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014, is based on the valuation data as 31 March 2013, updated to 31 March 2014 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

It is not possible for the charity to identify its share of the liability for this scheme and therefore contribution is recognised in the SOFA in the year it becomes payable.

Additional disclosures about the scheme are provided in Great Ormond Street Hospital NHS Foundation Trust Annual Report and Accounts and more details could be obtained from the National Health Services Pension website.

1.11 Taxation

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

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

1.12 Leases

Costs relating to operating leases are charged in the SOFA over the life of the lease on a straight line basis.

Notes to the accounts

2. Incoming resources

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2014 £000	Total at 31 March 2013 £000
Incoming resources from generated funds					
2.1 Voluntary income					
Direct gifts from individuals and trusts	15,753	13,469	–	29,222	30,644
Legacies	9,421	2,039	–	11,460	12,036
Community fundraising	4,629	5,637	–	10,266	9,247
Partnerships, campaigns, events and other income	2,323	6,470	–	8,792	7,797
Total	32,125	27,615	–	59,740	59,724
2.2 Activities for generating funds					
Auctions, tickets, sponsorship and other income	590	2,519	–	3,109	2,427
Fundraising trading	1,380	760	–	2,140	2,433
Total	1,970	3,279	–	5,249	4,860
2.3 Investment income	2,551	106	3	2,660	3,634
2.4 Incoming resources from charitable activities					
Grants	–	311	–	311	411
Property	1,539	5,000	–	6,539	1,513
Total	1,539	5,311	–	6,850	1,924
Total incoming resources	38,185	36,311	3	74,499	70,142

3. Investment income

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total at 31 March 2014 £000	Total at 31 March 2013 £000
Investments in a fixed income portfolio	1,511	106	–	1,617	2,272
Cash investments	1,040	–	3	1,043	1,362
Total	2,551	106	3	2,660	3,634

Notes to the accounts

4. Resources expended

	Direct costs £000	Support costs £000	Total at 31 March 2014 £000	Total at 31 March 2013 £000
4.1 Costs of generating voluntary income:				
Direct gifts from individuals and trusts	9,126	2,580	11,706	11,817
Legacy	368	112	481	669
Community fundraising	2,001	1,122	3,123	1,658
Partnerships, campaigns, events and other income	2,803	990	3,793	2,667
Total cost of generating voluntary income	14,298	4,804	19,102	16,811
Fundraising trading: costs of goods sold and other costs	468	–	468	457
Investment management costs	167	–	167	217
Total	14,934	4,804	19,737	17,485

	Direct costs £000	Support costs £000	Total at 31 March 2014 £000	Total at 31 March 2013 £000
4.2 Charitable activities				
Patient welfare	3,645	63	3,708	3,372
Staff welfare	494	8	502	764
Research	4,996	86	5,082	14,707
Medical equipment and capital schemes	2,546	44	2,590	4,821
Redevelopment	83,959	1,445	85,404	27,101
Property expenditure	952	14	966	1,105
Total	96,592	1,660	98,252	51,870
4.3 Governance costs	332	471	803	715
Total resources expended	111,857	6,935	118,791	70,070

	Total at 31 March 2014 £000	Total at 31 March 2013 £000
4.4 Resources expended include charges for:		
Plant and machinery	68	86
Other operating lease rentals	529	618
Fees payable to the charity's auditor for the audit of the group annual accounts	38	38
Fees payable to the charity's auditor for other services:		
- Tax compliance services	–	2
Depreciation	201	234
Amortisation	66	124

Plant and machinery includes the hire of photocopier, franking machine and IT leases. Other operating lease rentals include rental costs for the use of 40 Bernard Street premises. Fees payable to the charity's auditors for the audit of the charity's consolidated accounts of £38k (£38k-2012/13) includes £10k (£12k-2012/13) for the audit of the subsidiary undertakings.

Notes to the accounts

5. Support costs

	Staff costs £000	IT and Comms £000	Other £000	Year ended 31 March 2014 Total £000	Year ended 31 March 2013 Total £000
Cost of generating voluntary income	2,753	510	1,541	4,804	4,001
Fundraising trading	-	-	-	-	109
Patient welfare	36	7	20	63	59
Staff welfare	5	1	3	9	13
Research	49	9	28	86	259
Medical equipment and capital schemes	25	5	14	44	84
Redevelopment	828	153	463	1,444	479
Property expenditure	7	2	5	14	19
Governance costs	270	50	151	471	249
Total	3,973	737	2,225	6,935	5,272

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

6. Grant-funded activities

	Aggregate amount awarded Year ended 31 March 2014 £000	Aggregate amount awarded Year ended 31 March 2013 £000
Name of recipient:		
Arthritis Research UK	-	261
Great Ormond Street Hospital for Children NHS Foundation Trust	97,561	41,429
UCL Institute of Child Health	4,180	8,040
Imperial College London	260	-
The Institute of Cancer Research (ICR)	-	227
UCL Cancer Institute	-	285
UCL Institute of Cardiovascular Science	185	-
University of Cambridge	-	100
University of Glasgow	-	159
University of Manchester	19	281
Total	102,205	50,782

Notes to the accounts

7. Details of staff costs

	2014	2013
	No. of staff	No. of staff (restated)
The FTE average number of employees is split as follows:		
Support	38	31
Fundraising	117	115
Charitable expenditure	30	28
Governance	7	6
Total	192	180

The average number of employees for the year ended 31 March 2013 has been restated to reflect the full time equivalent value.

7.1 Analysis of staff costs

	Total year ended 31 March 2014	Total year ended 31 March 2013
	£000	£000
Salaries and wages	6,581	6,163
Compensation for loss of office	1	82
Social security costs	713	664
Pension costs	504	427
Total emoluments of employees	7,799	7,337
Agency staff	332	355
Total emoluments	8,131	7,692
Pension costs are split as follows:		
Defined contribution scheme	480	404
Final salary scheme	24	23
Total pension costs	504	427
Outstanding contributions as at the year end were:		
Defined contribution scheme	71	44
Final salary scheme	1	2

7.2 Pension contributions for senior employees

Nine out of the nine employees earning more than £60,000 participated in the defined contribution pension scheme (2013: 12 of the 14). Contributions relating to these employees were £89,711 (2013: £92,336).

Notes to the accounts

7. Details of staff costs (continued)

7.3 Senior employees

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

	Total year ended 31 March 2014 £000	Total year ended 31 March 2013 £000
£60,000-£69,999	3	7
£70,000-£79,999	2	0
£80,000-£89,999	1	0
£90,000-£99,999	0	2
£100,000-£109,999	1	1
£110,000-£119,999	1	0
£120,000-£129,999	0	1
£130,000-£139,999	1	0

8. Trustee remuneration

None of the trustees received any remuneration from the charity or its subsidiary during the current or previous financial year. No trustees were reimbursed for expenses incurred while carrying out their responsibilities for the charity during the year (2013: none).

A trustee indemnity insurance policy is held with Dual Corporate Risks Ltd, providing indemnity of £5 million. The cost of the policy in 2013/14 was £4,081 (2012/13: £4,759).

9. Intangible fixed assets

Movements of intangible fixed assets for the year ended 31st March 2014

	IT software £000
Cost:	
Balance at 1 April 2013	474
Additions	234
Balance at 31 March 2014	708
Accumulated amortisation	
Balance at 1 April 2013	342
Charge for the year	66
Balance at 31 March 2014	408
Net book value at 31 March 2014	300
Net book value at 31 March 2013	132

Historic cost less depreciation at 31 March 2014 300

Notes to the accounts

10. Tangible fixed assets

Charity and consolidated

	Freehold/ leasehold land and buildings £000	Fixtures and fittings £000	Office equipment £000	Vehicles £000	IT equipment £000	Asset under construction £000	Total £000
Cost and valuation							
Balance as at 1 April 2013 as originally stated	112,650	1,025	140	13	805	143	114,776
Prior year adjustment	(42,250)	-	-	-	-	-	(42,250)
Balance as at 1 April 2013 as restated	70,400	1,025	140	13	805	143	72,526
Additions	-	106	-	-	12	869	987
Disposals	-	-	-	-	(247)	-	(247)
Revaluations	60,705	-	-	-	-	-	60,705
Balance at 31 March 2014	131,105	1,131	140	13	570	1,012	133,971
Accumulated depreciation							
Balance at 1 April 2013	-	360	79	7	651	-	1,097
Disposals	-	-	-	-	(247)	-	(247)
Charge for the year	-	69	20	2	110	-	201
Balance at 31 March 2014	-	429	99	9	514	-	1,051
Summary as at 31 March 2014							
Net book value 2014	131,105	702	41	4	56	1,012	132,920
Net book value 2013 as restated	70,400	665	61	6	154	143	71,429
Historic cost less depreciation at 31 March 2013	79,799	702	41	4	56	1,012	81,614

The charity undertakes a full independent professional valuation of all properties every five years, with impairment reviews undertaken as necessary in accordance with the Statement of Recommended Practice 2005. A full valuation was performed as at 31 March 2014 by Cluttons LLP, chartered surveyors, acting as independent valuers. As a result of this valuation, the value of properties held by the charity was increased by £18.5 million. The net book value of properties includes two buildings at £26.2 million used by the hospital as clinical facilities. The most commonly used method for the valuation of specialised assets such as these is depreciated replacement cost. This is because transactions involving the sale of these types of assets are relatively infrequent and therefore estimating a market value is not considered feasible due to their specialist nature. Depreciated replacement cost is deemed to be an acceptable alternative to market value and is a methodology which is recognised by the International Valuation Standards Council. These two buildings are subject to leases between the charity and the hospital for unexpired terms of 22.5 years at peppercorn rentals, and therefore the value of these properties under the depreciated replacement cost method is reduced by the fact that peppercorn leases are in place. It should be made clear however this value would not be realisable on the open market in the event of disposal due to the specialist nature of the assets.

All residential properties are valued at existing use value and office properties are valued at market value.

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

Notes to the accounts

10.1. Prior year adjustment

At the instigation of the trustees, a full valuation of the property portfolio was carried out at 31 March 2014 by Chartered Surveyor Cluttons LLP. As a result of this exercise two clinical properties – Octav Botnar Wing and the Frontage Building which were previously valued on a depreciated replacement cost basis are now valued on a depreciated replacement cost with deferment basis. The deferment basis takes into account the 30 year charitable leases which the charity entered into with the hospital in October 2006. This has the effect of treating the grant of the lease as charitable expenditure. Consequently as a result of this change in estimation basis, a prior year adjustment of £42.25 million has been made to reduce the value of these assets in the accounts as at 1 April 2012 as indicated below.

	Surplus for the year ended 31 March 2013 £000	Funds brought forward 1 April 2012 £000	Total £000
As previously stated	43,191	191,110	234,301
Restatement of prior year: Revaluation of land & buildings	-	(42,250)	(42,250)
As restated	43,191	148,860	192,051

Notes to the accounts

11. Fixed asset investments

11.1 Analysis of fixed asset investments

	Total 2014	Total 2013
	£000	£000
Charity and consolidated		
Fixed asset investments:		
Market value at 1 April 2013	113,166	95,328
Less:		
Disposals at carrying value	(34,000)	(3)
Add:		
Acquisitions at cost	3,415	15,273
Net (loss)/gain on revaluation	(2,441)	2,568
Market value at 31 March 2014	80,140	113,166
Historic cost at 31 March 2014	77,110	109,310

11.2 Market value at 31 March 2014

	Held in the UK	Held outside the UK	Total 2014	Total 2013
	£000	£000	£000	£000
Investments in a fixed income portfolio – directly held	32,180	7,563	39,743	74,201
Investments in equity funds	22,433	14,956	37,389	34,686
Investments listed on stock exchange	9	–	9	10
Investments in gold commodities	–	2,999	2,999	4,270
Total fixed asset investments	54,622	25,518	80,140	113,166

	Total 2014	Total 2013
	£000	£000
Investments representing over 5 per cent by value of the portfolio comprises:		
HSBC – government and corporate bonds	39,743	74,201
Ruffer – absolute return securities	12,183	11,312
Newton – real return funds	11,792	10,754
Blackrock – securities	13,413	12,618

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

Investment powers

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

11.3 Investment in Great Ormond Street International Promotions Ltd

2014 Total

£2

The net result for the company in 2013/14 is a surplus of £1,427,842 (2013: 1,747,699) with a Gift Aid payment of £1,427,842 (2013: £1,747,699).

There is a £nil (2013: £nil) investment in the Friends of the Children of Great Ormond Street Hospital Children's Charity.

Notes to the accounts

12. Stocks

	Consolidated		Charity	
	31 March 2014 £000	31 March 2013 £000	31 March 2014 £000	31 March 2013 £000
Stock for resale	48	39	0	-
Asset for resale	300	300	300	300
Total current asset investments	348	339	300	300

Asset for resale comprises a house in Richmond donated to the charity in 2013 which is currently being prepared for sale.

13. Current asset investments

Charity and consolidated

	Total 2014 £000	Total 2013 £000
Short-term deposits	118,552	75,326
Total current assets investments	118,552	75,326

All current asset investments are held in the UK.

14. Debtors

	Consolidated		Charity	
	31 March 2014 £000	31 March 2013 £000	31 March 2014 £000	31 March 2013 £000
Trade debtors	6,416	927	6,063	417
Amounts due from subsidiary	0	0	483	925
Other debtors	774	339	772	338
Prepayments	1,031	849	1,027	846
Accrued income	1,055	1,123	745	693
Total debtors falling due within one year	9,277	3,238	9,090	3,219

Notes to the accounts

15. Creditors: amounts falling due within one year

	Consolidated		Charity	
	Total 31 March 2014 £000	Total 31 March 2013 £000	Total 31 March 2014 £000	Total 31 March 2013 £000
Trade creditors	1,750	2,391	1,502	2,391
Taxation and social security	274	342	206	156
Grants awarded ¹	47,281	52,642	47,281	52,642
Other creditors	147	150	147	181
Accruals	580	1,243	545	1,191
Deferred income	917	597	887	566
Total charity creditors falling due within one year	50,949	57,365	50,567	57,127

(1) See note 18

Grants awarded creditor at 31 March 2013 has been reclassified to include £4.1 million that was classified as accruals in 2013.

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

	Consolidated		Charity	
	Total 31 March 2014 £000	Total 31 March 2013 £000	Total 31 March 2014 £000	Total 31 March 2013 £000
Grants awarded ¹	84,501	12,537	84,501	12,537
Rent-free provision	242	177	242	177
Total creditors falling due after more than a year	84,743	12,714	84,743	12,714

(1) See note 18

17. Deferred income

	31 March 2013 £000	Deferred £000	Released £000	31 March 2014 £000
Income from fundraising activities:				
Charity	566	887	(566)	887
Trading subsidiary	31	30	(31)	30
Total deferred income – consolidated	597	917	(597)	917

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

Notes to the accounts

18. Grants awarded

	Total 2014 £000	Total 2013 £000
Outstanding liabilities at 1 April	65,179	36,585
Awarded during the year:		
Redevelopment	83,776	27,543
Medical equipment and capital schemes	7,880	5,527
Research	5,662	14,046
GOSH welfare and other	4,887	3,666
Total	102,205	50,782
Paid during the year:		
Redevelopment	(13,132)	(6,709)
Medical equipment and capital schemes	(3,018)	(3,720)
Research	(7,331)	(4,613)
GOSH welfare and other	(4,246)	(4,216)
Total	(27,727)	(19,258)
Adjustments in the year:		
Medical equipment and capital schemes	(5,430)	(842)
Research	(1,211)	(345)
GOSH welfare and other	(1,234)	(243)
Total	(7,875)	(2,930)
Outstanding liabilities at 31 March	131,782	65,179
Amounts falling due within one year	47,281	52,642
Amounts falling due after more than one year	84,501	12,537
Total	131,782	65,179

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

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

Notes to the accounts

19. Analysis of group net assets between funds

	Unrestricted		Restricted	Endowment	2014 Total Funds	2013 Total Funds as restated (note 10.1)
	General £000	Designated £000				
Fund balances at 31 March 2014 are represented by:						
Tangible and intangible fixed assets	–	133,220	–	–	133,220	71,561
Investments	38,846	–	40,630	664	80,140	113,166
Current assets and liabilities	54,043	–	25,993	–	80,036	22,669
Long term liabilities	(242)	–	(84,501)	–	(84,743)	(12,714)
Total net assets	92,647	133,220	(17,878)	664	208,653	194,682

Restricted funds include long-term liabilities of £8.81m which relate to grants awarded to Great Ormond Street Hospital for Children NHS Foundation Trust and the UCL Institute of Child Health held for medical research and replacement of equipment.

Notes to the accounts

20. Group and charity funds

	Balance 31 March 2013 (as originally stated)	Prior year adjustment (note 10.1) £000	Balance 31 March 2013 (restated) £000	Incoming resources £000	Resources expended £000	Transfers between funds £000	Gains and losses £000	Balance 31 March 2014 £000
20.1 Endowment funds								
A Tippetts & Crux	222	–	222	1	(1)	–	–	222
B Lewisohn	11	–	11	–	–	–	–	11
C Barnes	7	–	7	–	–	–	–	7
D Mary Shepard Bequest	407	–	407	2	(2)	–	–	407
E John Lund Wells Bequest	17	–	17	–	–	–	–	17
Total endowment funds	664	–	664	3	(3)	–	–	664
20.2 Restricted funds								
A Redevelopment	26,072	–	26,072	24,178	(83,959)	612	(295)	(33,392)
B Louis Dundas Centre	330	–	330	461	(677)	–	–	114
C Gastroenterology Research Collaboration	5	–	5	87	–	–	–	92
D Craniofacial Fund	184	–	184	15	(62)	–	–	137
E The Richard Wright Fund	1,752	–	1,752	8	(118)	–	(18)	1,625
F The Friends Fund	2,578	–	2,578	1,129	(1,433)	–	–	2,274
G Clinical Cardiac Chair	374	–	374	1	(75)	–	–	300
H Olivia Hodson Cancer Fund	326	–	326	71	(96)	6	–	307
I Family Studies	327	–	327	1	(22)	–	–	306
J Other special purpose funds	3,422	–	3,422	650	(872)	3	(37)	3,167
K Other restricted purpose funds	3,130	–	3,130	9,709	301	(5,885)	(61)	7,194
Total restricted funds	38,500	–	38,500	36,311	(87,014)	(5,264)	(411)	(17,878)
20.3 Unrestricted funds								
General funds	14,737	–	14,737	38,185	(31,775)	(56,395)	58,675	23,427
Designated funds:								
Redevelopment Fund	69,220	–	69,220	–	–	–	–	69,220
Fixed Assets Fund	113,811	(42,250)	71,561	–	–	61,659	–	133,220
Total unrestricted funds	197,768	(42,250)	155,518	38,185	(31,775)	5,264	58,675	225,867
Total funds	236,932	(42,250)	194,682	74,499	(118,792)	–	58,264	208,653

The above funds comprise those of the group after the inclusion of £25,000 retained unrestricted funds of the Great Ormond Street International Promotions Limited subsidiary company.

Total restricted funds show a net deficit position of £17.9 million in the year, which is mainly due to a commitment of £84.0 million for phase 2B of the redevelopment programme. The trustees have designated funds of £69.2 million to cover any deficit on the current redevelopment plans.

The fixed asset fund represents the value of general funds invested in fixed assets which are not, by nature of fixed assets, readily available for use for other purposes. The transfer of £61.7 million (2013: £0.33m) to this fund, mainly due to revaluation of fixed assets, makes the value of the fund equal to the net book value of the fixed assets less any restricted fixed assets at 31 March 2014. Fixed asset expenditure financed from restricted funds is shown within the restricted funds balances.

Notes to the accounts

20. Group and Charity Funds (continued)

Endowment funds

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

Restricted funds

Name of fund	Description of the nature and purpose of each fund
A Redevelopment	To provide finance for major building and capital development.
B Louis Dundas Centre	To advance research and clinical practice in palliative care and pain management.
C Gastroenterology Research Collaboration	To research causes of and new treatments for severe gut disorders and food allergies.
D Craniofacial Fund	To research and purchase equipment for craniofacial disorders.
E The Richard Wright Fund	To fund research into infant and childhood leukaemia.
F The Friends Fund	To provide funds for family support and children's play services.
G Clinical Cardiac Chair	To provide support costs for the post of Clinical Cardiac Chair.
H Olivia Hodson Cancer Fund	To support projects and roles related to childhood cancer.
I Family Studies	To provide support to the Psychological Medicine Department.
J Other special purpose funds	Funds delegated by the trustees to various departments within Great Ormond Street Hospital and UCL Institute of Child Health.
K Other restricted purpose funds	To finance specific items of equipment, services or projects.

Unrestricted and designated funds

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

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

Transfers between funds represent:

- 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.

Notes to the accounts

21. Notes to the consolidated cash flow statement

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

	2014	2013
	£000	£000
Net (outgoing)/incoming resources before other recognised gains and losses	(44,293)	72
Depreciation charges	267	358
Investment income	(2,660)	(3,634)
(Increase) in stocks	(9)	(310)
(Increase)/decrease in debtors	(6,040)	45
Increase in creditors	65,614	17,073
Cash inflow/(outflow) from operating activities	12,879	13,604

21.2 Analysis of net funds

	Balance 31 March 2013 £000	Cash flows £000	Balance 31 March 2014 £000
Cash at bank and in hand	1,132	1,677	2,809
Current asset investments	75,326	43,226	118,552
Total	76,458	44,903	121,360

22. Commitments, liabilities and provisions

Incoming resources include £5 million which specifically relates to the Centre for Research into Rare Disease in Children building project currently in the design stage of development. The Trustees consider it unlikely that this project will not proceed to completion, however, if this is the case, the £5 million income would be repayable to UCL Institute of Child Health.

The trustees do not have any other commitments, liabilities or provisions requiring disclosure other than those included in the financial statements (2013: £ nil).

23. Legacies

The charity has been notified of 235 legacies which have not been included within the financial statements, as no notification of impending distribution has been received (2013: 234). Of these, 23 per cent are pecuniary legacies which have an average value of £6,542 (2013: 24 per cent £4,602) and the remaining 77 per cent are residuary, life interest and specific legacies, which have an average value of £93,720 (2013: 76 per cent £50,226). The charity does not have any indication of when it is due to receive these monies and there is no certainty of receipt. Residual legacies include one exceptional discretionary gift of £4.5 million. Included within the above figures are five pecuniary legacies (2013: four), 26 residuary legacies (2013: 24) and five specific legacies (2013: six) which are subject to a life interest, as well as three specific legacies (2013: one) which are not subject to a life interest.

Notes to the accounts

24. Annual commitments under non-cancellable operating leases

	Land and buildings		Other leases	
	2014 £000	2013 £000	2014 £000	2013 £000
Operating leases which expire:				
Within one year	-	34	13	12
Between one and five years	-	270	42	20
After five years	571	296	-	-
Total	571	600	55	32

The leases relate to 40 Bernard Street premises.

25. Related party transactions

There were no transactions with other entities in which either trustees or senior employees of the charity hold positions of authority.

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

Related party	Connected party	Relationship	2014 £000	2013 £000	Details of transaction
Great Ormond Street Hospital	Dr Jane Collins (Chief Executive to 31 July 2012)	Dr Jane Collins was the Chief Executive of the hospital	-	42,675	Grants made to Great Ormond Street Hospital
			-	48,454	Creditors outstanding
			-	1,705	Amounts paid for services provided, ie rent and property recharges
			-	(66)	Debtors outstanding

Administrative details

Names of charity and its subsidiary undertakings

Great Ormond Street Hospital Children's Charity

Registered charity number 235825.

Great Ormond Street International Promotions Ltd

Company limited by share capital. Registered number 2265303.

The Friends of Great Ormond Street

Company House number 2093843.

Principal and registered office

40 Bernard Street, London WC1N 1LE

T: 020 7239 3000 www.gosh.org

Description of charity's objective

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

Special Trustees

Alan Hodson (Chairman)

Gabrielle Abbott

Susan Burns

John Connolly (appointed 1 June 2014)

Diana Dunstan OBE

Hugo Llewelyn

Sir Mark Potter (retired 31 March 2014)

Christopher Spratling

Associate Trustees

Simon Brewer

Simon Stormer

Michael Weston

Edward Wozniak

Board of Directors

Tim Johnson

(Chief Executive)

Antonia Dalmahoy

(Director of Corporate Partnerships)

Neal Donnelly

(Director of Major Gift and Special Event Fundraising)

Ian Chivers

(Director of Finance and Operations)

Lesley Miles

(Director of Marketing Communications and

Community Fundraising, resigned 23 August 2013)

Cymbeline Moore

(Director of Communications from 1 September 2013)

Emma Lochhead

(Director of HR and Organisational Development from 15 August 2013)

Richard Bowyer

(Director of Marketing and Public Fundraising from 6 January 2014)

Charity Patrons

Vernon Kay and Tess Daly

Other relevant organisations

Auditor

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditor

7 More London Riverside, London SE1 2RT

Bankers

Royal Bank of Scotland plc

9th Floor, 280 Bishopsgate, London EC2M 4RB

Solicitors

Withers LLP, 16 Old Bailey, London EC4M 7EG

Investment managers

HSBC Asset Management (Europe) Ltd, London SW1A 1EJ

Royal London Cash Management Ltd,

55 Gracechurch Street, London EC3V 0UF

BlackRock

Murray House, One Royal Mint Court, London EC3N 4HH

Newton Investment Management Ltd

BNY Mellon House, Ingrave Road, Brentwood, Essex CM15 8TG

Ruffer LLP

80 Victoria Street, London SW1E 5JL

Rothschild

New Court, St Swithin's Lane, London EC4N 8AL

Independent investment consultants

Stanhope Jewsons

35 Portman Square, London W1H 6LR

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who helped during its production.

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

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Registered charity no. 235825.

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