



Annual Report and Accounts 2021–2022



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Cover image: one of the staff wellbeing hubs funded by our Covid-19 appeal.



Chair and CEO Intro

Last year was a year of consolidation and strategic planning for Barts Charity to ensure the success of our mission and focus on the people of East London which is central to all our activities. We had a twin focus through the year to deliver against the goals we had set ourselves for our 2017-2022 Strategy and also to develop and plan a clear roadmap and set of high-level strategic objectives for the next phase from April 2022-2027.

In parallel to this, like everyone else, we were emerging from the worst of the global pandemic and assessing its impact upon our staff and our working practices. We also wanted to consider how best to honour the remarkable milestone of the 900th anniversary of the founding of St Bartholomew's Hospital – acknowledging this extraordinary heritage but using that as a springboard to develop future health services for East London for many years to come.

As we set out later in this report, we are pleased with the progress that we made through the year and we are also delighted to share our 2022-27 Strategy with you and to reaffirm our commitment to making life-changing improvements to the health of people living in East London. At its heart is our continued, strong partnership with Barts Health NHS Trust and the Faculty of Medicine & Dentistry at Queen Mary University London (FMD), which builds on so much of the work of the last five years to identify, develop and fund transformational projects. We believe that the strong partnership between Barts Health and FMD strengthens both them and us and provides our greatest opportunity to have real and lasting impact and deliver on our mission.

We have also laid the foundations for our Barts 900 Campaign, which is set to be our largest ever campaign both in terms of funding and fundraising.

We are working closely with Barts Health to develop two flagship projects which aim to be transformative for healthcare in East London for many years to come – a new Barts Breast Cancer Centre and Barts Life Sciences Clinical Research Facility, a new purpose-built state of the art clinical research facility. Our fundraising ambition is to raise £20m for the Barts 900 projects, which will be in addition to the £10m which the Charity is itself committing to the campaign as a cornerstone funder.

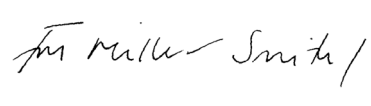
In the last year we have reorganised and grown our Fundraising team, building a Barts 900 campaign strategy and investing in other support resources to give ourselves the best possible chance of success in what is admittedly a challenging fundraising environment. Our new strategy recognises that significant fundraising growth will be driven by much more integrated and larger scale campaigns delivered by our Fundraising team working closely with and supported by our communications strategy. The Barts 900 Campaign will be a template for that approach.

Our planning for the future was not at the expense of our commitment to fund medical research and healthcare delivery projects to the value of c£30m per year. In 2021/22 our funding totalled £28.5m and you can read about some of the projects we funded in this report. Over the last five years we have given over £145m to fund transformative research and healthcare projects in East London and we are proud of the impact our funding has achieved. Guided by our new strategy we will build on this with a further £150m+ to be given over the next five years in key areas of research and healthcare.

The Charity is fortunate to have a highly talented and engaged staff, Board and advisers to whom we should like to extend our thanks for all they do. We look ahead together with a renewed clarity of purpose, ambitious for our next five years.



Andy Bruce
Chair of Trustees



Fiona Miller Smith
CEO

Trustees' Report

The Trustees present their report and the audited financial statements for the year ended 31 March 2022. The introduction from the Chair and Chief Executive on page 1, the Regulatory information on page 14 and the Statement of Trustees' Responsibilities on page 15 form part of this Trustees' report.

The financial statements as at 31 March 2022 and for the year then ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

What We Do

We are a charity dedicated to supporting improvements to healthcare and transformative research with a primary focus on the issues that matter to the people of East London. We do this by funding high quality research, innovative patient care projects and NHS staff wellbeing initiatives that would otherwise not be funded by the NHS or other funders.

We mainly award our funding to Barts Health (which runs St Bartholomew's, The Royal London, Mile End, Whipps Cross and Newham Hospitals) and to the Faculty of Medicine and Dentistry at Queen Mary University of London, where there are six medical research institutes. We also support researchers at the School of Health Sciences at City, University of London.

Vision

Life changing improvements to health for the people of East London.

Mission

A charity with its roots in East London, dedicated to supporting improvements to healthcare and transformative research for local health benefit.

We work in partnership with the NHS, local research institutes and others who can help us achieve our goals and maximise our impact.

Barts Charity Strategy 2022 – 2027 strategic objectives

We wanted Barts Charity's new vision and mission to provide the strategic context for each area of our charitable activity and we have used them to frame five strategic objectives for 2022-2027.

Research

We fund high quality and innovative research that enhances our understanding of health and illness and has the potential to improve and/or save lives in East London.

Healthcare

We facilitate transformation to patient care and support for our dedicated NHS staff, primarily focusing our efforts at Barts Health.

Fundraising and Communications

We are transforming our approach to fundraising to significantly grow revenue and enable us to achieve our ambitions for our mission.

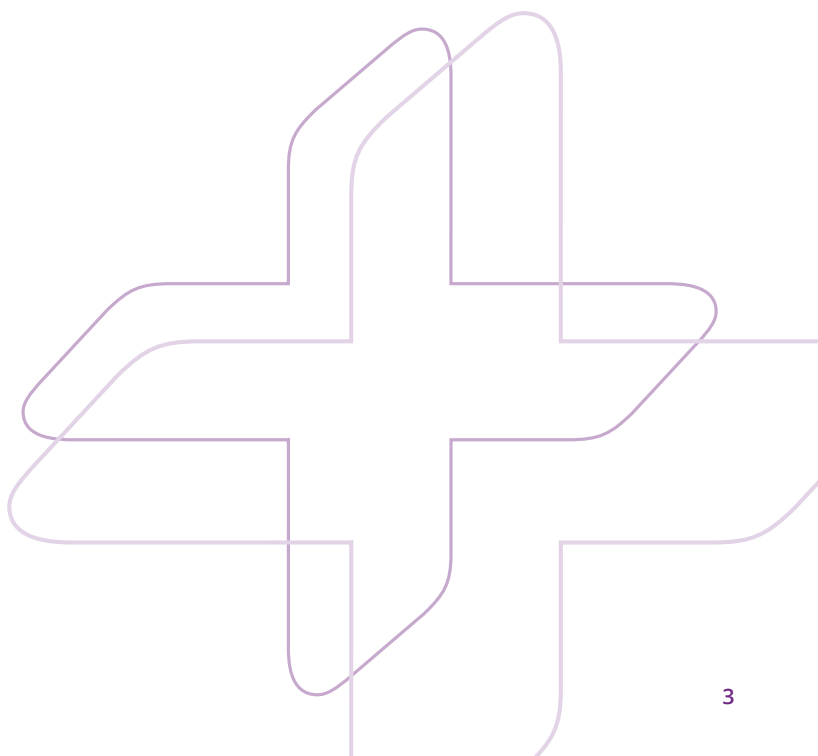
We aim to inspire greater support by communicating about the people and projects we fund and the impact they make.

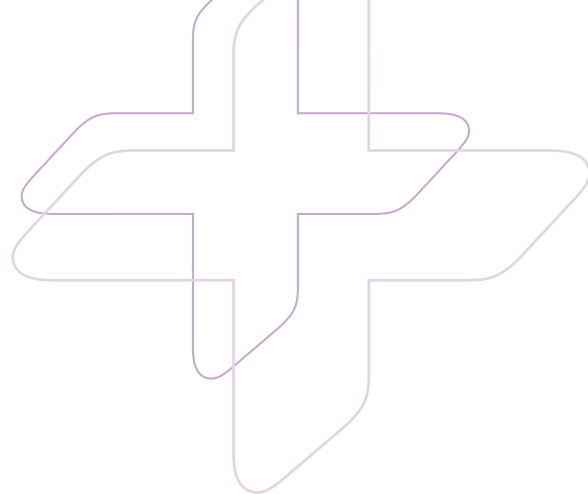
Endowment

We manage our endowment to ensure we take full advantage of potential opportunities to deliver our mission, now and in the future.

How we work

We set ourselves high standards for how we operate and aim to maximise the impact we make with our resources.





Our funding principles and focus

As part of our strategy process, we also looked at the key funding principles that underpin our approach to ensure that they were completely aligned with our strategic objectives. To achieve our funding and impact strategic objectives we will focus our funding where:

- We can create transformational change.
- We can leverage further support for our funded projects.
- Other funders or revenue sources cannot or do not cover.

Barts Charity's primary focus is on our funding being relevant to, and having an impact in, East London but we expect that much of the activity we support will continue to have wider health benefit, both across the UK and globally.

We adhere to robust funding processes to ensure the Charity's resources are applied to deliver impact in improvements to healthcare and transformative research and our funding processes and policies are inclusive and unbiased. We are a member of the Association of Medical Research Charities and as such can demonstrate high standards of governance around funding decision processes and monitoring of funded activity.

Our values

We are proud of the work we do. We have created a set of values that express who we are as a charity, the way we want to work and the culture that we want to live and breathe every day.

One Team

We work collaboratively as one team, supporting and respecting each other and embracing diverse experiences and perspectives.

Ambitious

We care passionately about Barts Charity's mission, empowering each other to constantly improve and achieve our best.

Open

We are honest and transparent, sharing information willingly and encouraging the giving and receiving of constructive feedback.

Accountable

We take pride in doing the right thing and acting with integrity. We take ownership of our actions and learn from our mistakes.

Barts Charity Annual Report: Review of 2021/22

**In our 2021 Annual Report we set out our strategic targets for 2021/22
- we summarise below how we have performed against them:**

| Target | How we performed |
|--|--|
| To set our corporate strategy for the period 2022-27 | Completed |
| To confirm and implement our Equity, Diversity and Inclusion vision and principles | <ul style="list-style-type: none"> • EDI Commitment and Priorities confirmed • Implementation Plan for 2022/23 agreed and under delivery |
| Complete the planning for and undertake the first stages of the Barts 900 campaign, our most ambitious fundraising campaign yet, aiming to raise £40m for up to four major Barts Health projects | <ul style="list-style-type: none"> • Planning completed, including creation of a single fundraising team and recruitment to additional roles across the Charity to fill skills gaps and provide additional support for Barts 900 and future campaigns • Funding target has been adjusted to two flagship projects with target for approval in the first half of 2023 – Barts Breast Cancer Centre and Clinical Research Facility • Fundraising target has been adjusted to £30m, with Barts Charity committing £10m of this as a cornerstone funder |
| To sustain our grant-giving programme at £30m per year (averaged over a five year period) and maintain a quality pipeline of impactful funding opportunities | <ul style="list-style-type: none"> • Total funding in 2021/22 was £28.5m • Funding pipeline of grants under discussion at £111m |
| To manage the return of staff to office-based working, implementing a new Agile Working Policy | <ul style="list-style-type: none"> • Hybrid Working Policy implemented • Co-designed with staff, the Charity mandates Tuesdays and Wednesdays in the office for all staff, with remote working an option on other days. A recent staff survey suggests this is popular with staff • A full office refurbishment took place in summer 2022. Designed to provide more spaces for working in collaboration in person, it demonstrates our commitment to providing energising and supportive office space which can accommodate the whole team |
| To complete the implementation of a new finance system and a database upgrade, and commence a shift to better analysis of both financial and non- financial data | <ul style="list-style-type: none"> • Largely completed, although some delay owing to project management issues • We have successfully reconciled the finance system with our CRM and can upload monthly fundraising and grant-related information accurately and quickly |
| To re-institute our programme of staff engagement across the five hospitals to promote fundraising from patients and their families | <ul style="list-style-type: none"> • Deferred to 2022/23 • Continued Covid-19 pressures in the hospitals during 2021/22 meant this could not be progressed • Clinician Engagement Workshops have taken place to support Barts 900 campaign fundraising • New Head of Public Fundraising starts October 2022 |
| To progress the review of hospital-based restricted funds and complete the review of permanent endowment funds to increase both value and flexibility of funds held | <ul style="list-style-type: none"> • Deferred to 2022/23 • Continued Covid-19 pressures in the hospitals during 2021/22 meant discussions about the hospital-based restricted funds could not be progressed |

Managing the endowment

The management of our endowment is designed to provide financing, alongside voluntary income, for our funding programme. Assets in the portfolio are therefore chosen in order that they enhance their value over time to achieve a financial return. A managed approach to risk is taken and the Trustees and management work with a number of advisors in order to provide an appropriate balance of risk against a targeted return.

The Trustees have delegated investment decision-making to the Investment Committee; the Investment Committee appoints and monitors investment advisors to assist them in managing both financial and property elements of the portfolio. The Investment Committee meets quarterly and reports back to the Trustee board after each meeting.

Since April 2021 the Investment Committee has been working with Mercer as its financial investment advisor. Last year we undertook a strategic review of our investment beliefs and as a result set a new investment strategy for the next five to seven years, which aims to further diversify the overall sources of risk and return. This includes a new strategic asset allocation framework.

Our aims for 2022/23

Funding

- Working with Barts Health and FMD, our Grants Committee and Board to progress development of the Barts 900 project applications (Barts Breast Cancer Centre at St Bartholomew's Hospital and Clinical Research Facility at The Royal London Hospital)
- Refresh all funding schemes; design and launch a new Everyday Impact scheme to support ideas where a relatively straightforward and easy-to-implement change could have a big impact on the care, experience and wellbeing of patients and their families, friends, and carers in hospitals across Barts Health
- Refine impact, outcomes and assessment framework to align with the new Charity strategy and to support activity to communicate the difference Barts Charity funding makes
- Review grant terms & conditions to ensure compliance with best practice

Fundraising & communications

- Fundraising for the Barts 900 Campaign (target of £30m)
- Development and implementation of a Public Fundraising strategy
- Completion of a brand review and creation of a new website

Endowment

- Implementation of revised asset allocation under investment strategy including development of responsible investing principles

How we work

- Complete office refurbishment to improve flexibility of use and increase collaboration spaces
- Complete a review of our Employee Value Proposition and create a first People & Culture strategy
- Optimise IT provision and support including increasing in-house IT and data capability
- Complete actions in our 22/23 EDI Implementation Plan

Commitment to Equality, Diversity & Inclusion (EDI)

We believe that our commitment to EDI is best demonstrated through action. In December 2021, the Board approved the Charity's EDI Commitment, Priorities and Definitions (available in full on our website).

Barts Charity's EDI Commitment

We want everyone connected with Barts Charity to feel valued and respected. We will create and sustain a truly inclusive culture where everyone feels they can contribute. We know that this will take action and we must keep working at it.

We recognise that a diverse Barts Charity is not just the right thing to be, but will also make us better at what we do. Embracing a breadth of perspectives and experiences will help us to make better decisions and be more effective and impactful in all our activity.

We will be transparent about how we deliver on this commitment. We will publish our objectives and report our progress (or lack of it) so that our colleagues, supporters, beneficiaries and stakeholders can hold us to account.

Concurrently with developing our corporate strategy and our EDI Commitment & Priorities, we were also taking steps to improve our approach to EDI. We have:

- **Challenged our recruitment process** to increase diversity in a range of areas in our staff and non-exec roles by trying to access a wider pool of talent and remove bias from our processes. Work on EDI monitoring of all our personnel will help us track our progress.
- **Reviewed Funding application processes, policies and funding schemes, and actioned a number of modifications** to improve access and remove sources of potential bias. For example provision of maternity and sick pay for non-clinical PhD students, offering reasonable adjustments to the application process and several cost policy adjustments.
- **Clearly stated our expectations for consideration of Patient and Public Involvement within the design and delivery of funded projects** to ensure that the outcomes of funded activities are relevant to patients, where appropriate.
- **Audited our funding portfolio** to assess whether it is possible to measure the extent to which it benefits racially diverse and socioeconomically deprived communities.
- **Created Staff Voice**, a staff representative body which meets regularly.

Barts Charity's EDI Priorities

Culture

- To live out our Values
- To encourage and champion an inclusive and aware internal culture through actions and resources

Governance

- To create, update and keep under review our governance structures, policies and procedures to ensure that EDI is embedded into all our activities

Data/insight

- To better capture, monitor and analyse data to develop evidence from which to learn and drive change

Funding

- To apply unbiased and inclusive funding processes and ensure the activities we fund are inclusive in their design and their delivery

Personnel

- To have diversity across our staff and non-execs who each feel able to realise their full potential and who better reflect the communities we work with and for

2022/23 EDI plan

Our plans for 2022/23 are as follows:

ACTION

Culture

- Undertake an office accessibility audit as part of office refurbishment
- Reconnect with The Switch to offer work experience to Tower Hamlets secondary school children (3x per academic year)
- Ensure that our new website meets accessibility standards and its imagery reflects our patient and supporter populations
- Confirm an implementation plan for our Values – link to Employee Value Proposition
- Review our events to ensure they are inclusive, reflect our values and that our contributors and guests better represent our stakeholder cohort
- Use our social media platforms to extend our presence in more diverse communities

Governance

- Undertake an EDI review of our HR policies to identify unfairness, inconsistency and where new policies are required

Data/Insight

- Implement processes to collect diversity data on our staff, non-execs and advisers. This covers our Scientific Review Panel, Committee Members, Board Advisers, Trustees and employees
- Implement processes to collect diversity data for grant applicants and grantholders to allow us to explore whether our funding processes are inclusive and contain potential biases

Funding

- Become signatory of Declaration on Research Assessment (DORA) principles in the research application and review processes
- As part of the review of our Grant Terms and Conditions, ensure that relevant elements of EDI are embedded e.g. Conduct of the Grant Activities, Grant Holders and Grant Personnel
- Include patient and public involvement and engagement as a criterion in funding assessment (by Committees/Panels and peer reviewers)

Personnel

- Undertake a formal review of our recruitment process to optimise reach and remove bias

Actions involve all the teams and will be incorporated into our respective team delivery plans which will be assessed mid-year (October) and year end (March), and we will report our progress against each item.

Finance Review

Review of financial performance

Our financial strategy is to manage and grow our investment assets and voluntary income in order to support annual grant giving and operating activities for the long term. Net assets as at 31 March 2022 increased by £18m to £449m (2021: £431m).

In reviewing the performance of our investments we consider the total return of the portfolio, both income and capital. By showing the total return which combines both income generated by our assets and the associated capital gains/losses, as opposed to separating these out, we ensure that we see the full picture of our finances.

We use this concept as a basis for addressing the two basic principles of our financial strategy:

- To provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant- making and other operating activities,
- To maintain the value of the Charity's portfolio in real terms such that it can make funding awards in the long term.

As presented in the Investment Review section below in this regard the return of the portfolio was 7%, which is ahead of the return target of CPI+4.5%.

The Statement of Financial Activities (on page 19) shows that during the financial year the Charity received income of £14.5m, (2021: £20.4m), of which £12.2m was unrestricted (2021: £13.2m). At the same time total expenditure increased over the same period to £34.6m (2021: £31.2m). The proportion of charitable activities spending to total expenditure remained relatively constant (84%, 2021: 88%).

As stated above, and as shown in the Statement of Financial Position, the Charity's net assets were £449m (2021: £431m). The endowment increased in value due entirely to unrealised gains; restricted funds reduced marginally in value in line with the Charity's wish to consolidate and close the large number of low value funds, designated funds remained unchanged and the remaining deficit reduced general funds.

In terms of assets and liabilities, the Charity's level of operational fixed assets (particularly capitalised software) was written down substantially, reflecting changes to the way in which software is produced and maintained.

Investment Review

The value of the Charity's investments increased by £36m to £516m, reflecting a return to steadier growth in the wake of the pandemic.

The majority of the 12-month period was shaped by a strong global economic recovery supported by economies reopening, higher increased household savings and loose monetary policy. This position fell under pressure early in 2022 amid sharply rising inflation, tightening monetary policy, the conflict in Ukraine and renewed lockdowns in China, just when there was hope that supply chains would improve and Covid-19 would cease to cause major economic disruptions.

The Charity continued to navigate well through this continued market volatility. In the financial year ended 31 March 2022, the portfolio returned a total of +7.1%, net of fees. The long-term target for the portfolio is an average total return of CPI+4.5% per year (net of fees) over rolling three-year periods and an annualised return in excess of the portfolio's blended benchmark. As at 31 March 2022, the annualised portfolio total return over the trailing three-year period was +7.0%, slightly behind the total return target for the same period of +7.7% and the blended benchmark of +7.8%.

The long-term investment objective for the Charity remains to achieve a total annualised return of CPI +4.5% over rolling three year periods, however the Investment Committee recognises that, given the high rate of inflation forecast in 2022, this will be a challenging target to achieve over the shorter term.

Investment performance is monitored quarterly by our Investment Committee with the assistance of our investment advisor, Mercer, who provides advice and monitoring services for the financial portfolio. Gryphon Property Partners provides similar support for the property portfolio, while Workman provides tactical advice and management services for the property portfolio.

Reserves

The Charity holds assets in funds, each type of which dictates how the funds may be disbursed:

Endowment funds – there are a number of segregated individual personal endowments which are usually created in the form of a will trust that limits the use of both the original capital and any investment gains attaching thereto. There is also an aggregated expendable **endowment fund** – these funds and gains arising from them are permitted to be applied generally by the Trustees in the delivery of the Charity's objectives.

Restricted funds are those amounts given under a restriction agreed between the donor and the Charity that specifies the area of the Charity's work to be supported. Barts Charity have a large number of these funds supporting the many areas of the NHS Trust's work.

All other funds held by the Charity form the **general funds**; however Trustees may choose (and have chosen) to set aside **designated funds** to ensure a particular objective is given prominence. Trustees may remove a designation if they so choose.

Reserves policy

Given the nature of the Charity's activities and our grant-making strategy the Trustees have determined that the reserves policy, taken in conjunction with spending and long-term investment policies, is intended to deliver the following objectives:

- Provide for long-term stability and liquidity sufficient for the funding of the Charity's annual grant-making and other operating activities, without jeopardising broader investment objectives.
- Maintain the value of the Charity's portfolio in real terms such that it can continue to make funding awards in the long term. The Trustees wish to ensure the right balance between funding transformational projects over the next five-ten years and ensuring a meaningful role for the long term.

For these objectives, the Trustees have determined that the value of reserves should be deemed to be the amount(s) held in the Charity's investment portfolio.

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity; for 2021/22 this minimum reserve level is £347m (2021:£327m).

The level of total reserves as at 31 March 2022 was £516m (2020/21: £487m) and therefore the Trustees consider that the Charity has sufficient funds to meet its purposes over its anticipated operating future.

If the level of these reserves goes below or is projected to come within 5% of the minimum level, the Trustees will consider the level of spending and grant-giving in light of the prevailing market conditions and outlook. It is not expected that the Charity would react to short term volatility. The reserve, spending and long-term investment policies are reviewed at least annually and adjusted if necessary.

Responsible Investing

Barts Charity believes that it is right to consider environmental, social, and governance (ESG) factors in investment decisions, in order to identify material risks as well as to earn sustainable, long-term returns. The Charity also recognises that long-term sustainability issues, including climate change, present risks and opportunities that increasingly may require explicit consideration. The Charity believes that it is possible to invest with a positive impact without reducing investment returns. Areas of particular interest include improving societal health care outcomes.

As a result, ESG considerations are integrated in the investment process, including manager selection and monitoring, and ongoing review of the portfolio's ESG characteristics compared to relevant benchmarks and peers. The Charity has no direct investments in tobacco stocks. The Charity monitors exposure to tobacco through pooled funds, including passive index trackers as well as actively managed strategies, aiming to have less than 1% of equities in tobacco companies (i.e. approximately ½ or less vs the aggregated equity benchmark).

The Charity has a strategic equity exposure achieved through investment in pooled equity funds. The Charity accepts that it cannot directly influence how ESG considerations affect the equity investments.

The Charity also considers how ESG (including but not limited to climate change) and stewardship considerations are integrated within investment processes in appointing new investment managers.

Going Concern Statement

The preparation of the accounts for the year ended 31 March 2022 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, stressed scenarios and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out below. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these assessments the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Public Benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing Barts Charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Fundraising policy

We are very grateful to our supporters, who contribute significantly to our work, in giving generously in terms of donations and in terms of carrying out fundraising activities in the wider Barts communities.

We aim to fundraise in a way that is compelling, respectful and in-keeping with our values.

The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practice guidance. Our own practice and policies ensure that no individual, including vulnerable persons, is put under undue pressure to make a donation. In the year to 31 March 2022, more than 1200 individuals and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy policy in line with the General Data Protection Regulation (GDPR) and both this and our complaints policy are freely available on our website.

In 2021/22 we received 18 legacies and 6 donations from individuals over £5,000. Organisations which made donations over £5,000 are as follows:

Abbott Medical
Allianz Global Investors
Aspen Insurance UK
Bank of Montreal
Corinthia St Georges Bay
Embassy of The State of Kuwait
Garfield Weston Foundation
Kusuma Trust UK
Mainstay Medical
Monday Charitable Trust
NHS Charities Together
Sandra Jacobs Charity
The Swire Charitable Trust
Ugroup Media

Risk Management

Our Trustees have adopted a Risk Management Policy and regularly review the major risks to which Barts Charity is exposed. Risks are assessed by their likelihood and impact, and also their velocity (speed to impact). Where appropriate, systems and procedures have been established to mitigate risks, and these are also reviewed regularly. The risks and mitigations are recorded in a risk register which is reviewed regularly by the SMT and submitted quarterly to the Finance & Audit Committee for consideration.

The major strategic risks and principal mitigations as at 31 March 2022 are set out below.

| Risk | Actions to manage the risk |
|---|--|
| Strategy Failure to deliver the 2022-27 strategy, or be unable to evidence it | <ul style="list-style-type: none"> • Regular review by SMT and trustees of progress against the strategic plans • Clear identification of internal and external risks and issues as they arise and flexibility of approach • KPIs, monitoring and impact reporting |
| Funding Impact of inflation on significant capital projects under development | <ul style="list-style-type: none"> • Include contingency in costs surrounding capital builds and potential inflationary increases in costs between design and point of tender • Expert review of significant capital projects under development and Charity representation on relevant project and design boards to ensure Barts Charity has early sight on any potential funding risks that arise |
| Fundraising Economic downturn has potential negative impact upon Barts 900 campaign fundraising | <ul style="list-style-type: none"> • Investment in campaign strategy, team and resources to optimise chances of meeting targets |
| Endowment Period of stagflation means that endowment asset allocation does not generate target annual return and potentially results in a real term fall in value | <ul style="list-style-type: none"> • Asset allocation includes assets which tend to be more inflation-resilient, such as property and equities (including listed infrastructure) • Allocations to asset classes with greater focus on contractual income, such as property, private debt and growth fixed income • Charity invests for the long term and has significant buffer above its minimum reserve level so that it can withstand periods of lower return without impact upon operational or funding expenditure |
| How we work The Charity suffers financial/reputational loss as a result of a cyber security incident/data breach | <ul style="list-style-type: none"> • Additional security has been put in place in partnership with our IT partners • Regular threat testing and systems monitoring • Staff training • Penetration testing and vulnerability assessment |

Structure, Governance & Management Constitution

Barts Charity is a company limited by guarantee (registration number 7168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

The Board has assessed its governance against the Charity Commission's Governance Code for larger charities and is pleased to report high levels of compliance against the suggested standards. An area of continued focus for the Board is to ensure that the Charity is representative of its grantees and the communities it serves across both staff and non-executives.

Charitable purposes

Our charitable purposes relate to hospital services (including research), or to any other part of the health service associated with any hospital as our Trustees think fit. In practice, we focus our support for improvement and innovation in healthcare on the Barts Health group of hospitals and FMD, and we also support the School of Nursing at City University, London. Although we are careful to consult with representatives of grantee organisations to ensure alignment of strategic priorities and to secure the greatest impact from our funding, we retain our independence to act in the best interests of Barts Charity and the communities we serve.

Non-executives and Committees

Barts Charity acts through its Board of Directors (who are known as Trustees). At the end of March 2022, there were 12 Trustees; since then one Trustee has resigned and one has been appointed. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in notes 13 and 14 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Trustees, in accordance with the provisions of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total, although exceptionally the Board may decide to extend this maximum term for a Trustee in appropriate circumstances.

The Board has established a series of Committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Board Advisers are appointed for a term of two years renewable to five in total. Specialist Committee members who are not also Trustees are appointed annually, renewable up to a total term of five years. All new Trustees and Committee members have an induction programme, during which they are familiarised with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals.

The Board and each Committee conduct an annual review of their performance in accordance with the Charity's Performance Review Policy against a checklist of questions to consider, covering matters such as objects, terms of reference, relationship with Executive, documentation, conduct of meetings and skill set.

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call upon a cadre of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications; they meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £650,000 and with the Board for requests over this amount.

Management arrangements

The Trustees delegate the management of the Charity to the staff team led by the Chief Executive and the senior management team (SMT). The Chief Executive has been in place since May 2016.

Staff Remuneration

Staff remuneration is closely scrutinised to ensure that the Charity can attract and retain the best talent, whilst keeping salaries aligned with the market. We use a live salary database run by specialist reward consultants to create and monitor the benchmark salary range for each role, taking into account a number of factors such as comparable sectors, the nature and seniority of the role, the Charity's location, number of employees and turnover. A salary review is undertaken each year (effective 1 April), taking into account inflation and data from comparable foundations, the Association of Medical Research Charities, the Association of Charitable Foundations and the wider third sector. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the SMT, which is approved by the Appointments and Remuneration Committee.

Pension

The Charity operates a non-contributory individual money-purchase scheme for all eligible members of staff, contributing the equivalent of 8% of pensionable salary to each employee's fund (10% for SMT members). Employees can additionally choose to make employee contributions to their pension as a deduction from salary. The scheme is fully compliant with auto-enrolment regulations.

Regulatory

Registered & principal office

12 Cock Lane London EC1A 9BU

Company registered number: 07168381

Charity registered number: 212569

Non-executives – includes changes effective prior to 21 December 2022

Trustees

Andy Bruce, Chair

Vijay Bharadia (to June 2022)

Claire Brown

Sally Flanagan

Prof Catherine Godson

Ian Hart, Deputy Chair

Professor Dame Parveen Kumar

Dr Richard Lewis

Jean Murphy (from April 2022)

Ian Peters (ex officio Trustee, Chair of Barts Health NHS Trust to October 2021)

Prof David Rampton (to September 2022)

Dr Thomas Round

Rt Hon Jacqui Smith (ex officio Trustee, Chair of Barts Health NHS Trust from October 2021)

Dr Lorna Williamson

Board Adviser

Moira Gitsham (communications)

Appointments and Remuneration Committee

Andy Bruce, Chair

Sally Flanagan

Ian Hart (from November 2021)

Finance and Audit Committee

Claire Brown, Chair

Vijay Bharadia (to June 2022)

Ian Hart (from January 2022)

Dr Richard Lewis

Mohammad Memon

Nimesh Patel

Grants Committee

Dr Lorna Williamson (Chair)

Prof Mirela Delibegovic (from September 2022)

Prof Adrian Dixon

Prof Catherine Godson

Dr Richard Lewis (to March 2022)

Dr Ultan McDermott (from June 2022)

Prof David Rampton (to September 2022)

Prof Kanchan Rege Thrasher

(from September 2022)

Dr Thomas Round

Investment Committee

Sally Flanagan, Chair

Andy Bruce

Philip Glaze

Ian Hart

Jean Murphy

Senior Management Team

Fiona Miller Smith, Chief Executive

Fiona Bickley, Chief Operating Officer

Hannah Daws, Director of Marketing & Communications (from September 2021)

Steve Harris, Chief Finance Officer (to April 2022)

David Lyon, Interim Finance Director

(April to September 2022)

Victoria King, Director of Funding & Impact

Ilia Ralphs, Director of Fundraising

Prabhakar Sundaresan, Director of Finance

& Resources (from September 2022)

Adrian Thomas, Director of Marketing

& Communications (to September 2021)

Statement Of Trustees' Responsibilities

The Trustees are responsible for preparing the Strategic Report, the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This Trustees' report, incorporating the Strategic report, was approved by the Board of Trustees of Barts Charity and signed on its behalf.



Andy Bruce
Chair

Date: 21 December 2022

Independent auditor's report to the members of Barts Charity

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Barts Charity (the Charitable Company) for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so. Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

- As part of designing our audit, based on our understanding of the Charitable Company and the industry in which it operates, we assessed the risks of material misstatement in the financial statements, including how fraud may occur. We considered the Charitable Company's own assessment of the risks that irregularities may occur either as a result of fraud or error and held discussions to consider whether there was any knowledge of actual, suspected or alleged fraud.

- We also considered financial performance, key drivers for performance targets and the risks of non-compliance with other requirements imposed by the Charity Commission. We considered the extent to which non-compliance might have a material effect on the Charitable Company's financial statements. As part of our discussions, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Where possible, we obtained and reviewed corroborating documentation.

Appropriate audit procedures included the review of the Charitable Company's documentation of risks and associated mitigating actions, review of Trustee Board and Finance & Audit Committee meeting minutes, and enquiries regarding any matters identified as a Serious Incident reportable to the Charity Commission. Note that auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management, and inspection of regulatory and legal correspondence if any.

We also completed the following procedures:

- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or grant commitments;
- Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuations of certain financial investments, including investment property, the valuation of

heritage assets, particular aspects of revenue recognition, the calculation of current and non-current grant commitments, and the cost allocation methodology.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth M Jones

Gareth M Jones

(Senior Statutory Auditor)

For and on behalf of BDO LLP,
statutory auditor London, UK

Date: 22 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Financial Activities

(incorporating an income and expenditure account)

for the financial year ended 31 March 2022

| | Notes | Unrestricted funds £'000 | Restricted funds £'000 | Endowment funds £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|--|-------|-----------------------------|---------------------------|--------------------------|------------------------------|------------------------------|
| Income | | | | | | |
| Voluntary income | 2.1 | 726 | 2,317 | - | 3,043 | 7,460 |
| Investment income | 2.2 | 11,468 | - | - | 11,468 | 12,910 |
| Total income | | 12,194 | 2,317 | - | 14,511 | 20,370 |
| Expenditure | | | | | | |
| Total costs of raising funds | 3.1 | 5,707 | - | - | 5,707 | 3,819 |
| Charitable activities | 3.1 | 23,589 | 5,264 | - | 28,853 | 27,338 |
| Total expenditure | 3.1 | 29,296 | 5,264 | - | 34,560 | 31,157 |
| Net expenditure before revaluation of investments | | (17,102) | (2,947) | - | (20,049) | (10,787) |
| Gains on revaluation and disposal of investment assets | 7.2 | 7,282 | - | 31,130 | 38,412 | 70,193 |
| Net (expenditure) / income | | (9,820) | (2,947) | 31,130 | 18,363 | 59,406 |
| Transfers between funds | 11 | (6,447) | - | 6,447 | - | - |
| Net movement in funds | | (16,267) | (2,947) | 37,577 | 18,363 | 59,406 |
| Fund balances brought forward | | 85,244 | 19,077 | 326,684 | 431,005 | 371,599 |
| Fund balances carried forward | | 68,977 | 16,130 | 364,261 | 449,368 | 431,005 |

All activities refer to continuing activities. The notes on pages 22 to 39 form part of these financial statements

Statement of Financial Position

as at 31 March 2022

| | Notes | Unrestricted funds £'000 | Restricted funds £'000 | Endowment Total £'000 | 2022 Total funds £'000 | 2021 Total funds £'000 |
|---|-------|-----------------------------|---------------------------|--------------------------|---------------------------|---------------------------|
| Fixed assets | | | | | | |
| Tangible operational fixed assets | 5a | 40 | - | - | 40 | 75 |
| Intangible operational fixed assets | 5b | 121 | - | - | 121 | 273 |
| Heritage assets | 6 | - | - | 16,600 | 16,600 | 16,600 |
| Investments | 7 | 152,283 | 16,130 | 347,661 | 516,074 | 480,683 |
| Total fixed assets | | 152,444 | 16,130 | 364,261 | 532,835 | 497,631 |
| Current assets | | | | | | |
| Debtors | 8 | 3,170 | - | - | 3,170 | 3,327 |
| Cash at bank and in hand | | 7,524 | - | - | 7,524 | 18,927 |
| Total current assets | | 10,694 | - | - | 10,694 | 22,254 |
| Creditors <1yr | 9 | (20,568) | - | - | (20,568) | 19,264 |
| Net current liabilities | | (9,874) | - | - | (9,874) | 2,990 |
| Creditors >1yr | 10 | (73,592) | - | - | (73,592) | (69,616) |
| Total net assets | | 68,977 | 16,130 | 364,261 | 449,368 | 431,005 |
| Funds: Capital Funds | | | | | | |
| Endowment Funds | 11.1 | | | 364,261 | 364,261 | 326,684 |
| Income funds: Restricted funds | 11.2 | | 16,130 | | 16,130 | 19,077 |
| Unrestricted funds: Designated funds | 11.3 | 434 | | | 434 | 434 |
| General funds | 11.3 | 68,543 | | | 68,543 | 84,810 |
| Total funds | | 68,977 | 16,130 | 364,261 | 449,368 | 431,005 |

Company registration 07168381

Signed on behalf of the Board of Trustees on 21 December 2022



Andy Bruce
Board Chair



Claire Brown
Chair of Finance and Audit Committee

The notes on pages 22 to 39 form part of these financial statements

Cash Flow Statement

for the year ended 31 March 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|---|-------|---------------|---------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 12.1 | (23,212) | (10,947) |
| Cash flows from investing activities | | | |
| Dividends interest and rents from investments | | 11,468 | 12,910 |
| Payments to acquire tangible and intangible fixed assets | | - | (246) |
| Payments to acquire investment assets | | (59,839) | (76,568) |
| Receipts from sale of investment assets | | 60,180 | 81,066 |
| Net cash provided by investing activities | | 11,809 | 17,162 |
| Change in cash and cash equivalents in the year | | (11,403) | 6,215 |
| Cash and cash equivalents at the beginning of the reporting year | | 18,927 | 12,712 |
| Cash and cash equivalents at the end of the reporting year | 12.2 | 7,524 | 18,927 |

The notes on pages 22 to 39 form part of these financial statements

Financial statements for the year ended 31 March 2022

Notes to the Accounts

1 Accounting Policies

A. Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (2nd edition): Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standards 102 applicable in the UK and Republic of Ireland (FRS102), and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

B. Going concern

The preparation of the accounts for 2021/22 has been undertaken on the basis that Barts Charity is a going concern. The Charity currently meets day to day working capital requirements through its existing cash facilities. In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years.

This has demonstrated that the Charity is expected to hold sufficient assets to meet its reserve policy levels. Whilst the Charity's portfolio is sensitive to movements in investment values, it still has sufficient liquidity to meet its obligations and can meet its planned grant commitments without being a forced seller of assets.

Based on these assessments the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate. For further details, please refer to the Trustees report.

C. Accounting judgements and estimates

In preparing the financial statements, the Trustees have made judgements, estimates and assumptions that affect the application of the Charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. These estimates and judgements are continually reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desk top valuation in the years between. A desk top valuation was completed for 2021/22 by LHR Chalkhouse LLP, Chartered Surveyors, (refer to note 1.7c). The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction between market participants at the measurement date.

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds. The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and including the balance sheet date. This is then reviewed in light of valuations which become available post balance sheet date up to accounts signature.

c. Grant creditors settled over multi-year time period

Many grant commitments will be settled over multiple financial years and so the short term and long term grant creditor balances represent the best estimate of the expected cash outflows as at the balance sheet date. This is based on historical drawdown levels and status of existing grants. The time value of money is considered annually and adjusted in the accounts if material.

d. Allocation of income, expense and gain/loss to restricted and endowment funds

In preparing the financial statements judgements and estimates have been made in relation to the extent of allocation to the restricted and endowment funds.

e. Valuation of accrued dividend income

Dividend income from the Charity's investments is accrued at the year-end in line with historical and commercial expectations.

f. Heritage assets

Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Please refer to Note 6 for further details.

D. Fund structure

a. Restricted funds are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund as set out in note 11.2.

b. Endowment funds include the following:

- (i) Permanent endowment funds: capital is held in perpetuity but the related income may be used for unrestricted or restricted purposes as specified by the donor.
- (ii) Expendable endowment: donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c (i) below).

c. Unrestricted funds and their related income are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

- (i) General Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.
- (ii) Designated The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes (refer to note 11.3).

E. Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacy income is recognised when three criteria are met. Entitlement is established, receipt of the income is probable and it can be reliably measured. Where legacies have been notified to Barts Charity and the criteria for Income recognition have not been met the legacy is treated as a contingent asset and disclosed if material.

Rental income from investment properties is reported as an operating lease and the lease incentive is amortised on a straight-line basis.

Dividend income from the Charity's investments is accrued at the year-end in line with historical and commercial expectations.

F. Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of generating funds (including fundraising), charitable activities and support costs are charged to the relevant category or activity according to the area to which the expenditure relates. Support and governance costs incurred that relate to more than one cost category are apportioned based on estimates of time spent on activity in each area. Charitable activities include grants approved by the Trustees in the year, and are recognised as commitments in the year of approval.

G. Fixed assets

Operational fixed assets (tangible or intangible) are capitalised when a separable asset can be identified with a value of £10,000 or more (inclusive of irrecoverable VAT), and where the estimated useful life of the asset (without the need for additional spend) can be estimated as three years or more.

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward depreciation. Depreciation is charged on a straight line basis to support costs over their estimated useful lives (Fixtures, fittings and equipment — 5 years).

b. Intangible fixed assets

Intangible fixed assets are included in the Statement of Financial Position at cost less accumulated amortisation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward amortisation. Amortisation is charged on a straight line basis to support costs over their estimated useful lives (IT software – 3 years).

c. Heritage assets

Heritage assets are capitalised and include art collections, historic archives, sculptures, ceramics surgical instruments, uniforms, teaching materials, and other items. They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate, in the second-hand retail market with items of a similar nature, age, condition and quality. They are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019.

Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities. Assets are reviewed regularly for significant damage and appropriate remedial works are carried out wherever possible to preserve the assets or prevent further deterioration. See note 6 for further details.

H. Investments

Quoted investments are stated at market value at the year end date. Asset purchases and sales are recognised at date of trade. Unquoted pooled financial investments are valued based on the number of units held and the price per unit provided by the custodian or fund manager.

These net asset valuations are calculated independently by third party administrators and are subject to annual audit. Private investments are held through funds managed by private investment groups. As there is no identifiable market price for private investment funds, these funds are included at the most recent valuations from the private investment groups and adjusted for cash flows if the valuation is not available at the balance sheet date.

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the Royal Institution of Chartered Surveyors Valuation - Global Standards 2020, incorporating the NSC International Valuation Standards. The valuations were carried out by LHR Chalkhouse LLP, Chartered Surveyors, who have been instructed as external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2022. They have reported their Opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

I. Realised and unrealised gains and losses

Realised and unrealised gains and losses on investment assets are included in 'gains and losses on investment assets' within the Statement of Financial Activities.

J. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Long term debtors are defined as fully recoverable amounts outstanding for more than 12 months at the balance sheet date.

K. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

L. Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

M. Financial Instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement Of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

N. Pensions contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme, is charged to the Statement of Financial Activities. Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the NHS Pensions Website (www.nhsbsa.nhs.uk/nhs-pensions). The Scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contributions scheme: the cost to an NHS body of participating in the Scheme is taken as equal to the contributions payable to the Scheme. Applicable rates for employee contributions for the NHS Pension Scheme ranged from 12.5% to 13.5% for 2021/22 and 2020/21. Employer contributions were 14.38% for both 2021/22 and 2020/21. Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme. For 2021/22 the rates of employer contribution for the Defined Contribution Scheme were 10% for SMT and 8% for other staff (unchanged from 2020/21). Employee contributions are voluntary.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

2 Income

2.1 Voluntary income

| | Unrestricted funds £'000 | Restricted funds £'000 | 2022 Total funds |
|--------------|-----------------------------|---------------------------|------------------------|
| Donations | 145 | 1,503 | 1,648 |
| Legacies | 581 | 814 | 1,395 |
| Total | 726 | 2,317 | 3,043 |

| | Unrestricted funds £'000 | Restricted funds £'000 | 2021 Total funds |
|--------------|-----------------------------|---------------------------|------------------------|
| Donations | 161 | 6,460 | 6,621 |
| Legacies | 286 | 553 | 839 |
| Total | 447 | 7,013 | 7,460 |

2.2 Investment income

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Investment properties | 3,846 | 5,119 |
| Investments listed on stock exchange | 5,880 | 5,850 |
| Private investments | 1,741 | 1,937 |
| Interest on cash held as part of the investment portfolio | 1 | 4 |
| Total | 11,468 | 12,910 |

Restricted investment income amounted to £nil in 2021/22 (£142k in 2020/21).

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

3 Expenditure

3.1 Total expenditure

| | Costs of raising funds £'000 | Charitable expenditure £'000 | Support costs £'000 | 2022 Total funds £'000 |
|--|---------------------------------|---------------------------------|------------------------|------------------------------|
| Direct expenditure | | | | |
| Grants - Research | - | 15,918 | - | 15,918 |
| Grants - Service delivery | - | 11,400 | - | 11,400 |
| Grants written back | - | (6) | - | (6) |
| Costs of generating income | | | | |
| Financial and property investment | 2,955 | - | - | 2,955 |
| Fundraising | 240 | - | - | 240 |
| Total direct expenditure | 3,195 | 27,312 | - | 30,507 |
| Staff and Support costs | | | | |
| Salaries | 725 | 478 | 964 | 2,167 |
| Other staff and related costs | 38 | 7 | 217 | 262 |
| Marketing and Communications | - | - | 168 | 168 |
| Legal, accounting and IT | - | - | 612 | 612 |
| Office costs | - | - | 452 | 452 |
| Grant administration | - | 36 | - | 36 |
| Loss on disposal of operational fixed assets | - | - | 85 | 85 |
| Irrecoverable VAT | 271 | - | - | 271 |
| Subtotal staff and other costs | 1,034 | 521 | 2,498 | 4,053 |
| Allocation of staff and overheads | 1,478 | 1,020 | (2,498) | - |
| Total | 5,707 | 28,853 | - | 34,560 |
| | Costs of raising funds £'000 | Charitable expenditure £'000 | Support costs £'000 | 2021 Total funds £'000 |
| Direct expenditure | | | | |
| Grants - Research | - | 17,392 | - | 17,392 |
| Grants - Service delivery | - | 8,486 | - | 8,486 |
| Grants written back | - | (437) | - | (437) |
| Costs of generating income | | | | |
| Financial and property investment | 2,328 | - | - | 2,328 |
| Fundraising | 198 | - | - | 198 |
| Subtotal direct expenditure | 2,526 | 25,441 | - | 27,967 |
| Support costs | 606 | 394 | 2,190 | 3,190 |
| Overheads | | | | |
| Allocation of staff and overheads | 687 | 1,503 | (2,190) | - |
| Total | 3,819 | 27,338 | - | 31,157 |

Although Barts Charity maintains regular contact with grant-holders, there are occasions when planned expenditure is not achievable and the related grant accrual is reversed.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

3.2 Direct charitable expenditure by institution

| | 2022 £'000 | 2021 £'000 |
|--------------------------|---------------|---------------|
| Barts Health | 11,059 | 10,739 |
| Barts and the London SMD | 15,774 | 13,423 |
| Other | 171 | 772 |
| Grant funded activity | 27,004 | 24,934 |
| Direct other spending | 308 | 507 |
| Total grants | 27,312 | 25,441 |

4 Staff remuneration

4.1 Analysis of staff costs

| | 2022 £'000 | 2021 £'000 |
|-------------------------------------|---------------|---------------|
| Salaries and wages | 1,816 | 1,663 |
| Social security costs | 195 | 186 |
| Other pension costs | 156 | 144 |
| Total | 2,167 | 1,993 |
| Average number of full time equival | 31 | 30 |
| Average head count | 30 | 31 |

Staff costs include termination payments of **£111,003** to three employees (£35,492 in 2020/21)

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

4.2 Higher paid employees

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

| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 | 2022 | 2021 |
|-------------------|---------------------|---------------|--------------------------------|---------------|----------------------------|------|
| | Number of employees | | Value of pension contributions | | Number of staff in receipt | |
| 60,000 - 70,000 | 4 | 3 | 16 | 16 | 4 | 3 |
| 70,001 - 80,000 | 1 | 1 | 11 | 6 | 1 | 1 |
| 80,001 - 90,000 | 1 | 3 | 4 | 34 | 1 | 3 |
| 90,000 - 100,000 | 2 | 1 | 14 | 10 | 2 | 1 |
| 100,000 - 110,000 | 2 | 1 | 20 | 10 | 2 | 1 |
| 160,001- 170,000 | 1 | 1 | 17 | 17 | 1 | 1 |

Key management personnel (the senior management team of the charity) received aggregate employee benefits of **£971,929** (2020/21: £911,119).

5 Operational fixed assets

5a. Tangible operational fixed assets

| At Cost | Office equipment £'000 |
|----------------------------|------------------------------|
| As at 1 April 2021 | 174 |
| Additions in year | - |
| Disposals in year | (1) |
| As at 31 March 2022 | 173 |
| Depreciation | |
| As at 1 April 2021 | 99 |
| Disposals in year | (1) |
| Annual charge | 35 |
| As at 31 March 2022 | 133 |
| Net book value | |
| As at 31 March 2022 | 40 |
| As at 31 March 2021 | 75 |

5b. Intangible operational fixed assets

| At Cost | Software £'000 |
|----------------------------|-------------------|
| As at 1 April 2021 | 384 |
| Additions in year | - |
| Disposals in year | (170) |
| As at 31 March 2022 | 214 |
| Amortisation | |
| As at 1 April 2021 | 111 |
| Disposals in year | (85) |
| Annual charge | 67 |
| As at 31 March 2022 | 93 |
| Net book value | |
| As at 31 March 2022 | 121 |
| As at 31 March 2021 | 273 |

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for the year ended 31 March 2022

Notes to the financial statements (continued)

6 Heritage assets

| | 2022 £'000 | 2021 £'000 |
|--------------------------------|---------------|---------------|
| Valuation at start of year | 16,600 | 16,600 |
| Valuation at end of year | 16,600 | 16,600 |
| Types of heritage asset | | |
| Antique furniture | 1,253 | 1,253 |
| Paintings prints and drawings | 8,792 | 8,792 |
| Books and manuscripts | 3,003 | 3,003 |
| Other | 3,552 | 3,552 |
| Total | 16,600 | 16,600 |

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £3m and £2.6m respectively (£3m and £2.6m in 2020/21). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in March 2019.

Heritage Assets are included within the endowment fund and are revalued every five years with the most recent valuation being for March 2019. Prior to this, the asset valuations for 2013/14, 2014/15, 2015/16, 2016/17 and 2017/18 were based on the March 2014 valuation which was £14.428m. (See note 1.7b). This is the only change in the last five years.

7 Investments

7.1 Analysis of fixed asset investments

| | Property £'000 | Financial £'000 | 2022 Total £'000 | 2021 Total £'000 |
|---------------------------------------|-------------------|--------------------|------------------------|------------------------|
| Fixed asset investments | | | | |
| Market value at 1 April 2021 | 70,391 | 410,212 | 480,603 | 419,912 |
| Less: Disposal proceeds | - | (60,180) | (60,180) | (81,066) |
| Add: Acquisition at cost | - | 59,839 | 59,839 | 76,568 |
| Net gain on revaluation and disposals | 5,734 | 30,078 | 35,812 | 65,269 |
| Market value at 31 March 2022 | 76,125 | 439,949 | 516,074 | 480,683 |

GB Sterling cash balances which are used for both investment cash and operational payments are now classified as a current asset under cash at bank and in hand. The comparative amount has also been reclassified.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

| | 2022 Total £'000 | 2021 Total £'000 |
|---|------------------------|------------------------|
| Market value at 31 March | | |
| Investment properties | 76,125 | 70,471 |
| Investment listed on stock exchange | 372,552 | 358,987 |
| Private investments | 66,081 | 50,438 |
| Instant access money markets funds held within the investment portfolio | 1,316 | 787 |
| Total | 516,074 | 480,683 |

| | 2022 Total £'000 | 2021 Total £'000 |
|----------------------------------|------------------------|------------------------|
| Market value at 31 March: | | |
| Unrestricted funds | 152,284 | 144,866 |
| Restricted funds | 16,129 | 32,086 |
| Endowment funds | 347,661 | 310,084 |
| Total | 516,074 | 487,036 |

Financial investments held 31 March 2022 include 16 unit trust funds, representing 85% of the total value, and 27 separate private investments (in 2020/21 16 unit trust funds representing 88% and 26 separate private investments).

At the year end, the Charity had undrawn commitments to private equity funds of £44.7m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £66.1m reported above represents the latest valuations of the funds at or prior to 31 March 2022 as provided by relevant fund managers. However, it is not possible for the trustees to liquidate these investments prior to the future return of capital.

7.2 Analysis of gains and losses on revaluation and disposal of investment assets

| | 2022 Unrestricted £'000 | 2022 Endowment £'000 | 2022 Total £'000 | 2021 Total £'000 |
|--|-------------------------------|----------------------------|------------------------|------------------------|
| Gains on revaluation and disposal of financial investments | 5,702 | 24,376 | 30,078 | 66,469 |
| Gains on revaluation and disposal of property investments | 1,087 | 4,647 | 5,734 | (1,200) |
| Subtotal: gains and losses | 6,789 | 29,023 | 35,812 | 65,269 |
| Gross overage receipt on disposal of property investment | - | - | - | 5,023 |
| Other currency gains/(losses) | 493 | 2,107 | 2,600 | (99) |
| Total | 7,282 | 31,130 | 38,412 | 70,193 |

An analysis of gross income arising from the property assets is set out in Note 2.2

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

8 Current assets

8.1 Analysis of Debtors

| | 2022 £'000 | 2021 £'000 |
|----------------|---------------|---------------|
| Trade debtors | 1,323 | 1,566 |
| Prepayments | 44 | 121 |
| Accrued income | 1,801 | 1,618 |
| Other debtors | 2 | 22 |
| Total | 3,170 | 3,327 |

All debtors relate to unrestricted funds. Accrued income largely relates to income on financial investments and amortisation of rent free period for related leases (see note 1.5).

Included within accrued income is an amount of £0.6m which relates to rent amortisation due to be released after more than 1 year (31 March 2021: £0.7m)

8.2 Cash at bank and in hand

| | 2022 £'000 | 2021 £'000 |
|-----------------------------------|---------------|---------------|
| Cash in UK clearing bank accounts | 991 | 12,574 |
| Cash held with investment bank | 6,533 | 6,353 |
| | 7,524 | 18,927 |

Cash comprises amounts held in combined accounts at NatWest Bank including current and savings accounts plus amounts held by Northern Trust, primary custodian of the charity's investments (see note 7).

Although predominantly utilised to manage the charity's acquisition and management of its investments, these funds are liquid and also used from time to time to supplement the charity's operational working capital.

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

9 Creditors due in one year

| Amounts falling due within one year as at 31 March | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Trade creditors | 530 | 616 |
| Other creditors | 292 | 405 |
| Grants accruals | 19,168 | 17,160 |
| Deferred Income | 578 | 1,083 |
| Total | 20,568 | 19,264 |

Deferred income represents rent billed to tenants in advance for the first quarter of the following financial year

| | 2022 £'000 | 2021 £'000 |
|------------------------------------|---------------|---------------|
| Deferred income brought forward | 1,083 | 1,159 |
| Released | (3,769) | (1,159) |
| Deferred | 3,264 | 1,083 |
| Deferred income at 31 March | 578 | 1,083 |

10 Creditors due after more than one year

| | 2022 £'000 | 2021 £'000 |
|-----------------------|---------------|---------------|
| Grant accruals | 73,592 | 69,616 |

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for the year ended 31 March 2022

Notes to the financial statements (continued)

11 Funds - Year ended 31 March 2022

11.1 Endowment Funds

| | Opening balance as at 1 April 2021 £'000 | Income 2021-22 £'000 | Expenditure 2021-22 £'000 | Transfers* £'000 | Other gains and losses £'000 | Closing balance as per 31 March 2022 £'000 |
|---|---|----------------------------|---------------------------------|---------------------|---------------------------------------|---|
| H F Bailey | 1,240 | - | - | (1,240) | - | - |
| Aylwen Bursaries | 2,954 | - | - | | 276 | 3,230 |
| Edward Hewlett | 2,426 | - | - | | 227 | 2,653 |
| JJ Guthrie Blandford and George Shuter Staff Benefit | 445 | - | - | (445) | - | - |
| Hannington | 956 | - | - | | 89 | 1,045 |
| David Hughes | 148 | - | - | (148) | - | - |
| Bailey City and Hackney | 299 | - | - | (299) | - | - |
| Hamblen Thomas | 298 | - | - | | 28 | 326 |
| MacCready Mann | 294 | - | - | | 27 | 321 |
| Levy Family | 254 | - | - | | 24 | 277 |
| MAEL Jones | 235 | - | - | | 22 | 257 |
| Funds <£200k | 786 | - | - | (310) | 45 | 520 |
| Expendable endowments | 316,349 | - | - | 8,889 | 30,392 | 355,630 |
| Total endowment funds | 326,684 | - | - | 6,447 | 31,130 | 364,261 |

11.2 Restricted funds

Material funds (over £500k at start of year)

| | | | | | | |
|-------------------------------|---------------|--------------|----------------|----------|----------|---------------|
| Cardiac | 2,400 | 15 | (57) | - | - | 2,358 |
| Margaret Centre | 1,171 | - | (48) | - | - | 1,123 |
| Covid-19 response | 1,146 | 6 | (566) | - | - | 586 |
| Gastroenterology | 957 | 217 | (130) | - | - | 1,044 |
| Barts Hospital | 646 | - | - | - | - | 646 |
| Renal Disease Research | 564 | 24 | (213) | - | - | 375 |
| Funds 400-500 | 424 | 1 | - | - | - | 425 |
| Funds 300-400 | 2,376 | 3 | (733) | - | - | 1,646 |
| Funds 200-300 | 2,355 | 499 | (371) | - | - | 2,483 |
| Funds 100-200 | 1,940 | 37 | (138) | - | - | 1,839 |
| Others | 5,100 | 1,514 | (3,009) | - | - | 3,605 |
| Total restricted funds | 19,079 | 2,316 | (5,265) | - | - | 16,130 |

11.3 Designated and general funds

| | | | | | | |
|---|----------------|---------------|-----------------|----------------|---------------|----------------|
| Cardiac Fund | 122 | - | - | - | - | 122 |
| Whipps Cross General Fund | 128 | - | - | - | - | 128 |
| Funds up to £100k | 184 | - | - | - | - | 184 |
| Total designated funds | 434 | | | | | 434 |
| General funds | 84,810 | 12,194 | (29,296) | (6,447) | 7,282 | 68,543 |
| Total designated and general funds | 85,244 | 12,194 | (29,296) | (6,447) | 7,282 | 68,977 |
| Total funds | 431,005 | 14,511 | (34,561) | - | 38,412 | 449,368 |

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

11.4.1 Endowment Funds - comparator

| | Opening balance as at 1 April 2020 £'000 | Income 2020-21 £'000 | Expenditure 2020-21 £'000 | Transfers £'000 | Other gains and losses £'000 | Closing balance as per 31 March 2021 £'000 |
|---|---|----------------------------|---------------------------------|--------------------|---------------------------------------|---|
| H F Bailey | 6,449 | | | (6,906) | 1,697 | 1,240 |
| Aylwen Bursaries | 2,339 | | | | 615 | 2,954 |
| Edward Hewlett | 1,921 | | | | 505 | 2,426 |
| JJ Guthrie Blandford and George Shuter Staff Benefit | 1,690 | | | (1,690) | 445 | 445 |
| Hannington | 757 | | | | 199 | 956 |
| David Hughes | 563 | | | | 148 | 711 |
| Bailey City and Hackney | 237 | | | (563) | 62 | (264) |
| Hamblen Thomas | 236 | | | | 62 | 298 |
| MacCready Mann | 233 | | | | 61 | 294 |
| Levy Family | 201 | | | | 53 | 254 |
| MAEL Jones | 186 | | | | 49 | 235 |
| Funds <£200k | 719 | | | (123) | 190 | 786 |
| Expendable endowments | 268,592 | | | | 47,757 | 316,349 |
| Total endowment funds | 284,123 | - | - | (9,282) | 51,843 | 326,684 |

11.4.2 Restricted Funds - comparator

Material funds (over £500k at start of year)

| | | | | | | |
|-------------------------------------|---------------|--------------|----------------|--------------|----------|---------------|
| Cardiac fund | 2,335 | 113 | (48) | | | 2,400 |
| Guthrie Blandford & Shuter nurses | 303 | 49 | (813) | 1,690 | | 1,229 |
| Inflammatory Bowel disease Research | 1,181 | 7 | (17) | | | 1,171 |
| Margaret Centre | 992 | 15 | (50) | | | 957 |
| Gastroenterology Whipps Cross | 645 | - | 0 | | | 645 |
| Barts Hospital Fundraising | 216 | 380 | (32) | | | 564 |
| Funds 400-500 | 428 | 3 | (7) | | | 424 |
| Funds 300-400 | 1,978 | 4,303 | (3,872) | | | 2,409 |
| Funds 200-300 | 1,973 | 479 | (94) | | | 2,358 |
| Funds 100-200 | 1,868 | 156 | (83) | | | 1,941 |
| Others | 5,686 | 1,650 | (2,483) | 126 | | 4,979 |
| | 17,605 | 7,155 | (7,499) | 1,816 | - | 19,077 |

11.4.3 Designated and general funds - comparator

| | | | | | | |
|------------------------------------|----------------|---------------|---------------|----------|---------------|----------------|
| Cardiac Fund | 122 | | | | | 122 |
| Whipps Cross General Fund | 128 | | | | | 128 |
| Funds up to £100k | 152 | | | 32 | | 184 |
| Total designated funds | 402 | - | - | 32 | - | 434 |
| General funds | 69,469 | 13,215 | 23,658 | 7,434 | 18,350 | 84,810 |
| Total designated and general funds | 69,871 | 13,215 | 23,658 | 7,466 | 18,350 | 85,244 |
| Total funds | 371,599 | 20,370 | 16,159 | - | 70,193 | 431,005 |

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for the year ended 31 March 2022

Notes to the financial statements (continued)

11.5 Funds (additional)

Endowment funds

Note 1D on page 23 provides further details of the endowment fund structure. There were no other resources received, expended or transferred in 2021/22. Expenses have not been charged to the endowment funds. Due to the historic nature of these, there is no certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Restricted funds

Note 1D on page 23 provides further details of the restricted fund structure. There was no allocation of interest or expense to the funds in 2021/22, given that they are funded from readily available cash. The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. Finalised changes will be reported in FY2022/23.

Details of material funds

| Name of fund | Nature and purpose of fund |
|------------------------|---|
| Cardiac | Treatment of and research into cardiac disease |
| Margaret Centre | Provision of palliative care at the Margaret Centre (Whipps Cross Hospital) |
| Covid-19 response | Emergency fund set up to provide an immediate response to the Covid-19 pandemic |
| Gastroenterology | Gastroenterology unit (Whipps Cross Hospital) |
| Barts Hospital | Restricted to innovative work at St Bartholomew's Hospital |
| Renal Disease Research | Treatment of and research into renal disease |

Transfers between funds

Included in the balances brought forward are amounts relating to permanent endowments that had been agreed to be closed by the Charity Commission in 2020. The amounts shown in this column therefore represent the closure of the permanent endowment funds and the transfer of the final amounts to the expendable endowment fund, or else a previously agreed restricted fund, or in one case, the general fund. Two of the funds were classified as being below the value required for separate disclosure.

11.6 Prior year distribution of net assets and gains/losses

| Distribution of net assets between funds | Unrestricted funds £'000 | Restricted funds £'000 | Endowment funds £'000 | 2021 Total funds £'000 |
|---|-----------------------------|---------------------------|--------------------------|---------------------------|
| Total fixed assets | 145,214 | 32,086 | 326,684 | 503,984 |
| Current assets | 15,901 | - | - | 15,901 |
| Current liabilities | (16,588) | (2,676) | - | (19,264) |
| Creditors: amounts falling due after more than one year | (59,283) | (10,333) | - | (69,616) |
| Total net assets | 85,244 | 19,077 | 326,684 | 431,005 |
| Net (losses) on investments and heritage assets | 18,350 | - | 51,843 | 70,193 |

Financial Statements

for the year ended 31 March 2022

Notes to the financial statements (continued)

12 Notes to the cash flow statement

12.1 Net cash used in operating activities

| | 2022 £'000 | 2021 £'000 |
|---|-----------------|-----------------|
| Net income / expenditure for the year | 18,363 | 59,406 |
| Adjust for: | | |
| Gains on revaluation or disposal of investment assets | (35,812) | (64,705) |
| Investment income | (11,468) | (12,910) |
| Depreciation charge | 102 | 71 |
| Loss on disposal of fixed assets | 85 | - |
| Change in debtors | 157 | 1,890 |
| Change in creditors | 5,361 | 5,865 |
| Net cash used in operating activities | (23,212) | (10,383) |

12.2 Analysis of changes in cash and cash equivalents

| | 2021 £'000 | Movement £'000 | 2022 £'000 |
|--------------------------|---------------|-------------------|---------------|
| Cash in hand and at bank | 18,957 | (11,433) | 7,524 |

As at 31 March 2022, the charity had no loans, leases or other financial instruments classified as debt (2021: none).

13 Trustee transactions

Trustees were reimbursed the following amounts in 2021/22 and 2020/21

| Trustee expenses | 2022 £ | no | 2021 £ | no |
|-----------------------|------------|----------|-----------|----|
| Reimbursement of fees | 136 | 1 | - | - |
| Hospitality expenses | 249 | 2 | 135 | 1 |
| | 385 | 3 | 135 | 1 |

Premiums for Trustee indemnity insurance were paid by the charity on the part of Trustees, **£4,210** (2020/21: £1,558).

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for the year ended 31 March 2022

Notes to the financial statements (continued)

14 Related party donations

The total amount of related party donations made, without conditions, was £4,200 (2020/21: donations of £240).

The total amount of related party donations with conditions was £20 (2020/21: £nil).

During the year Barts Charity made revenue and capital grants as detailed below.

| | 2022 £m | 2021 £m |
|---|-------------|-------------|
| Barts Health NHS Trust | 11.1 | 10.7 |
| Barts and The London School of Medicine and Dentistry | 15.8 | 13.4 |
| Total | 26.9 | 24.1 |

15 Operating leases

15.1 Operating lease income

The Charity generates income from leasing out space within its investment properties.

The future minimum lease payments receivable under non-cancellable operating leases are:

| | 2022 Total £'000 | 2021 Total £'000 |
|---|------------------------|------------------------|
| Not later than one year | 3,096 | 3,316 |
| Later than one year and not later than five years | 4,179 | 6,531 |
| Later than five years | 446 | 496 |
| Total | 7,721 | 10,343 |

15.2 Operating lease commitments

At 31 March 2022 Barts Charity were committed to making the following payments in respect of operating leases:

| | 2022 Total £'000 | 2021 Total £'000 |
|---|------------------------|------------------------|
| Not later than one year | 242 | 105 |
| Later than one year and not later than five years | 363 | - |
| Total | 605 | 105 |

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for the year ended 31 March 2022

Notes to the financial statements (continued)

16 Net (expenditure)/income for the year

| | 2022 Total £'000 | 2021 Total £'000 |
|---------------------------------------|------------------------|------------------------|
| This is stated after charging: | | |
| Auditor's remuneration | 66 | 59 |
| Other payments to auditor: | | |
| Tax advice | - | 9 |
| Accounts preparation | - | 4 |
| Amortisation | 67 | 40 |
| Depreciation | 35 | 31 |

The impact we make thanks to our supporters

We're extremely grateful to have the support of so many corporate partners, trusts, foundations and individuals. Listed below are just a few examples of the ways in which Barts Charity is delivering improvements to health for the people of East London, thanks to our supporters. You can read much more in our **2022 Impact Report (www.bartscharity.org.uk/about-us/our-publications)**.

Understanding obesity

Obesity is an issue in East London, with over a third of 11-year-olds living with the condition. For many people in our community, or those with genetic predispositions to obesity, weight loss is difficult to achieve and hard to maintain.

The current lack of understanding of the factors that influence appetite, obesity and its complications leads to stigma and can affect people's access to treatments and services.

Obesity isn't simply about overeating or under-exercising. Metabolism – the chemical reactions in the body's cells that change food into energy – along with our genes and the environment we live in, all contribute to developing the condition and the serious illnesses it can cause. Obesity increases the risk of type 2 diabetes, liver and heart disease, and cancer.

Barts Metabolism Network

To begin to tackle these inequalities, we recently awarded £2.6 million to establish a network of researchers and health professionals that will enhance our understanding of the role metabolism plays in obesity and the significant long-term health problems that it causes.

Professor William Alazawi, Dr Dunja Aksentijevic, Dr Katuscia Bianchi, Dr Li Chan and Dr Sian Henson are leading the Barts Metabolism Network. This network will strengthen Queen Mary's existing expertise in metabolism research and train the next generation of researchers. It will promote collaboration between clinicians and scientists across the university, the NHS, pharmaceutical companies, patient groups and policymakers, helping to drive the development of new ways to tackle the issue.

By delivering cutting-edge metabolism research, the team will help to improve care and treatment for people with obesity-related illnesses.

Professor William Alazawi, Dr Dunja Aksentijevic, Dr Sian Henson, Dr Li Chan and Dr Katuscia Bianchi.





Two years on: Covid donations having long-term impact

For NHS workers, the last few years have been some of the most challenging in history. During the pandemic, generous donations to our Covid-19 appeal allowed us to give £4.5 million to support the wellbeing of NHS staff across the five Barts Health hospitals. Each hospital now has a staff wellbeing hub and improved staff facilities, such as rest rooms and secure cycle storage.

The wellbeing hubs have been beautifully designed in consultation with colleagues and offer a tranquil haven from the hospital and clinical work environment. They are spacious, decorated with muted tones, and have comfortable, modern furniture. Some hubs even include pool tables. Spaces like this, where staff can relax, connect and destress, are extremely rare within the NHS.

A Barts Health-wide Psychological Support Service was also established, with a dedicated psychologist at each site. More than 8,075 staff members have had contact with the service, which provides one-to-one sessions and support for teams.

“Creating conditions for people to be at their best”

Through staff surveys, their rest areas were identified as a vital area for refurbishment. As these areas aren't for patients or directly linked to clinical activity, they have historically been a low priority for renovation because of limited NHS resources. With our funding, 150 staff rest areas have now been improved, providing a more pleasant place to take a break, eat and socialise. Also, 34 overnight on-call rooms have been vastly improved with new beds, mattresses, flooring and redecoration.

To encourage staff to cycle to work, bike storage has more than doubled at St Bartholomew's, The Royal London and Whipps Cross hospitals.

This work was only made possible thanks to the many generous donations made to our Covid-19 appeal. Details of some of those donors can be found in our 2022 Impact Report.



Andrew Wolfson

The Cardiovascular Devices Hub & The Charles Wolfson Foundation

Heart disease is the leading cause of death worldwide. In our East London community, the rates of heart disease are some of the worst in Western Europe. London is home to several world-class centres of excellence in cardiovascular medicine. Despite this, the number of cardiovascular innovations from the English capital has been relatively low.

The Cardiovascular Devices Hub was created to rectify this. The only centre of its kind in the world, it was created at St Bartholomew's Hospital, thanks to the support of the Charles Wolfson Foundation.

Creating space for innovation

The Hub capitalises on the incredible expertise within London to invent and prototype new devices to treat cardiovascular disease and take these into clinics. It brings together academics, scientists, clinicians, engineers, business and industry leaders, and technology transfer specialists in a single physical location. These experts have one goal: to deliver new technologies that can revolutionise cardiac care.

The Charles Wolfson Foundation generously gave over £750,000 towards the Hub. This donation allowed us to transform an area next to St Bartholomew's Hospital, one of Europe's largest cardiac centres which treats 80,000 patients a year. The funding meant we could refurbish seminar rooms, offices, workspaces, and a break-out area for innovation development programmes, group initiatives, events and workshops.



Donating to cancer research in memory of mum Raffaela

Over 70,000 people are diagnosed with squamous cancer in the UK. It affects the mouth, skin, lungs and cervix.

In 2017, East London resident Raffaela was diagnosed with squamous cancer of the mouth and there was no known cause for her diagnosis. Sadly, she died just before Christmas 2021.

Raffaela has two children, Luisa and David. "We remember our mum's strength and grace," says Luisa. "She was a very brave lady who always showed courage through her journey in the midst of her fear. Mum gave the best of herself to everyone and was forever thankful for the care and support she received from the excellent team at St Bartholomew's Hospital."

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Barts Centre for Squamous Cancer

Raffaela's children have donated an incredible £20,000 to Barts Charity in her memory.

Their donation will support the Barts Centre for Squamous Cancer which was set up in 2021 with £2.6 million of funding from Barts Charity. The centre's mission is to work with patients, undertake research and build a human tissue bank to improve the knowledge and understanding of squamous cancer. The centre has a focus on mouth cancer which is a common problem in our East London community.



Twenty years of support in thanks for kidney care

With the support of her friends and family, Julie has been dedicated to raising money for us ever since her kidney transplant 20 years ago. Julie is the oldest of four sisters, who all inherited adult polycystic kidney disease and have either had a transplant or dialysis at Barts Health NHS Trust.

Julie's fundraising supports research that will improve outcomes for future generations of kidney patients. She also shares a special connection with The Royal London Hospital. "I trained at the hospital as a nurse and a ward sister," says Julie. "Both of my children were also born at the hospital."

Funding support for dialysis patients

As well as her annual football sweepstake, this year, Julie and her family completed a challenging trek along Hadrian's Wall to raise money for Barts Charity. In the past, she has put on a charity ball, and over the years, has raised over £13,000.

The money supports projects like the Renal Independent Therapies and Young Adult Centre at Mile End Hospital. The centre, a home from home for kidney patients, will open next year funded by our £3.8 million investment, and will benefit those who can't use dialysis equipment at home.



David and Caroline set a new world record for being the fastest couple to go around the world on bikes. They raised a fantastic £4,418 for Barts Charity.

NHS worker's cycle around the world

This year, David and Caroline embarked on a six-month fundraising bike ride around the globe, racking up an impressive 29,000km.

Before they began their journey, the couple were living in East London and David was working as a registrar doctor at Barts Health NHS Trust. The pair decided to combine their love of cycling with their passion for the health of their local community. "Barts Charity is a charity local to us and, with the impact of the pandemic in this area of the UK, we wanted to support its ambitions to help with research and care excellence," says Caroline.

Record breakers

David and Caroline made their way across five continents, visiting dozens of countries and making great friends along the way. The couple spent most of their days on their bikes so they could cover as much ground as possible, spending up to 10 hours a day cycling. They still made the most of the countries they visited, telling us they couldn't pick a favourite as each was so unique and special.

Arriving back in the UK in April 2022, David and Caroline set a new world record for being the fastest couple to go around the world on bikes. They raised a fantastic £4,418 for Barts Charity.



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