



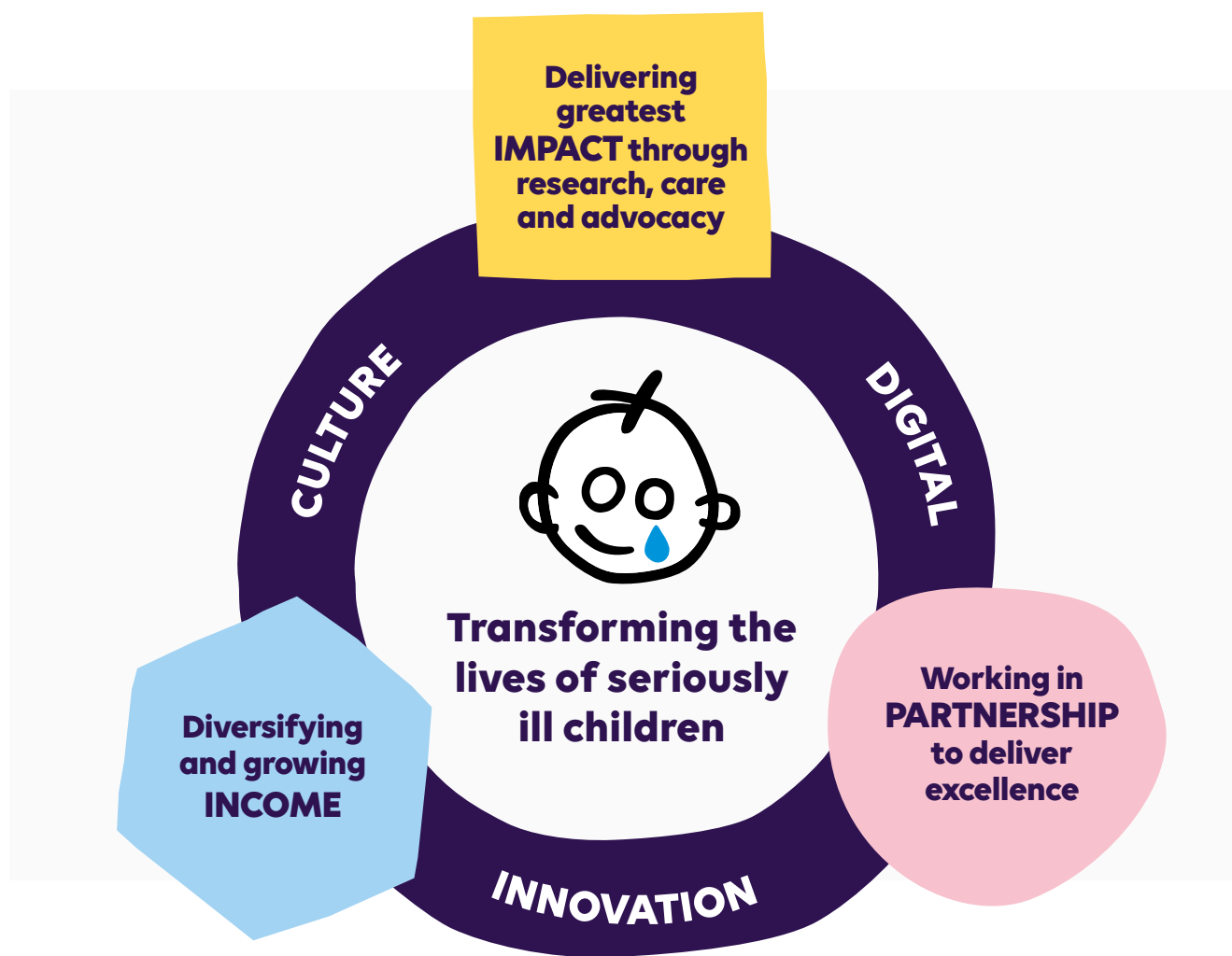
**GREAT
ORMOND
STREET
HOSPITAL
CHARITY**

2022/23

**Great Ormond
Street Hospital
Children's Charity**

Annual Report and Accounts

Cover: seven-year-old **Harry** receives treatment for Ewings Sarcoma at GOSH



Contents

Trustees report

<u>5</u>	Welcome from our Chair
<u>7</u>	Welcome from the Chief Executive
<u>10</u>	Charitable objects
<u>11</u>	Our strategy 2021–2026
<u>12</u>	Our year in numbers
<u>14</u>	Impact
<u>35</u>	Income
<u>36</u>	Partnership
<u>37</u>	Advocacy – Amplifying the voices of GOSH children and families
<u>38</u>	The Children’s Cancer Centre and ‘Build it. Beat it.’ appeal
<u>40</u>	Our enablers
<u>42</u>	Environmental, social and governance (ESG)
<u>42</u>	Introduction
<u>43</u>	Environmental
<u>48</u>	Social
<u>54</u>	Governance
<u>80</u>	Our people
<u>83</u>	Financial review
<u>89</u>	Legal and administrative details
<u>90</u>	Statement of Trustees’ responsibilities
<u>92</u>	Independent auditors’ report to the members of Great Ormond Street Hospital Children’s Charity
<u>95</u>	Financial Statements
<u>98</u>	Notes to the financial statements

The information included in the sections from and including charitable objects to the financial review form the strategic report of the Trustees.



Maya is treated at GOSH for leukaemia

Our purpose

Our purpose at Great Ormond Street Hospital Children's Charity ("GOSH Charity" or "the Charity") is to transform the lives of seriously ill children through research, care and advocacy. We do this by supporting Great Ormond Street Hospital ("GOSH" or "the hospital") and the UCL Great Ormond Street Institute of Child Health ("ICH") as well as through the grants made to research through our National Call.

On average, around 750 children and young people from across the UK are seen at GOSH every day. Most of the hospital's young patients have life-limiting or life-threatening conditions or rare, complex, serious illnesses.

Every day, doctors and nurses battle with the most difficult illnesses and conditions, and the brightest minds come together to achieve pioneering medical breakthroughs.

Our thousands of supporters from across the UK are united in fundraising to give seriously ill children the chance of a better future.

With their help, we're able to fund research into pioneering new treatments for children, provide the most up-to-date medical equipment, fund support services for children and their families, and support the essential rebuilding and refurbishment of the hospital.

Welcome from our Chair

I am honoured to present our 2022/23 Annual Report, which shows the significant progress we have made this year towards achieving our mission to transform the lives of seriously ill children and their families.

In the second year of our ambitious five-year strategy, which saw us all return to a post-Covid normality, it's a testament to the hard work and commitment of our staff, supporters and partners that we've had our most successful year in terms of income in our history as a charity. This success has enabled us to increase our impact and do even more to improve the treatment and care of seriously ill children across the UK.

Our ambition to improve the lives of children affected by cancer made major strides this year as the plans for the new Children's Cancer Centre started to become a reality. Working hand in hand with GOSH, we have seen real progress in the development of building plans and permissions, and in our understanding of the state-of-the-art equipment and new technologies needed to deliver transformational treatments. We support a holistic vision of a centre that will meet the many needs of children and families affected by cancer, and the dedicated staff who care for them.

The whole Board is very grateful for the generosity of major donors and supporters during our private fundraising phase of the 'Build it. Beat it.' Children's Cancer Centre appeal. We would like to particularly acknowledge and thank our Principal Donors, John Grayken and Eilene Davidson Grayken, not only for their major contribution to the appeal, but also for their inspirational support and leadership across the whole programme. At the end of the financial year, we celebrated the successful launch of the public fundraising appeal, as part of our Charity of the Year partnership with the TCS London Marathon. The tremendous support of so many GOSH staff, families and friends gave us a powerful springboard for our largest ever appeal.

During the year we saw sustained delivery of our fundraising strategy. The success of this year's Christmas campaign, which saw an overall year on year increase in donations, including a 170% increase in income raised through digital channels, and the ongoing effectiveness of our →

→ legacy campaign, are excellent examples of how creative and impactful we are in building support. We were especially pleased to see strong growth in committed giving, with more than a quarter of a million people now signed up as regular givers, giving us a strong foundation of support for the future.


All the money raised means we can deliver impact for seriously ill children and 2022/23 has been an impressive year. Alongside the work we support at GOSH, we have seen great progress on the implementation of our research strategy, with an increase in the number and quality of responses to our National Funding Call. This important initiative invites researchers across the country to apply for funding for projects which tackle the understanding and treatment of rare diseases in children. Work continues on our impact framework, which is important not only for measuring the difference we make, but also for helping to evaluate future priorities.

Supporting staff at the hospital performing their vital roles continued to be a priority, particularly given the ongoing challenges that the wider NHS, including the workforce at GOSH, have faced during the last year. We released more funding to the GOSH Learning Academy for the next phase of work on education and development. And with the cost-of-living crisis affecting so many people across the country, we launched a hardship fund for hospital staff struggling to manage the rising costs of bills, alongside a fundraising appeal to support families with the rising costs of supporting a seriously ill child in hospital.

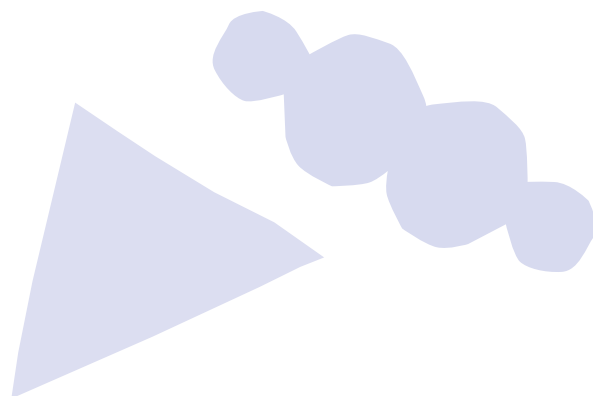
Our Trustees play a crucial role in guiding the organisation to achieve its goals, and supporting staff and leadership with the opportunities and challenges they face. I would like to say a huge thank you to all Trustees and Committee Members, in particular to Sandeep Katwala who retired as a Trustee this year after over six years on our Board. And I am pleased to welcome our new Independent Committee Member, Thomas Fitzgerald, who will be joining the Investment Committee.

I also want to thank our Chief Executive, Louise Parkes, the senior leadership team and all the talented and committed staff at GOSH Charity for their hard work and dedication in everything they do, every day. The enormous success of this year stands us in the strongest possible position to deliver year three of our strategy, together with our critical partners at Great Ormond Street Hospital and UCL Great Ormond Street Institute of Child Health.

Finally, I would like to thank all the amazing fundraisers, volunteers and supporters who do so much for GOSH Charity. We have seen extraordinary support and generosity this year despite many across the country facing difficult and trying times. We are very grateful to everyone who helped make such a difference and played a part in building a firm foundation for the future.




Anne Bulford CBE
Chair of Trustees



Welcome from the Chief Executive

The first thing I want to do is thank our dedicated staff and supporters for everything they have done and continue to do for seriously ill children and their families. It really is the case that we could not do our great work without each and every one of them.

Looking back on the second year of our strategy, I feel huge pride at what we have delivered. Despite the difficulties posed by an ever-changing external environment that continues to disrupt and challenge, we've raised more income than ever before, we've increased our reach and impact, and we've built stronger and more sustainable partnerships.

What makes me most proud is that we've worked in a different way, becoming more agile in our approach, innovating at every opportunity and drawing on our creativity to overcome challenges together. While there is still more we need to do to realise our ambition of transforming the lives of all seriously ill children across the UK, we have made some great progress this year.

There are so many highlights to mention, but as a participant in the April 2023 TCS London Marathon myself, I must talk about our incredible Charity of the Year partnership with the TCS London Marathon. Not only did the partnership enable us to raise vital funds and bring in

new supporters, but it also provided the perfect platform to publicly launch our 'Build It. Beat It.' Children's Cancer Centre appeal, which aims to raise £300 million for the new Children's Cancer Centre at GOSH. With such a high-profile start we are excited to see the appeal go from strength to strength and raise the funds urgently needed to help us transform cancer treatment and care for children and their families too.

Another major highlight was seeing the inspiring story of GOSH patient Alyssa, now 14 years old, from Leicester, make headlines after she became the first person in the world to be treated at GOSH with a novel CAR T-cell therapy at 13 years old. Created using a technique called base editing, the therapy was used to treat Alyssa's previously incurable leukaemia, and early funding from GOSH Charity in 2014 helped make this breakthrough possible. It was fantastic to see money raised by our donors support the delivery of such a groundbreaking and life-saving new →

→ treatment, while reinforcing the critical need for the Children's Cancer Centre which will enable more breakthroughs like this to happen.

But we couldn't do any of this without our staff who are at the core of all our success. Embedding a culture that enables our people to thrive and grow is hugely important to myself and the GOSH Charity leadership team, and we delivered several key projects this year to help support this. For example, we undertook a review of the way we pay and reward our staff, which has resulted in a new system of benchmarking pay, alongside an enhanced benefits package to help support health, wellbeing, and personal finances. We also invested significantly in the professional development of our managers and leaders across the organisation, rolling out bespoke, in-depth training alongside a new learning and development hub for all staff.

I spoke in the last annual report about my personal commitment to equality, diversity and inclusion (EDI) and the achievements we have made. This year was no different. We continued to increase diverse representation in our workforce, embedded EDI goals into our business planning and became a 'Disability Confident Committed' employer. All of this has been underpinned by our values, which are the golden thread that runs through everything we do. I believe we couldn't have achieved all we have this year without care, courage and curiosity.

While there's much we need to do to make sure every child touched by serious illness gets the very best care and treatment they need, I am excited and inspired by the

possibilities to build on what we achieved this year. Looking ahead, the Build It. Beat It. appeal will be a focus for us, both in terms of income and impact. We still have a long way to go in meeting our ambitious fundraising target to help deliver the Children's Cancer Centre, and the continued support and generosity of the public and our partners will be critical. We also need to grow our role in funding more research into serious childhood illness, so we can have a greater impact on children in the hospital and beyond. And we will start the important work of developing our patient experience strategy in conjunction with the hospital. All of this should be underpinned by critical enablers of digital and innovation and I am particularly excited about how we can harness new developments in the future.

I want to end by saying that none of our achievements this year would have been possible without our partners and supporters. Whether it's patrons like the Grayken family, our corporate partners like Premier Inn and Restaurants, our research partners such as LifeArc, our marathon runners, event organisers, regular givers and GOSH families who so generously share their lived experiences with us to support the change we want to create, I want to say thank you again for all you've done, and for all you continue to do, to help change the lives of seriously ill children.



Louise Parkes
Chief Executive

Ten-year-old **Tia** is being treated at GOSH for acute lymphoblastic leukaemia (ALL)



Charitable objects






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

- a** the hospital services (including research) of Great Ormond Street Hospital; and
- b** any other part of the health service associated with Great Ormond Street Hospital as the Trustees think fit

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

To achieve this, the Charity funds projects that aim to improve the health outcomes and experience of children and young people at GOSH. This can be through better support services and equipment, or through research to better treat childhood diseases.

The Charity supports the hospital and its patients by funding five key areas:

-  Patients, family and staff support
-  Research into children's health
-  Life-saving medical equipment with new technology and innovation
-  Redevelopment and environment
-  Property and other

Our impact goals are:

Researching breakthrough cures and kinder treatments

Supporting resilience and wellbeing of patients and their families

Providing a child and family friendly environment that helps create the best possible experience

Amplifying the voices of seriously ill children and their families

Sharing knowledge for the benefit of seriously ill children everywhere

Transforming care through digital and technological innovation

Supporting staff at the hospital to deliver exceptional care



One-year-old **Tyler** is treated on the oncology wards at GOSH.

Our strategy 2021–2026

Our principal aim has always been to support the hospital, whenever and however it needs our support the most. We do this in order to meet our purpose of transforming the lives of seriously ill children through research, care and advocacy.

We know all too well that life with a rare or complex condition can be extremely challenging for a child and their family. But we also know that together with the hospital, and alongside our partners and supporters, we can make an extraordinary difference to a child's quality of life and can even offer the hope of a cure for their rare condition in the future.

In 2021 we set out our new five-year strategy, in which we revealed the roadmap we will follow to deliver the transformation that seriously ill children so desperately need.

Our strategy focuses on delivering against three key pillars. These are: **impact, income and partnerships**. Underpinning these areas are three key enablers: culture, digital and innovation.

Now that we have delivered the second year of our strategy, we have many examples of the impact that

we've achieved. We also take a closer look at some crucial partnerships, and the income raised to fund our work. All of this comes against the backdrop of moving fully out of Covid restrictions alongside new challenges facing us like the cost-of-living crisis.

This has also been a hugely important year for one of our key enablers, culture, which we explore in-depth from [page 80](#). Ensuring we have the right people delivering in an environment that helps them thrive is critical and this has been a real focus for us this year.

Our values, launched last year, are now fully understood by staff but the job of embedding them is ongoing, so we can ensure they remain the golden thread that runs through our culture. The role of digital and innovation remain important for us, and work continues in these areas to help drive them forward.

Our year in numbers

Impact

The GOSH Learning Academy currently supports more than

220 apprentices

across 35 courses in all areas of the hospital, from nursing and healthcare support to admin and operations.

This year, the Trustees approved our new research strategy, which is due to launch externally in 2023.

We have ambitions to invest at least

£70 million

in research across the next five years, an increase from £50 million in the previous five-year strategy.

The Play team had around **16,000 1-2-1 sessions**

with patients at GOSH this year, helping children feel less anxious and prepare for medical procedures.

In 2022, we announced

£2.2 million for 10 National Call projects

across the UK to support research into some of the most difficult and hard-to-treat childhood diseases.

This year, we helped the Citizens Advice Service at GOSH put over

£1 million

into the pockets of families who needed it most, and we supported the Social Work team at GOSH to give out over

27,000 meal vouchers to breast-feeding mothers and low-income families.

Income

This year, we reached the milestone of having signed up more than **a quarter of a million people** to be a committed giver.

2022/23 was our **most successful year in terms of income** in our history as a charity, hitting **£108 million.**

We saw a 41% increase in gifts in legacies, delivering **£31 million** compared to **£22 million** last year.

Partnership

We currently have **11 ongoing strategic partnerships** and are actively developing further partnerships across our funding priority areas.

During this period **we developed a partnership with Cancer Research UK (CRUK)** to provide £750,000 to support PhD Studentships focusing on Children and Young People's Cancer at the City of London Centre.

We also launched another round of funding with our partner LifeArc for the Translational Research Accelerator Grants, with LifeArc having already committed £1.1 million to the partnership to date.

We delivered a 13% increase in income raised from corporate partners compared to last year.

This year, the Zayed Centre for Research into Rare Disease in Children **oversaw 17 active or recently completed clinical trials** involving gene and cell therapies.



Abdullah is treated on Safari ward at GOSH

Impact

The Charity makes funding available to support the following areas: patients and families, research, environment, technology, people and education. Below are some highlights over the last year from a few of our priority funding areas.

Research

The world's first use of base-edited cells

Our early funding supported development of a new therapy that treated a teenager's 'incurable' leukaemia.

In May 2022, then 13-year-old GOSH patient Alyssa from Leicester became the first person in the world to receive base-edited universal T-cells to treat her T-cell acute lymphoblastic leukaemia (ALL). Following treatment with all conventional therapies, Alyssa's cancer was considered 'incurable', and she was left with no further options beyond palliative care.

Around 440 children are diagnosed with ALL in the UK each year.

But just 28 days after receiving this new treatment, Alyssa entered remission and went on to receive a bone marrow transplant to restore her immune system.

This therapy was pioneered by GOSH researcher **Professor Waseem Qasim**, thanks, in part, to early funding from GOSH Charity. During this time, he developed new gene editing tools and created knowledge that has led to novel therapies, including the base-edited universal T-cell treatment Alyssa received as part of a new GOSH clinical trial.

Building on a decade of pioneering research

Base-edited universal T-cell therapy boosts the ability of specific immune cells – known as T-cells – to hunt cancer in the body. This is an immunotherapy and involves 'editing' the DNA inside T-cells, adding genetic instructions that enable them to recognise and destroy cancer. Usually, the patient's own cells are extracted and engineered in the lab before being returned to the body, but some patients, especially young children, can be too ill for this type of procedure.

To overcome this challenge, the 'universal' aspect of this treatment instead sources cells from volunteer donors. In 2015, Professor Qasim used universal T-cells to successfully treat a one-year-old with otherwise incurable B-cell leukaemia – an incredible world-first that sparked a new wave of CAR T-cell research around the world.

Because Alyssa's leukaemia was caused by her T-cells, the engineered T-cells that were programmed to recognise and attack the cancer would also attack and kill each other. Professor Qasim pioneered a new approach called 'base editing', which chemically edits the individual components of DNA to change the way the cell behaves. This new approach enables very specific edits to be made, including changes that ensure the therapy T-cells attack only cancer cells, and not each other.

Offering hope

One year post treatment, Alyssa is still in remission, and continues to be closely monitored. Preliminary results from this clinical trial suggest the therapy has the potential to become the best-in-class treatment for some types of cancer. In the future, we may be able to use this treatment to treat leukaemia before using heavy doses of chemotherapy.

The technology behind the therapy also offers hope for other diseases where treatment options are limited. For example, sickle cell anaemia is caused by just one change in a person's DNA – base editing offers the hope of 'fixing' this fault through very precise editing of the DNA. Elsewhere, trials are now underway to explore the potential of base editing in sickle cell anaemia, hereditary high cholesterol and the blood disorder beta-thalassemia.



Alyssa was the first person in the world to receive base-edited universal T-cells to treat her T-cell acute lymphoblastic leukaemia (ALL).



Q&A with Professor Waseem Qasim, Professor of Cell and Gene Therapy at ICH and Consultant Immunologist at GOSH

Why did Alyssa have this treatment?

Alyssa came to us with a very difficult type of leukaemia, and the chemotherapy drugs she'd already received were not enough to control the disease. She'd also had a bone marrow transplant previously and unfortunately the disease still came back. At this stage, Alyssa was running out of treatment options, so we looked at trying to create a new treatment for her that would clear up any remaining leukaemia cells in her body.

How does the new therapy work?

We take immune cells (known as T-cells) from a healthy donor into the laboratory, where we change them so they can work against types of leukaemia that are otherwise difficult to treat. We then disarm the cells, so they don't fight the body's normal tissue. And we make them invisible to some of the drugs that we're going to give the patient, so they don't fight one another while they're in the body. By doing all of this, then rearming the cells against leukaemia, we've made a living cell treatment.

What happens once the cells are in the body?

After a short course of chemotherapy, we infuse the cells into the body. They find their way across the different tissues, seeking out and destroying any remaining leukaemia cells. This is important because sometimes leukaemia can hide in places like the bone marrow or the lymph glands. And because we're giving a living treatment, it can seek, find and destroy the remaining disease cells.

What does this breakthrough mean to you?

It's very exciting because it is the first application of a new technology called base editing. This allows us to go through the entire DNA of a cell and pick precise regions we want to change in a very efficient manner. Even a few years ago this would have seemed impossible. It's a great demonstration of how, with expert teams and infrastructure, we can link cutting-edge technologies in the lab with real results in the hospital for patients.

It's our most sophisticated cell engineering so far and paves the way for other new treatments and ultimately better futures for seriously ill children. We have a unique and special environment here at GOSH and the ICH that allows us to rapidly scale up new technologies. We're looking forward to continuing our research and bringing it to the patients who need it most.

What impact could this new treatment have?

We have to be realistic; this is just the first step and we're still learning how to use these new types of technologies. Ideally, we'd like to make it available for larger numbers of patients. We're going to run a full study over the next two years to treat more patients with this specific condition.

In the future, it might be that we can use this to treat leukaemia before we need to use heavy doses of chemotherapy. Our long-term ambition is to improve the way treatments work, making them safer and less toxic.

Strengthening rare disease research across the UK

Our National Call is the UK's largest charitable funding scheme dedicated to rare disease research in children and young people.

We're committed to supporting research that is most likely to have life-changing benefits for children. That's why we run our annual National Call, inviting researchers across the country to apply for funding to investigate the most pressing issues in rare diseases in children and young people. **Each year, we offer at least £2 million of funding to research teams across the country.**

The National Call is part of our ambition to unlock breakthroughs in child medicine, by supporting researchers to discover new, more effective ways to diagnose, treat and ultimately cure life-changing and life-limiting conditions. In this year's National Call, awards totalling **£2.2 million** were made to fund 10 new child health research projects. The research will take place at eight institutions across the UK. Funded projects span a wide range of areas and diseases, including caring for cancer patients with learning disabilities, treating juvenile idiopathic arthritis and innovative home-based diagnostic testing for narcolepsy.

We began the programme in 2011, which expanded following our partnership and subsequent merger with Sparks Charity in 2017. Over the next five years, we'll continue to work with smaller rare disease charities – partnerships which have already brought over £1 million investment in national paediatric research – to fund projects in their area of focus.



Dr Heidi Fuller at Keele University in Staffordshire studies the biology of spinal muscular atrophy.

Spotlight: Searching for a cure for spinal muscular atrophy

Spinal muscular atrophy (SMA) – the childhood form of motor neuron disease that weakens muscles and interferes with movement – affects up to 2,500 people across the UK and is the most common genetic cause of death in infants in the country. There's currently no cure, and while recent research has identified approaches that could help children with the most severe type of the disease, they don't work for all patients.

Around 1 in 10,000 babies are born with spinal muscular atrophy each year

Through our National Call, we supported Dr Heidi Fuller, at Keele University in Staffordshire, to look at the biology of the different subtypes of the disease. By comparing cells from children with SMA, Dr Fuller and the team identified key molecular differences that correlated with the severity of the disease. The results from her research were published in a research paper in August 2022 and the information could explain why treatments for SMA aren't effective for everyone.

Dr Fuller's results could be used to monitor how effective a patient's treatment is and could lead to much-needed treatments that work with a patient's biology to stop disease progression or alleviate symptoms. Dr Fuller hopes that her work will lead to new clinical trials for different types of SMA.

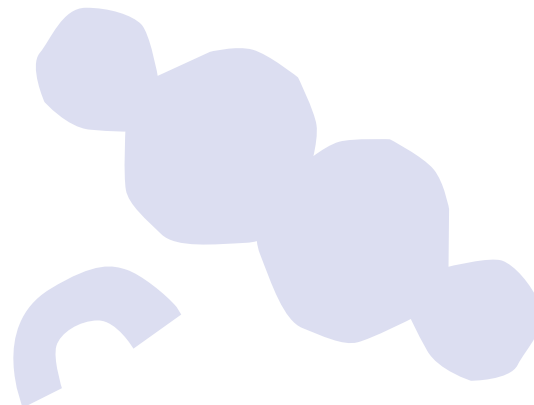
Our National Call is the UK's largest charitable funding scheme dedicated to rare disease research in children

"From a personal perspective, the award was instrumental in my promotion to senior lecturer at Keele University and recognition at national and international levels. We're so grateful to GOSH Charity for the work they do to support research across the country and for their support throughout our project."

Dr Heidi Fuller, Keele University

Eleanor is treated at GOSH for hyperinsulinism.





Improving brain surgery for children with epilepsy

GOSH Charity funding has unlocked new information about the way the brains of children with epilepsy are wired, which we hope will improve surgery for children who need it.

The brain is a highly-organised electrical circuit, with tiny impulses flowing from nerve to nerve. People with epilepsy can experience temporary changes in the brain's electrical flow, causing a sudden burst of electrical activity that leads to a seizure.

Around one in every 200 children in the UK have epilepsy. Some undergo surgery to remove or disconnect the region of the brain responsible for seizures, and can notice a reduction in their seizure frequency, or even become seizure-free without relying on medication. But although the surgery is relatively safe, not all children who go through the large undertaking of brain surgery are cured of their condition.

Research from the GOSH Charity Surgeon Scientist Programme has unlocked new information that could improve the effectiveness of surgery for people with epilepsy. Using a medical imaging technique called diffusion MRI, the team analysed the physical electrical wiring of the brains of children with and without epilepsy, to see how strongly different regions of the brain are connected to each other.

The team found that the brains of children with epilepsy were wired in a different way, with more electrical connections, compared to children without the condition. This phenomenon was stronger in children whose epilepsy stems from multiple parts of the brain.

What's more, surgically removing the regions that were responsible for the seizures led to more normal wiring across the brain. It's these unusual wiring dynamics that could make children with epilepsy more likely to have seizures.

This is one of the first times that susceptibility to seizures has been linked to differences in the way the brain is wired. The findings, and the techniques used in the study, could

improve epilepsy surgery in the future, by helping surgeons accurately identify and remove the regions of the brain responsible for seizures. Ultimately, this could improve the quality of life for children and young people with epilepsy.

Every year, 440 children in England could benefit from epilepsy surgery.

In 2020, 77% of children who should have been considered for epilepsy surgery had not been referred.

The research was led by Mr Aswin Chari, who we supported through the Lewis Spitz Surgeon PhD Programme – a highly successful GOSH Charity scheme that has run since 2017 and has so far trained five outstanding paediatric surgical trainees with excellence in translational research. Mr Chari's research was also co-funded by GOSH, the ICH, King's College London, The University of Pennsylvania and Nemours Children's Hospital.

"Although surgery for epilepsy is relatively safe, it is a large undertaking and there are some children who undergo surgery but sadly continue to have seizures. We hope through this technology and analysis, we can enable more children with the condition to benefit from life-changing surgery and treatment."

Mr Aswin Chari, a Lewis-Spitz Surgical Scientist, at Great Ormond Street Hospital



Early career researchers deliver world-first breakthroughs

Our support of scientists early in their career provides the foundations they need to achieve amazing things for seriously ill children.

A key priority of our research strategy has always been to support early career researchers – those typically in the first five-to-10 years of their research career. By supporting these people to establish themselves in their field, we’re providing the leaders of tomorrow with the resources, training and opportunities they need to make a lasting impact on child health.

We’ve supported early career researchers through several of our funding streams. For example, our Research Starter Grants provide early support to help scientists get new ideas off the ground and to a point where they can access larger grants. And we’ve seen this in action – with just £3 million of starter grants, our scientists have brought in £37 million in additional funding to support their science to grow. Our funding of the Zayed Centre for Research into Rare Disease in Children ([read more on page 32](#)) also provides early career researchers at GOSH with state-of-the-art facilities and infrastructure to carry out their work.

“Supporting early career researchers not only brings new ideas to research, it also helps us to foster a diverse, inclusive research community. By providing opportunities for people from backgrounds that have historically been underrepresented in research, we can help them channel a wide range of ideas and perspectives into science that will make a difference for children and young people”.

Dr Alex Bonner, Head of Grant Funding, GOSH Charity

Our scientists have brought in £37 million in additional funding to support their science to grow.

The difference our researchers make

We're proud of how our early career researchers have contributed to a better understanding of childhood disease, and how their work has led to novel diagnostic tools and new, effective treatments. Here are just a few examples of how our support of researchers early in their career has empowered them to go on to achieve amazing things for seriously ill children.

Our support for early career researchers

In 2013, we supported **Professor Manju Kurian** with a clinical research starter grant to investigate gene therapy approaches in childhood movement disorders. Then in 2017, we gave her a second starter grant to investigate a newly discovered developmental disorder.

In 2014, GOSH Charity supported **Professor Waseem Qasim** with a leadership grant to develop new gene editing tools to treat cancer.

We supported **Dr Heidi Fuller** in 2018 with a National Call grant to investigate the causes of a spinal condition, spinal muscular atrophy (SMA), to understand how the disease develops to identify new ways to treat it.

What they went on to achieve

Professor Kurian secured £3 million of funding from other research funders to further her work. In 2020, together with LifeArc, we supported Professor Kurian to investigate a new therapy for children with PKAN, an untreatable and life limiting disorder. Professor Kurian and her team have been developing this clinical trial over the past year and hope to launch it soon. The team also presented new research into better ways to diagnose and monitor PKAN at an international conference in July 2022.

Thanks in part to this early funding from GOSH Charity, **Professor Qasim** has been a pioneer in developing new CAR T-cell treatments using innovative gene editing techniques. Read more about this breakthrough from 2022 on page 17.

Dr Fuller and her team published a research paper in August 2022 which identified key molecular differences in the cells of children with different severities of SMA, which will help to find treatments that may be more effective for the different types. The work supported Dr Fuller's promotion to senior lecturer and gave national and international recognition for her work that will help her to build more collaborations and achieve further grants to accelerate the development of new treatments for families affected by SMA.
Read more on page 18

Patients and families

A source of comfort: supporting families through music.

Our music therapy service helps children and their families feel less anxious and more in control.

We know all too well that a hospital stay can be an extremely challenging time for a child and their family. In 2019, we launched a new music therapy service to help provide the best possible care experience for children and young people across the hospital.

The way we create and listen to music is intricately tied to how our brains function – certain tones, melodies and beats can invoke intense feelings and memories. When used therapeutically, music can invoke familiarity and security where there may not otherwise be a sense of control or safety. This helps to reduce anxiety, improve mood and increase motivation, which can encourage participation in other therapies, too.

Music therapy can also stimulate a child's growing brain to help them learn new skills, or to maintain memory, cognition and hand-eye coordination that might be threatened by a long hospital stay. Therapy sessions at GOSH are fun and interactive, and might include the use of familiar songs, improvised music making, sensory play or listening to music. Every activity is tailored to the child, with special attention given to the development of self-esteem, expression and creativity.

Our music therapist, Katya, is now an in-house member of the GOSH team and has delivered more than 3,000 sessions for children and young people and their families across the hospital. Of the parents and carers whose children have taken part, 100% noted an improvement in their child's mood, and most found the therapy made it easier for their child to be in hospital, distracted from pain or discomfort.

"I use music to help children combat feelings of fear, powerlessness and a loss of autonomy. We want children and young people to breathe, relax and to have control. Music can help them to connect with the parts of themselves that are well."

Katya Herman, Music Therapist, Great Ormond Street Hospital

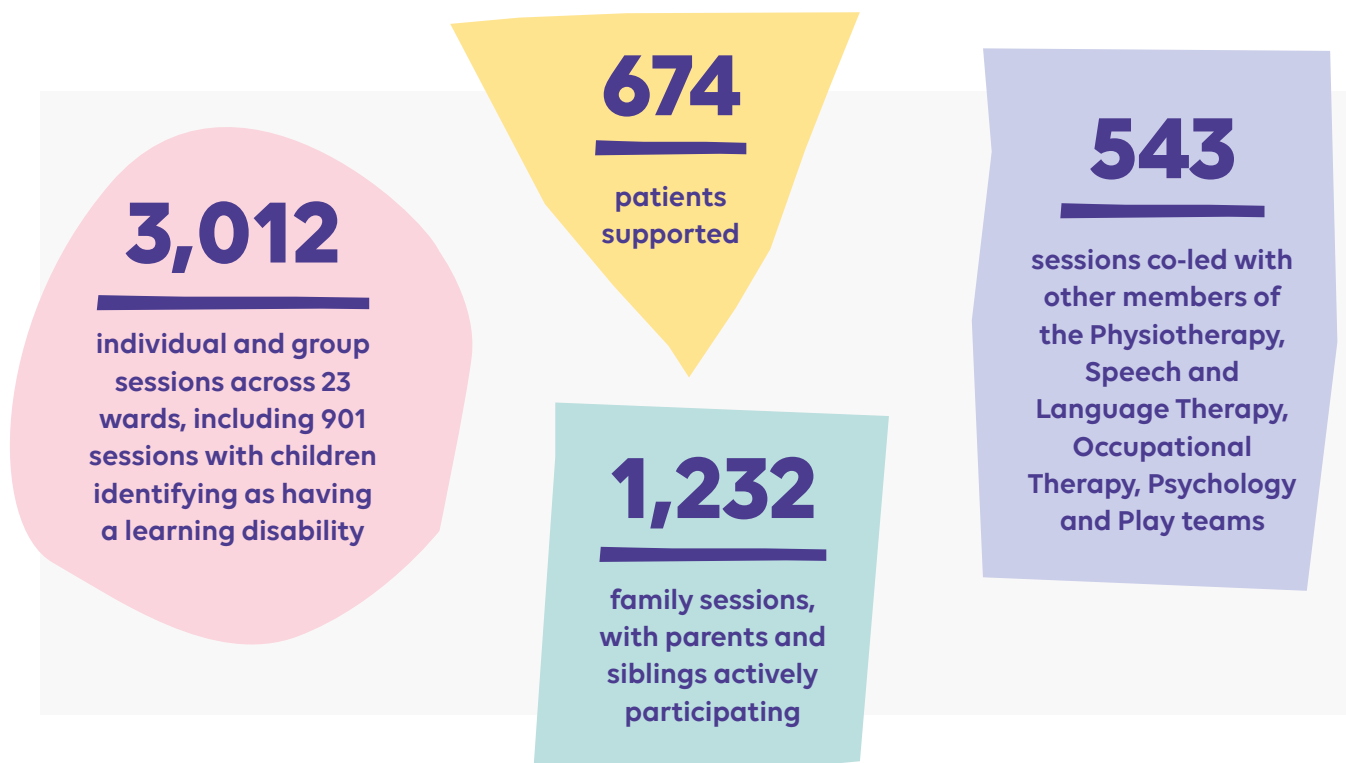


Joshua has a rare condition, and while at GOSH he enjoys music therapy sessions.



Our music therapy service in numbers,

from April 2019 to February 2023:



The impact of our music service for families

Family outcome measure collected across 2022/23 showed that:



Comments shared by families include:

"It is the music therapist who my daughter most looks forward to. During the session she is oblivious to everything else around her and we all partake, helping us forget the reality that she is a four-year-old with cancer."

"The most consistent feedback I get from families is this: in a music therapy session they get to see their child 'be themselves!'"

Katya Herman, Music Therapist,
Great Ormond Street Hospital

"We absolutely love music therapy with Katya. It helps our child feel better and forget about his pain."

"After a music session, I feel calm, energised and ready for tomorrow."



Jacob has received multiple bone marrow transplants at GOSH.

A holistic, empathetic approach to care: our chaplaincy service

Our multi-faith Chaplaincy and Spiritual Care team provides round-the-clock spiritual, religious and pastoral care to children, families and staff of all faiths, or none.

Growing evidence suggests that a holistic approach to care, used alongside medical care, can help children recover more quickly, reduce the impact of traumatic experiences and minimise the risk of mental health problems now and in the future. That's why we're proud to support the Chaplaincy and Spiritual Care team at GOSH.

Our multi-faith team seeks to provide support to all children, families and staff at GOSH, regardless of their personal belief, faith or philosophy, and can arrange for local religious leaders to visit. Support can help children to reframe their understanding of what's happening to them and help them to feel more at peace with the situation. For families, the service often includes prayer, or discussion on how best to support their child, in the context of their own personal beliefs.

Our chaplains visit wards and departments to spend time with children and their families and are also available on-call. The service includes a chapel, a Muslim prayer room and a Shabbat room where Jewish families can eat, pray and relax on the Sabbath, as well as non-denominational spaces for quiet, prayer and reflection. During Ramadan, additional space is provided for prayer and extra food provisions are provided during the night to assist those who are fasting. Spaces are always open for patients, families and staff, including ambulance drivers and paramedics who drop off or collect patients from GOSH.



OUR IMPACT IN NUMBERS

The Chaplaincy and Spiritual Care team is on call
24 hours a day, 365 days a year.

In 2023, the team had on average
546 encounters with children, families and staff
every month

(based on data collected between July – December 2022).

"We create space for patients, families and staff to search for their own understanding and we help them to discover the things that will support them the most in times of challenge. We offer a variety of resources from prayer, religious rituals, bespoke liturgies, cultural education and simply being there with them so they feel less spiritually alone."

Reverend Jim Linthicum, GOSH Chaplaincy Service, a support team funded by GOSH Charity



GOSH DRIVE offices

Technology

New technology to support improvements in treatment for children with cystic fibrosis

Through GOSH DRIVE, we're changing the way data and technology are used to improve outcomes and experiences for patients and better support healthcare staff at GOSH, across the NHS and beyond.

As the world becomes increasingly digital, we want to support the translation of technological advances into improved care for patients. That's why, in 2018, we helped to launch GOSH DRIVE (the Data Research, Innovation and Virtual Environments unit), to unite doctors and researchers with experts in technology, artificial intelligence and innovation. The unit leads the Clinical Informatics Research Programme (CIRP), funded by GOSH Charity.

We believe GOSH DRIVE will be one of the most transformative projects we've ever funded – one that could help to drive a new era of medical research by harnessing the power of data and technology in clinical practice.

A world-first, GOSH DRIVE is a centre for innovation in digital technologies, taking a spark of an idea to a tool ready to be used in the hospital. It's not always about developing something new – often, innovation is about improving things that already exist. The unit is tackling complex problems faced by healthcare staff, patients and families, researchers, and the healthcare industry.

For example, there are millions of pieces of information in electronic patient records. Within this dense information could be the clues to better diagnosis and treatment. How can we help doctors tap into this data to make informed decisions on the care they can offer their patients?

"Using technology, for example employing artificial intelligence to quickly analyse data that is already routinely collected, has the potential to transform the way we can make clinical decisions and improve care for children and young people. We are taking on new ideas from staff at GOSH and our academic partners, as well as industry partners to co-develop innovative solutions to complex problems."

Stephen Mathew, Head of Innovation at GOSH

Machine learning unlocks new information about cystic fibrosis

In July 2022, Dr Nicole Filipow developed a new machine learning technique to make better use of this data, and support doctors to understand how best to treat children and young people with cystic fibrosis, a genetic condition that affects the lungs and digestive system.

Five babies are born with cystic fibrosis each week in the UK.

For people with cystic fibrosis, early diagnosis and tailored treatment are critical to prevent severe complications. Dr Filipow used artificial intelligence to find patterns in patient records, looking for information like treatment history, other illnesses, whether the patient ever needed hospitalisation and how the condition of their lungs progressed. With this technology, Dr Filipow found four distinct groups of patients, which could help clinicians be more prepared for different treatment needs.

Dr Filipow's machine learning technology could provide invaluable support for doctors around the world, to help them rapidly analyse a patient's medical history and make quick, informed decisions about how best to treat them.

This research could help the 10,800 people in the UK who have cystic fibrosis.

Welcoming a new cohort of CIRP fellows

We supported Dr Filipow's work at GOSH DRIVE through our Clinical Informatics Research Programme. In 2023, we began supporting three new fellows, who have now started their studies in clinical informatics and data science:

- * **Anna Alarilla** will find out how to design a new, digital way to collect information about treatment and care experiences, hoping to improve the care for children and young people at GOSH
- * **William Li**, like Dr Filipow, will explore machine learning techniques to improve how we can make use of the vast amount of data collected in electronic patient records
- * **Cato Pauling** will help to develop artificial intelligence to analyse X-rays, looking for subtle fractures that could otherwise be missed and lead to long-term disability



Olivia receives treatment at GOSH on Safari ward.

Education

Unlocking the potential of staff to provide extraordinary care for patients

A leader in education in paediatric care, our GOSH Learning Academy is influencing organisations, training healthcare professionals and improving patient experiences across the UK.

Staff are involved at every stage of a child or young person's journey with GOSH, from the operations team planning their stay, to the clinical team caring for them on the ward, to the administrator helping with their transport home. That's why we've supported the GOSH Learning Academy (GLA) since it began in 2019, providing staff with education and specialist training so that the patient and family experience is the best it can be.

To maximise learning opportunities and allow staff to put their new skills into practice, courses on the GLA typically include rehearsing situations as part of a team. This includes, for example, how best to transfer and transport critically ill children, and learning how to recognise and respond to patient anxiety.

And the GLA's reputation as a trusted provider of child healthcare education is growing: since the GLA opened its portfolio to hospitals across the country, 33 NHS Trusts have got involved. In London alone, more than 1,000 learners are studying with the GLA and it is now co-delivering academic education across the city, including in oncology and orthopaedics. By cementing the GLA as a high-performing educator, the team continues to support the development of healthcare professionals around the country to improve care and experiences for children, young people and their families.

The GOSH Apprenticeship scheme

Central to the GLA is the GOSH Apprenticeship scheme, through which we're investing in the next generation of nurses, scientists and allied health professionals. Apprenticeships support people to develop new skills, knowledge and behaviours that are relevant to their role, while continuing to work in that role, and have had a huge impact on GOSH staff reaching their career goals.

The scheme has received six national awards, recognising the great work GOSH staff are doing and boosting their ability to influence the apprenticeship agenda nationally.

The GLA currently supports more than 220 apprentices across 35 courses in all areas of the hospital, from nursing and healthcare support to admin and operations.

Just in case, just in time: resuscitation training

A core GLA module is 'Just in Case' – resuscitation training that ensures all GOSH staff know how to deal with time-critical emergencies. Sessions are short, targeted and take place in the clinical area, and include hands-on training to rehearse essential skills like rapid assessments, the contents of the Resus Trolley (a piece of kit used for emergency resuscitation) and directing with the clinical emergency team. Training also helps staff spot early signs of deterioration, so they can fetch expert help as early as possible.

Just in Case training was rolled out by the GLA Resus team over nine months in 2022.

OUR IMPACT IN NUMBERS

During the nine months Just in Case training was rolled out, **there was a reduction of 23% in cardiac arrest calls**, because staff knew how to spot and deal with critical situations.

There was also **a 14% rise in unplanned admission to paediatric intensive care unit**, indicating staff had spotted early that expert help was required and that patients were taken to the right place to receive it.



Environment

The Zayed Centre for Research into Rare Disease in Children

Through the Zayed Centre for Research, we're supporting GOSH to offer the best research-led care and flourish as a hospital that's driven by curiosity and innovation.

Since 2019, we've invested £92 million towards establishing the Zayed Centre for Research into Rare Disease in Children – one of Europe's largest centres focused on researching rare diseases. It unites pioneering research and clinical care under one roof, to learn something from children at GOSH now and help improve diagnosis and treatment for children and young people in the future. The building currently houses 33 independent research groups, providing access to state-of-the-art facilities where researchers and clinicians can work together to take on some of the most challenging questions in childhood rare disease.

This year, scientists at the Zayed Centre for Research brought in £9.8 million of additional income for research from other UK-based and international charities, research councils and commercial organisations.

The Zayed Centre for Research is a great example of how our investment in local infrastructure and research environment is driving impact. The centre houses the Cell and Gene Therapy Facility – one of the largest academic manufacturing units dedicated to medicines that are based on genes, tissues or cells – which was used during

the pandemic to make vaccines for the UK Vaccine Taskforce. In early 2023, the facility was fully licenced by the UK Medicines and Healthcare products Regulatory Agency and is now making products for use in groundbreaking gene therapy clinical trials, like the one Alyssa took part in on [page 15](#). Now fully up and running, the facility will manufacture up to 150 new gene and stem cell therapy products every year.

Most importantly, the centre allows us to do more for children with rare diseases. We know that hospitals that are active in research provide better outcomes for patients, and for many children with a rare disease, research offers the best hope of a treatment or a cure.

"At Great Ormond Street Hospital, we see children with the most rare and complex cancers. There have been incredible strides forward in the treatment that we can offer, however, sadly for many these still don't work. Gene therapies offer hope for better, and potentially curative, treatments which is why we're excited to support innovation in gene therapies through access to these highly specialist and unique facilities."

Stephen Mathew, Head of Innovation at GOSH

3D 'mini eyes': a step forward in understanding sight loss in Usher syndrome

The Zayed Centre for Research celebrated its third anniversary in 2022, an incredible year filled with breakthroughs for its researchers. This includes the world's first use of base-edited T-cells ([read more on page 15](#)) and investigating an unusual rise in global childhood hepatitis cases.

In another world first, in late 2022, researchers at the centre made it possible to study sight loss in Usher syndrome, a rare inherited condition that affects hearing, vision and balance. Although cochlear implants can help with hearing loss, there's currently no treatment for sight loss in people with Usher syndrome, where rod cells – the cells in the back of the eye which detect light – gradually die.

It's been historically difficult to study Usher syndrome in the lab. The team took skin samples donated by patients at GOSH, with and without Usher syndrome, and turned them into stem cells, giving them the potential to become any type of human body cell. These were used to grow layers and layers of rod cells, in a structure very similar to that of the human eye.

The result: a 3-dimensional 'mini eye', or organoid – an accurate, microscopic model of the human retina. Armed with this model, the team was able to study the progressive loss of sight in people with Usher syndrome and view the tiny molecular changes that occur in the rod cells. This includes finding that the rod cells from people with Usher syndrome have abnormally high levels of stress response genes, which contribute to the cells' gradual decline. Information like this could be key to developing new treatments, so doctors can intervene before a child's vision begins to deteriorate.

The team's mini eye model will also support research into other rare conditions that involve the eye's rod cells, such as retinitis pigmentosa. What's more, the technology used to grow faithful models of disease from human skin cells can now be used for a number of other rare diseases that are researched and treated at the Zayed Centre for Research.

A good night's sleep: supporting staff at the hospital to deliver exceptional care

For new GOSH staff who require support, GOSH Charity provides a range of affordable short-term accommodation to help them while they find their feet in London. This allows new staff who come from abroad or outside of London to begin their roles immediately, without the delays and stress of finding a place to live in central London.

Over 90% of staff agreed that the offer of staff accommodation was important to them when they applied to GOSH

70% of staff agreed that staff accommodation improved their ability to do their work



Hospital entrance, painted by Emily Powell and Sarah Moore.

Income

In April 2021 we launched a new fundraising strategy which set out an ambitious pathway to emerge out of the pandemic stronger and grow our sustainable net income. With around 750 seriously ill children and young people seen at GOSH every day, we still need to do far more so we can fund the transformational advances in care and treatment they urgently need.

We are very pleased to report that, as a result of this strategy and through the incredible generosity of our supporters and donors, 2022/23 was our most successful year in terms of income in our history as a charity, hitting **£107.7 million**. This was supported by an incredible fundraising income of £99.5 million, up 39% from £71.5 million in 2021/22 and 11% against budget of £89.5 million. *For further detail on our income, please see our Financial Review on [page 83](#).*

The year has been a time of change, with 2022/23 seeing us all return to a post Covid normality while embedding new team structures at the Charity and onboarding new colleagues. And we have continued to operate in an uncertain and challenging external environment, impacted by many events including the cost-of-living crisis. But against this backdrop we have delivered strong results driven by a phenomenal level of teamwork, ambition and collaboration.

In particular, the need to raise £300 million for a state-of-the-art Children's Cancer Centre saw the private and public launch of the biggest fundraising campaign in the Charity's history, the 'Build it. Beat it.' Appeal, which has already received pledges totalling more than £135 million that will be realised over the next five years. *More on that in the Children's Cancer Centre section on [page 38](#).*

There have been a number of key highlights across the year that have helped us achieve such an outstanding result. Firstly, we hit more than a quarter of a million people who signed up to be a committed giver, giving us a strong foundation of support now and for the future. The complete removal of Covid restrictions this year enabled us to grow our income from mass participation events, with Facebook fundraising continuing to exceed previous years. Our Christmas appeal was also our strongest for some years, delivering an increase in donations year on year. Finally, we saw an increase in legacy donations, with gifts in Wills making a huge difference to us this year.

Looking forward, we will focus on delivering year three of our fundraising strategy, which will build on the impact already delivered in the first two years, and to continue to invest in our fundraising activities to support our long term sustainability. While we have seen growth in our income generating activities this year, there is much more we need to do and the generosity of supporters and partners will be extremely important.

Partnership

Working in partnership with others is critical to the delivery of our organisational strategy. All the impact we are able to deliver for seriously ill children and their families is through partners, whether that's our partners at GOSH and ICH, corporate partners like Premier Inn and Restaurants, research partners like LifeArc or patients and families themselves.

We work with partners in a range of ways and the role of and relationship with our partners is incredibly important to us.

Involving patients, families and the public

Our research must be relevant to patients and their families, so we are committed to embedding patient, family and public involvement in our governance and the research we fund.

Young people's perspectives

This year, GOSH researcher **Professor Lyn Chitty** was made Dame Commander of the Order of the British Empire for services to medicine in the 2023 New Year Honours List. For more than a decade, GOSH Charity has played an important role in funding Professor Lyn Chitty's research, which has led to improved diagnosis for genetic diseases in babies in the womb and more information about genetic services.

The 100,000 Genomes Project was launched by NHS England in 2014 to sequence and study the role our genes play in health and disease. GOSH formed one of 11 centres set up to recruit patients with genetic disorders, with Professor Lyn Chitty playing a key role in this process. GOSH recruited around 20,000 people in total to the project.

Thanks to this study, one in four patients with a previously undiagnosed rare disease received a diagnosis for the first time.

Professor Lyn Chitty wanted to find a way to help children and young people understand why they might be offered genome sequencing. With support from GOSH Charity, she and her team worked with the GOSH Young Persons' Advisory Group for Research to develop short videos to explain what a genome is and why genome sequencing can help children with rare or complex health conditions.

"We spoke with this group twice. The first time to discuss how information about genome sequencing should be delivered and what it should include, and the second time to test out the script for the animation – to ensure it was clear, addressed issues of importance and was entertaining."

Professor Lyn Chitty, Great Ormond Street Hospital and UCL Ormond Street Institute of Child Health

The team received vital feedback from young people about how to improve the videos, such as: "I found it was easy to understand. However, I didn't understand the risks of genome sequencing because it wasn't mentioned, maybe there could be a further animation showing this."

The videos they produced won 'Best Animation' at the West of England Royal Television Awards and have been viewed 25,000 times. They have also become an important resource for young people who will be having genome sequencing in the new NHS Genomic Medicine Service and have also been translated into Turkish, Chinese and Bengali.



United against children's cancers

No one will solve the tough challenges in paediatric healthcare alone. That is why partnerships are an integral part of our strategy. This year, GOSH Charity confirmed a new partnership with the Cancer Research UK (CRUK) City of London Centre. GOSH Charity will contribute up to £750,000 towards the centre to support PhD Fellowships and research projects focused on children's cancers.

GOSH Charity's investment builds on the children and young people's cancer research theme at the CRUK City of London Centre and is an exciting first partnership between our two charities. GOSH Charity hopes to build on this partnership and explore further opportunities with CRUK and other organisations, as well as working closely with our local partners to align to a shared vision and common goal for advancements in paediatric cancer research.

Partnerships allow us to do things that we otherwise could not do. Achieving our charitable purpose and creating impact for our beneficiaries demands a national and international collaborative approach.

"Together, we can achieve far more than we ever could alone. Partnerships help to bring diverse expertise, resources and networks to the table. By pooling our strengths, we amplify our ability to tackle complex challenges in cancer to make a lasting difference for children and young people."

Emma Dayman, Strategic Research and Partnerships Manager, GOSH Charity

Advocacy – Amplifying the voices of GOSH children and families

Advocacy is a new focus at the Charity which enables us to deliver on one of our key impact goals – amplifying the voices of seriously ill children and their families. By doing so, we show a united, supportive and proactive approach to tackling the main issues faced by families affected by rare or complex childhood conditions, at GOSH and beyond.

We are taking our first steps into this very important area of work by building upon our strengths as an organisation and our partnerships. By bringing together our partners at the hospital and UCL GOS ICH we have identified several key elements for advocacy. We will focus on topics and issues that:

- ▶ Are reflective of what is most important to seriously ill children and their families
- ▶ Are evidence-based
- ▶ Are within our power and expertise to have a voice in and where we can genuinely drive and deliver change
- ▶ Maximise impact on our beneficiaries and of our charitable activities, by building on the strengths of

us as a funder, GOSH, our research partner the ICH and other hospitals within our care networks

- ▶ Enable us to engage in opportunities where we can amplify the voice and policy lines of current efforts by partners aligned with our goals, or areas where there is a genuine gap and we can be a voice

In partnership with the hospital, we are moving forward with our first pilot programme, exploring topics that support healthcare initiatives and interventions for children with rare and complex conditions in the UK and ensuring equitable access to good care and research in the healthcare setting.

"Advocacy is a very important step forward that aligns with our ambitions to help provide the best possible outcomes for children at GOSH. By building upon our unique partnerships and collective strengths across the Charity, hospital and the ICH we are taking an active role in addressing issues of most importance to GOSH children and families."

Patricia Farrell, Advocacy Manager, GOSH Charity

Corporate partnerships

Last year saw us launch the next phase of our sector-leading partnership with Premier Inn and Restaurants, as their incredible colleagues and customers reached a milestone of **£20 million raised for GOSH Charity** since our partnership began 10 years ago. Their support for the launch of our Build it. Beat it. appeal to help raise £300 million to build our new Children's Cancer Centre has been critical to its success. Other long-standing partners have continued to show their support and dedication to seriously ill children and their families this year, with Royal Bank of Canada, XTX Markets and Butlins also pledging their support to the Children's Cancer Centre appeal. [More on that in the Children's Cancer Centre section on page 38.](#)

Earlier in 2022, we were thrilled to mark 10 years since the opening of the Morgan Stanley Clinical Building, named following the significant contribution pledged by our longstanding partner of 15 years, Morgan Stanley. At the time of its tenth anniversary, this state-of-the-art clinical space had seen over 50,000 inpatient admissions and 12,000 operations performed within its theatres, a real testament to the impact of our partnership.

Finally, we would like to take a moment to thank our Corporate Board for all they have done for us this year. The Corporate Board are a group of 21 senior volunteers who come from a range of business and commercial backgrounds to advise and support us with our corporate partnerships and charity activity. They are a committed and inspiring group of supporters who give both their time and networks to help us achieve so much more for seriously ill children and their families.



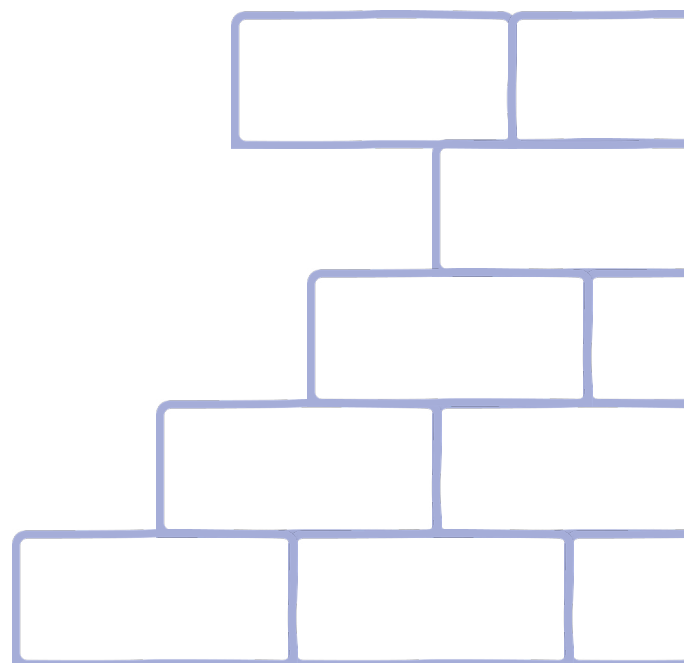
Artist impression of a patient room

The Children's Cancer Centre and 'Build it. Beat it.' appeal

One of our most important priorities is to help the hospital deliver a new, state-of-the-art Children's Cancer Centre.

GOSH already treats the highest number of children with cancer in the UK and has a long history of pioneering medical advances and breakthroughs in cancer care. While investment in research and treatment has significantly improved survival rates, cancer remains the most common cause of death in children aged one to 14, with some forms of cancer only having a 2% survival rate.

Every day, around five families receive the devastating news that their child has cancer, and this is the start of an extremely challenging journey. The Children's Cancer Centre will be a world-class building, caring for children with some of the most complex and difficult-to-treat cancers. Designed with the needs of children and families at its heart, it will support every aspect of care from diagnosis to remission.



The centre will have new inpatient wards, a critical care unit, new operating theatres and a cancer day care centre where children can receive their chemotherapy treatment, meaning the hospital's specialist teams can work more closely together in the same part of the campus. Alongside the clinical services, the Children's Cancer Centre will also feature a new hospital school with double the size and outdoor spaces including a roof garden and play areas, to make sure children can still be children while they are going through their treatment.

The Children's Cancer Centre at GOSH will help change the lives of children, their families and hospital staff. Children across the hospital will benefit from the development, and young people are being included during every step of the project to ensure it meets their needs.

A project of this level of ambition requires an equally ambitious fundraising target to help deliver it. So we were very proud this year to launch our 'Build it. Beat it.' appeal, which aims to raise £300 million towards building the centre – the biggest fundraising appeal in GOSH Charity history.

We have seen some good progress in our appeal so far through the private phase which launched in June 2022, including a significant pledge from John Grayken and Eilene Davidson Grayken who are our Principal Donors for the appeal.

A number of long-standing partners, including Premier Inn and Restaurants, Royal Bank of Canada and Costco, alongside new partners, all pledged their support to help raise the money to make the Children's Cancer Centre a reality.

We were particularly excited to launch the 'Build it. Beat it.' fundraising appeal to the public as part of our Charity of the Year partnership with the TCS London Marathon. It's been 35 years since GOSH Charity was the London Marathon charity partner, so it felt both timely and poignant to have this iconic London event as the springboard for our biggest ever fundraising appeal to build a world-leading new Children's Cancer Centre in the capital.

However, we still have a very long way to go to meet our ambitious fundraising target to help deliver the centre and change the lives of children affected by cancer. The continued support and generosity of the public and our partners will be more important than ever.

We would like to say a massive thank you to the runners, volunteers, supporters and partners who have already contributed so generously to help get us to this stage.



Artist impression of the main entrance of the Children's Cancer Center

Our enablers

DIGITAL

We have made several steps forward in improving our digital capacity and capability to help us reach supporters, partners, patients, families and the public in an efficient and engaging way. We undertook a review of how we were using digital channels in our marketing to drive income and the implementation of these recommendations has already delivered results.

For example, we saw a real success in our Christmas appeal, raising more than £550,000 through digital channels, a 170% increase in donations compared to last year.

We also developed our Supporter Data Strategy this year, which we have started to implement. This work will be critical in underpinning our fundraising strategy and will help maximise supporter engagement through seamless and joined-up supporter journeys.

CULTURE

Our staff are hugely important to the success of all our work. Creating a positive culture that supports every member of staff to thrive has been a major focus for us over the last year. We've made some important progress on our EDI strategy, including bringing in a dedicated EDI and wellbeing specialist to drive this forward and continuing to diversify our organisational makeup, to name just a couple of highlights. *More detail on this can be found on [page 50](#).*

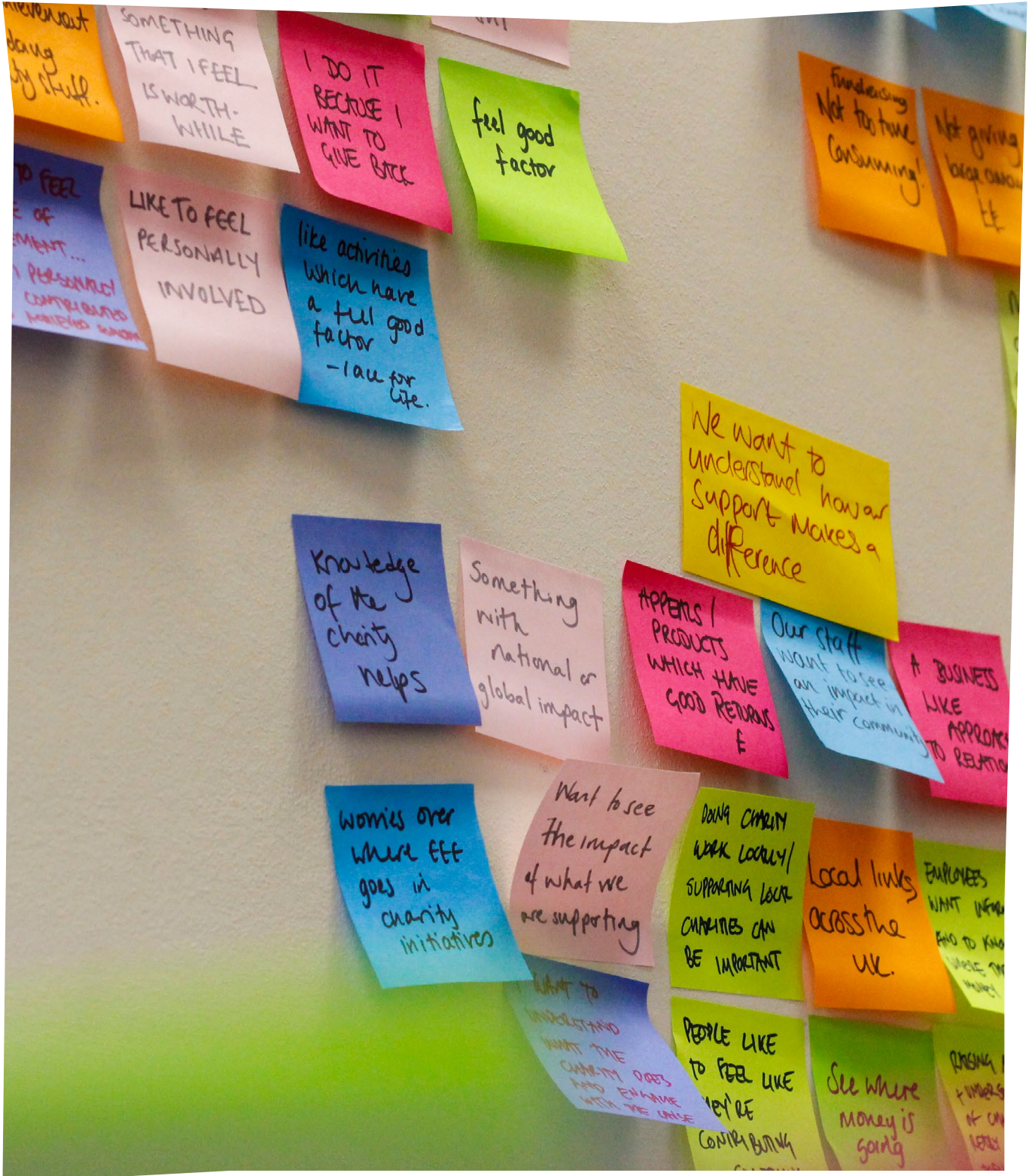
We also undertook a review of the way we pay and reward staff and enhanced their benefits package to help support health, wellbeing, and personal finances. We rolled out bespoke, in-depth leadership and management training for all managers alongside our new learning and development hub for all staff. *More detail on all of this and more is included in the ['Our people'](#) section on [page 80](#).*

INNOVATION

This has been an important year for innovation, one of the enablers of our organisational strategy. We have set up a new team and ways of working to give ourselves the best chance of success, while continuing with successful projects like work into Islamic giving. We have also planted the seeds of new ideas in support of fundraising for the Children's Cancer Centre; exploring new and different potential income streams and running sprints for new products including a mass participation event.

As part of building our foundations we have reviewed our portfolio of fundraising products to understand the performance and lifecycle of each product, which will inform the future of our fundraising innovation pipeline. We will see the benefits of this work and more in 2023/24.





Ideation process by the innovation team

Environmental, social and governance (ESG)

Introduction

Over the past decade, considering ESG as part of an organisation’s strategy was only expected of global corporations. In recent years, businesses of all sizes have been increasingly recognising the importance of incorporating ESG into their strategic decision-making and in building trust with stakeholders and achieving long-term success.

As a Charity focused on seriously ill children and their families, we know we have a strong social purpose. However, we also recognise that ESG is much broader than this and is significant in how we deliver our charitable objects across considerations in each of the three areas. Our culture, values, resource use, response to climate change, and responsible investment continue to be important to us, as a charity, and to our donors and supporters.

Last year, we talked about what ESG meant to us, the impact of the Charity’s resource consumption and ethical investment policy, and how we interacted with our communities. We talked about plans for the future and highlighted our internal policies around staffing, diversity and inclusion and safeguarding, showing how we used our internal practices and policies to lead us to effective decision-making.

This year, we are pleased to expand on this. Over the course of the year, we have developed guiding principles for ESG which are aligned with our four main roles as an employer; a grant giver and Charity; an investor; and a fundraiser.

Our guiding principles as...

An employer

- Reviewing our carbon footprint as a Charity and Landlord, including our energy consumption and recycling in the Charity offices
- Delivering the ambitions of our EDI Strategy embedding a culture of transparency and innovation
- Promoting a culture of trust, openness and honesty

A Grant Giver and Charity

- Establishing principles for funding sustainability projects aligned with charitable objects.
- Embedding consideration of sustainability in decisions on deploying funds or use of charity’s assets
- Embedding consideration of sustainability in major projects, such as CCC and our property strategy
- Delivering impact through our partnerships and aligned with our funding priorities
- Embracing corporate social responsibility in the deliverance of our charitable objects

An investor

- Applying a robust ESG lens to our funding portfolio and expecting this to be applied by all Fund Managers
- Requiring all Fund Managers for equity/fixed income investments to be signatories to the UN Principles of Responsible Investment
- Reporting on key ESG accountabilities as part of our annual report and accounts

A fundraiser

- Minimising the impact of fundraising campaigns, events and materials, ensuring third-parties share our vision
- Working with third-party agencies and partners who share our commitment to minimising the environmental impact of our fundraising
- Building ESG into our existing governance practices to support our operational activities

● environmental ● social ● governance



These principles outline our continued commitment to developing ways of working that are sustainable and ethical. Recognising we are arguably stronger in the areas of 'S' and 'G', we strive to maintain this strength while also focusing on key priorities under the 'E' that will embed sustainability in our funding decisions, ensure it is part of our impact framework and minimise our environmental impact on the world around us. Being an ESG-centric charity is important to us – these principles reflect our aspirations and will underpin our activities, driving us towards environmental and social responsibility.

Environmental

We appreciate that environmental factors within ESG consider how we, as an organisation, use natural resources and the impact our activities have on the environment. We recognise this includes not only our activities, but those of our suppliers and third-party providers and that responsible and effective management of environmental factors is an important driver of corporate value.

Although this continues to be dominated by climate change, we are also conscious to ensure we look through the lens of sustainability at the resources we use to undertake our activities. We acknowledge the overlap with social and governance factors and appreciate the need for us to evaluate and focus on environmental factors and issues that are specific to us and are within our control.

Over the last 12 months, we have focused on defining our guiding principles, ensuring these align with both our charitable purpose and our charity values. We have continued to hold ethical considerations in the highest regard in relation to our investments and to be responsible in our energy usage and consumption in line with the Streamlined Energy and Carbon Reporting (SECR) Regulations. We appointed a new partner to support us in our SECR reporting this year, and we thank CLS Energy for their support in preparing the full report, an extract of which is included below.

Ethical investment

Our investment portfolio continues to take ethical considerations into account and is aligned with our recently reviewed investment policy that formalises the importance of ESG factors. We expect our investment managers to follow ethical considerations in the management of our portfolio.

The Charity's investment managers follow strict guidelines which specify that the Charity does not knowingly invest in tobacco or arms manufacturing, or any business in which either of these are the main or a material element, due to the negative impact they have on child health.

We consider the effects of any investment on the general public's support of the Charity and expect our fund managers to consider the suitability of investments against our stated ethical constraints. Our asset managers are asked to ensure that all equity and fixed income investments are signatories to the UN Principles for Responsible Investment and ESG factors always form a

central consideration in the selection and evaluation process for those we work with and our appointed investment managers.

We reserve the right to exclude those companies from our portfolio that we believe carry out activities contrary to these aims, or which hold particular investments that may damage the Charity's reputation.

Looking forward

For the coming year, we have set ourselves priorities that will help us to review and consider how we embed sustainability into our funding decisions and ensure it forms a core part of our impact framework. We have also committed to reviewing and considering how best we can minimise our environmental impact in relation to our fundraising materials and fundraising events.

We believe this approach to environmental factors and these priorities will help us to ensure we are a sustainable and thoughtful Charity, remaining true to our charitable purpose of improving the lives of seriously ill children and reflecting our aspiration for environmental sustainability to underpin our core activities. We continue our commitment to continually learn and develop our understanding in this area, adopting and embedding policies that put ESG at the centre of our strategic priorities. This awareness will ensure we better identify and manage risk, evaluate and measure success and recognise both future challenges and opportunities.



Streamlined Energy and Carbon Report (SECR)

The below represents an extract from the full report:

Scope

The scope of this report is the (scope 1 & 2) greenhouse gas emissions that result from GOSH Charity's business activities along with scope 3 business travel in private cars (otherwise known as grey fleet). This is primarily from ownership or operation of the following:

- ▶ Buildings
- ▶ Processes
- ▶ Transport

Boundaries

It has been agreed that scope 1 and 2 emissions be assessed along with scope 3 – grey fleet.

Time period covered

The Charity's financial reporting year is 1st April 2022 to 31st March 2023. This is the reporting period for the Charity and serves as the second year after GOSH Charity's baseline year (1st January 2020 to 31st December 2020) for SECR reporting or their third full year of reporting.

During 2021 the Charity moved offices within the same building and now occupy a smaller space as a result of implementing a hybrid working approach.

Executive Summary

Organisation description

GOSH Charity provides charitable support to give seriously ill children the chance to fulfil their potential. They have operated out of one site and are landlord for a range of others across London during this reporting period. The Charity operates no fleet and instead, pays its staff to drive their own vehicles on business use as necessary (grey fleet). As a charitable institution, GOSH Charity are a company limited by guarantee, number 09338724, and a registered charity number 1160024. Their registered office is 40 Bernard Street, London. WC1N 1LE.

GOSH Charity qualifies for SECR reporting due to its turnover in terms of its gross income and its balance sheet.

Source of Data based report

The report has been compiled from spreadsheets, billing data, invoice data, inspection reports and total mileage paid, extrapolated for miles.

Fugitive Emissions

According to maintenance reports, there has been one fugitive emissions or leaks of F Gases (fluorinated gases) over the reference period, and this has been recorded.

Trends in impacts should be clear to the reader

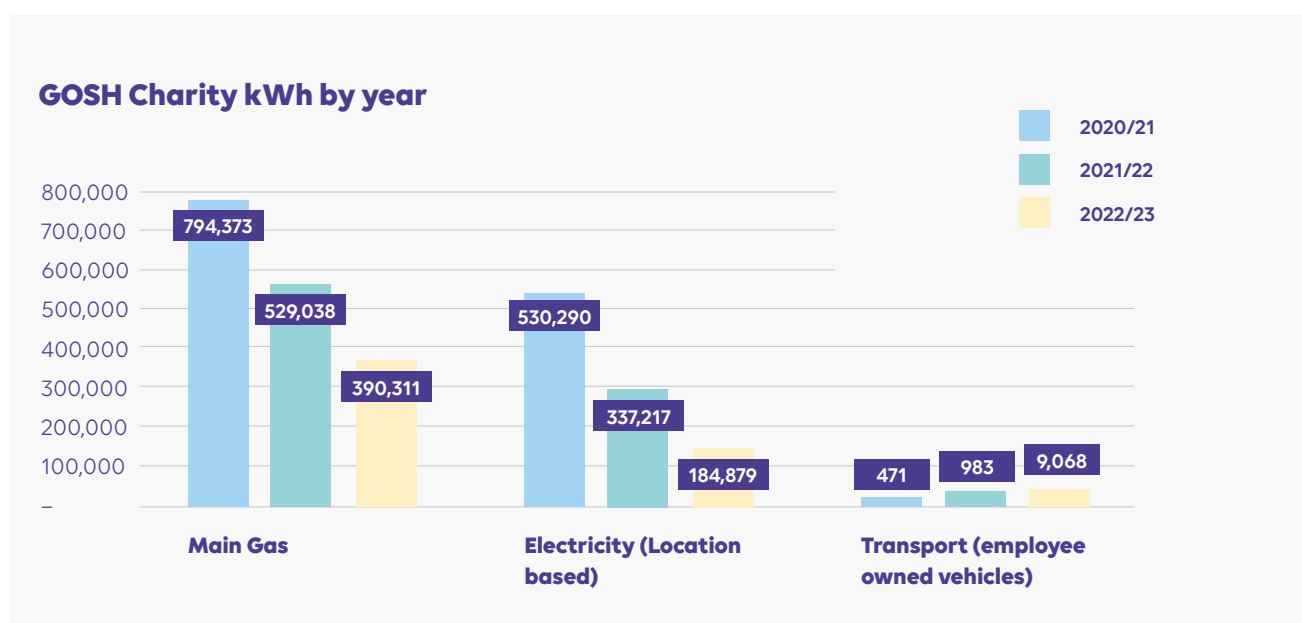
GOSH Charity's CO₂e emissions have continued to decrease in all areas except travel where they have risen significantly, albeit to a small volume. See table below showing the last three years of CO₂e emissions in tonnes:

Emission Type (TnCO2e)	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2023
Scope 1 Natural Gas (and F Gases)	146	96.95	81.06
Scope 2 Electricity (Location Based)	124	71.60	35.75
Scope 3 Business Travel (Employee-owned vehicles)	0	0.15	2.49
Total	269.8	168.7	119.3

This can be viewed in percentage terms as follows and demonstrates extremely positive direction of travel:

Tonnes of CO2e Changes Percentage change	To 2021 CO2e (%age)	To 2022 CO2e (%age)	To 2023 CO2e (%age)
Scope 1	54.2	57.5	67.9
Scope 2	45.8	42.4	30.0
Scope 3	0	0.1	2.1
Total	100.0	100.0	100.0

And by scopes, in terms of kWh from the baseline year 2020/21 to date, the same downward trend can also be seen which indicates, particularly in the case of electricity, that this downward trend is not merely the result of a decarbonizing national grid:



Progress against targets

As the third year of SECR for GOSH Charity, there are some significant changes which are set out in the full report.

KPIs

Key performance indicators for the Charity are employee numbers which for the year to 31st March 2023 were 246.

Explain how you are managing your impacts

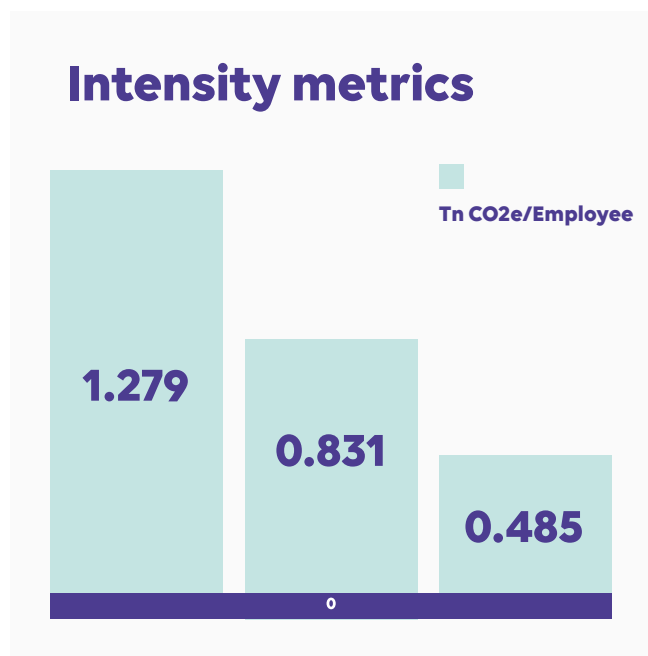
GOSH Charity management processes are independently assessed by CLS Energy as their external consultant. The Company Secretary is responsible for coordinating the Charity's compliance against SECR. She reports to the Governance, Reputation and Risk Committee on compliance matters, who have delegated authority on behalf of the Trustee Board in this area.

Statement on risks and opportunities

GOSH Charity is aware of their impacts on the environment and as a charity are careful in the way in which they operate their premises. This is showing in their emissions figures for the year.

Intensity ratios

GOSH Charity have elected to use scope 1 and 2 and grey fleet scope 3* CO2e (tonnes) by staff numbers. They have chosen the metric as this is a common business metrics for the industry sector. As can be seen in the graph that follows, the trend in emissions reductions shows very clearly here.



As such the figures are:

Tonnes of scope 1, scope 2 and 3* CO2e per staff member 0.485 tonnes.

GOSH Charity have not purchased carbon offsets as the Charity are focused on delivering tangible and meaningful local measures to actively reduce their carbon (CO2e) emissions.

Methodology

Guidance followed in the production of this report have been ISO 14064 and the Greenhouse Gas Protocol. Relevant government conversion factors have been used throughout.

5 principles are observed during the production of this report:

1. Consistent methodologies have been used to allow for meaningful comparisons of environmental impact data over time.
2. Data has been recorded in CO2e (greenhouse gas emissions) utilising government conversion factors.
3. Any changes to the data, changes in the organizational boundary, methods, or any other relevant factors are to be documented following this baseline.
4. Environmental impacts.
5. Situations that may trigger or require a change in baseline year.

Victoria spent time on Chameleon ward during her treatment at GOSH



Social

When considering social factors for ESG, we focus on our relationship with stakeholders, areas related to human rights and employment standards, public benefit, and corporate social responsibility. We also incorporate routine matters such as workplace conditions and health and safety compliance.

GOSH Charity forms part of a group of stakeholders that includes GOSH and the UCL GOS ICH. Each organisation shares the goal of making a difference to the lives of the children we support, and we partner closely with GOSH and the ICH, as well as other organisations that support our purpose, to ensure we can do this in the most impactful, effective and efficient way. Developing good relationships with our stakeholders is very important to us and, as part of our organisational strategy, we are committed to being more ambitious, driven and agile and to embracing change to enable us to make bold decisions. We strive to improve and learn from mistakes and create an inclusive environment that enables our people to thrive both professionally and personally.

We have a strong base for the 'S' of ESG. This has been core to our values for a number of years and our EDI Strategy published in 2020/2021 further embedded this. We pride ourselves in creating an inclusive workplace where everyone we work with, and for, feels that they belong. As an employer, we also understand how important a healthy lifestyle is and ensure we encourage our staff to maintain a good work life balance.

Some of these areas are highlighted in the section below and we would also draw your attention to the 'Our people' section which starts on [page 80](#).

Looking forward

Over the coming year, we look forward to continuing to deliver the ambitions of our EDI Strategy. We are committed to embedding a culture of transparency and innovation and to ensure we maintain the relationships we hold with our key stakeholders. In doing so, we will ensure we continue to operate an ethical supply chain, support diversity and inclusivity, and encourage a culture of respect for all individuals we interact with.

Corporate social responsibility

Corporate social responsibility looks at our ability to self-regulate our social accountability, understanding and enhancing how we make a positive impact on society. Our focus on being environmentally friendly; eco-conscious; promoting equality, diversity, and inclusion in the workplace; treating people fairly and with respect; giving back to the community; and ensuring business decisions are ethical means we are embracing our corporate social responsibility.

As part of our ESG commitments and delivery of our charitable objectives, we acknowledge the importance our stakeholders place on the social conscience of an organisation. With this in mind, we ensure that our internal processes and practices are integrated authentically into our culture through our values, our organisational strategy and how we operate.

Our purpose and public benefit

The Charity's purpose continues to be to transform the lives of seriously ill children through research, care and advocacy. We seek to achieve this by providing GOSH with resources and opportunities that would not ordinarily be available through the statutory authorities, but, we believe, are key to delivering world class care, support and research. We may also choose to support other parts of the National Health Service (NHS) associated with GOSH and/or support other NHS paediatric patients. We make grants to support paediatric research through our National Call.

In achieving our purpose, the Trustees have due regard to the Charity Commission's general guidance on public benefit, appreciating that the Charity exists to benefit the patients and families of GOSH. We structure our grants in a way that ensures the money raised is used to best effect

to support the hospital's work and is in line with donors' wishes as well as the Charity's mission and objectives.

We do not provide facilities directly to the public. Instead, we provide them to the hospital, which in turn ensures the patients and their families, and staff, are supported and receive world-class care.

Our grants are made to the hospital and nationally. Those made to the hospital provide a benefit to any patient requiring its services, which are available to all entitled to NHS treatment based on need. For those research grants made nationally, the findings impact children and young people not only at GOSH and throughout the UK, but across the world. We are proud to support research that informs a wide range of conditions affecting both children and adults, giving an increased understanding of the origins and biology of disease, and which not only improves the everyday experience of children living with rare and complex diseases but also advances treatments, cures and new interventions, resulting in a much wider societal benefit.

Modern slavery

Slavery and human trafficking are extremely serious human rights violations and cause for increasing concern throughout the world. This is especially relevant and worrying to us when this impacts the lives and wellbeing of children. As a result, we believe it is important that we never find ourselves in a position where we are directly or indirectly facilitating slavery or human trafficking.

GOSH Charity takes a zero-tolerance approach to slavery and human trafficking, and is resolute to identify and eliminate this, or any elements of it, from within its activities and supply chain.

As in previous years, we continue to work with predominantly UK-based suppliers and require them to comply with UK legislation. Each year we continue to focus on how we engage with suppliers which operate in sectors and jurisdictions at a higher risk from slavery and human trafficking. Our due diligence processes on prospective suppliers and other third parties we associate with are robust and undertaken on a proportionate, risk-based approach. Whenever we work with suppliers, it is on the basis that they, their employees and anyone they engage with, must comply with the principles set by the Charity.

We adopt an approach of continuous improvement and are committed to making sure all our staff have the support, training and awareness they need to work with suppliers who are aligned with our views and approach their activities ethically.

We are aware that vigilance is important in these matters and ensure we have clear processes to enable us to quickly identify and address any issues related to our activities that may be associated with slavery and human trafficking. We continue to be committed to continually developing the protections we have in place and each year we release an updated version of our Modern Slavery Statement on our website, that builds on previous statements and reflects on progress, setting out our aims for the future.



Equality, diversity and inclusivity (EDI)

We believe that becoming a more equal, diverse and inclusive organisation is not only the right thing to do, but that building a fairer future for all supports us in our Charity's mission.

Two years ago, we published our first ever EDI strategy, making a commitment both to our colleagues and our incredible supporters, that we will make the necessary changes to create a more equitable workplace and wider society.

EDI is about long-term change, and we still have more to do. However, we are proud of the progress we have made as an organisation this year, including:

- ▶ Hiring a permanent EDI and wellbeing specialist to lead the delivery of our EDI strategy as well as work to improve colleague wellbeing.
- ▶ Diversifying our organisational makeup by exceeding our ambition of having a 14% representation of ethnically diverse colleagues at an all-staff and leadership level by March 2023. As of April 2023, 25% of all colleagues are from ethnically diverse backgrounds. Our representation of disabled talent has doubled since last year, from 6% in April 2022 to 12% in April 2023. And our LGB+ representation continues to hold above-population level at 9%.
- ▶ Embedding EDI goals into our business planning so that all teams across the organisation now have business priorities directly related to EDI. This ensures that the importance of EDI reaches all areas of our organisation and is not siloed to any one function. Each team has elected a champion to push forward this work.
- ▶ Developing an EDI governance framework that supports our EDI strategy's delivery and success. This includes our EDI Programme Board, comprised of colleagues who support the steering and prioritisation of activities, and our Shared Learning Forum, which provides EDI project-related support to teams. We are now consulting our colleagues on the possible creation of Staff Networks or Employee Resource Groups.
- ▶ Creating a 'speaker series' and calendar of key campaigns to share learnings and expertise on

various thematic areas related to EDI. We have also been highlighting further resources, training courses and learning materials for all colleagues to develop their knowledge on EDI.

- ▶ Becoming a 'Disability Confident Committed' employer, agreeing to offer an interview to all disabled candidates who meet the essential criteria for a role, offer reasonable adjustments to colleagues and to review our recruitment processes, removing barriers to disabled applicants.

- ▶ Launching a Menopause and Menstruation Policy to help reduce stigma and provide quality support to colleagues experiencing negative symptoms of menopause and/or menstrual conditions.

While we have made significant progress, we know we still have more work to do if we want to ensure equity, diversity and inclusion is embedded at the core of our organisation. We also know this work will outlive our three-year EDI strategy and needs sustained focus to make impactful and lasting change. In the final year of our strategy, we will:

- ▶ Review our end-to-end recruitment cycle to ensure we identify and remove barriers at all points of the recruitment cycle.
- ▶ Work to increase our Disability Confident status from Level 1 to Level 2, becoming even more proactive in supporting disabled colleagues and applicants.
- ▶ Review our internal policies and processes to ensure the routes to accessing support as part of our policies are clear, and uptake is encouraged by all colleagues.
- ▶ Refresh our Brand, Marketing and Communications activity with an EDI lens to ensure all our materials are more representative of the hospital community, including patients and their families, and wider society.
- ▶ Revisit EDI training to ensure all colleagues who have joined the Charity since the first year of our strategy will be able to participate in EDI training.

Gender pay gap

Our gender pay gap data is an important measure of gender equality in our workforce, and one that will help to inform our plans and activities as we continue to work towards our EDI goals.

We have submitted our data – which shows the percentage difference between men and women’s median hourly earnings - since gender pay gap reporting began. However, this year, for the first time, GOSH Charity is required to publish our gender pay gap details, as we now have a headcount of over 250.

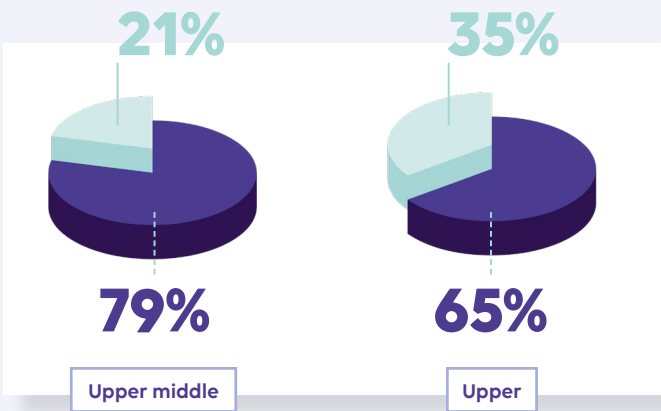
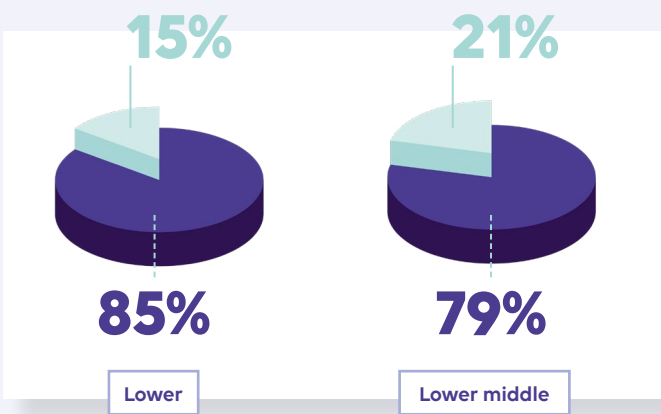
Like many charities, we have a predominantly female workforce. Just over three-quarters of GOSH Charity’s workforce is female, and our team of five Directors, led by

CEO Louise Parkes, comprises four females and one male. Our gender pay gap data for April 2023 and April 2022 is provided in the graphics below.

To note, the gender pay gap percentages reflect higher on average pay to males than females and therefore any reductions in these percentages represents an improvement to the gender pay gap.

Gender pay gap data 2022

Proportion of males and females in each pay quartile



Female
Male

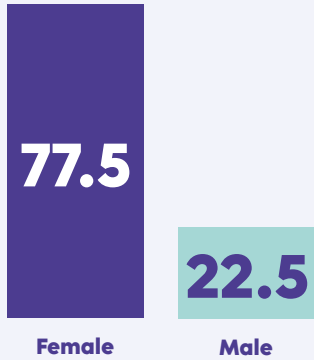
Mean gender pay gap

11.4%

Median gender pay gap

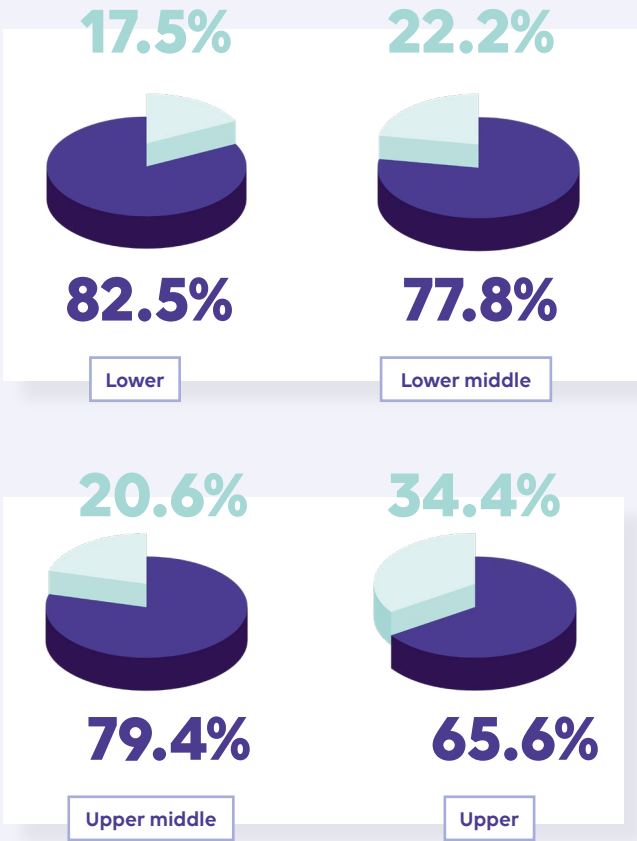
13.6%

Workforce by gender



Gender pay gap data 2023

Proportion of males and females in each pay quartile



Female
Male

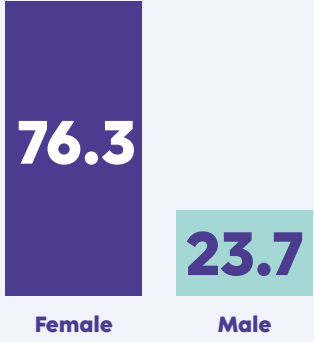
Mean gender pay gap

11.6%

Median gender pay gap

10.25%

Workforce by gender



Our mean gender pay gap has increased by 0.2% from 11.4% in April 2022 to 11.6% in April 2023.

However, the median gender pay gap has improved, by 3.35% from 13.6% to 10.25%.

While we see a yearly reduction in the median gender pay gap, which is the primary indicator, we can still do more.

We recognise that we continue to have a comparative imbalance of males in the highest quartile earning roles when considered against the overall male-to-female ratio of the charity. This has continued to be the case despite the recruitment of 17 more females and three more males in the upper quartile in the 2022/23 period.

Similarly, we have more females than males in the lowest pay quartile. Both issues impact our ability to reduce the gender pay gap and this continues to be a key area of focus for us.

We remain committed to attracting and developing a more diverse workforce to reduce our current gender pay gap and recognise that there is more work to be done in this regard.

Whilst not paid positions, as of April 2023, our Board of Trustees comprised five females (including the Chair) and seven males.

Equal pay

GOSH Charity is an equal pay employer, and we are confident that our gender pay gap is not the result of unequal pay between men and women for the same work, or work of a similar nature; it results instead as explained above.

Safeguarding

GOSH Charity believes everyone has the right to be safe, no matter who or what their circumstances and that a child, young person or vulnerable adult should never experience abuse of any kind.

In delivering our charitable objects, staff, Trustees and volunteers may come into contact with, either directly or indirectly, children, patients of the hospital, patient families and members of the public.

Our safeguarding policy robustly sets out our processes and we have a designated safeguarding lead. All our staff receive mandatory safeguarding training, and we regularly review our policy and training requirements to ensure they reflect best practice and comply with all current statutory and regulatory provisions for safeguarding protocols.

As an employer, we undertake standard employment reference checks and all relevant staff and Trustees are required to obtain a suitable Disclosure and Barring Service (DBS) check prior to commencement of service with the Charity. These checks are reviewed on a three-yearly basis.

The Charity also maintains a whistleblowing process, including an anonymous and external service that enables staff to raise in confidence any concerns they have.

Workplace health and safety

A key responsibility for the Charity is the health, safety and welfare of our employees, contractors, trustees, volunteers and visitors to our office. We have integrated health and safety into our culture and values, and we consider this to be part of everyday business. Our systems and procedures are designed to harmonise with other disciplines to ensure we comply with our legal obligations. Everyone attending our offices, or who carries out work activities on behalf of the Charity away from the office, should be entitled to do so within a safe environment.

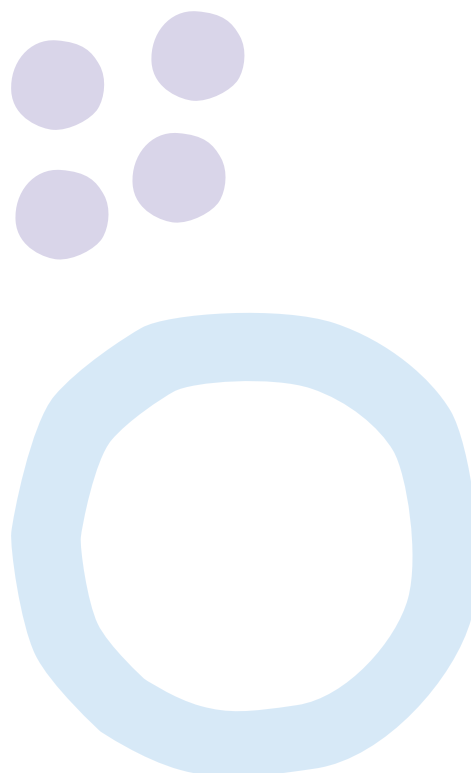
Like many organisations, during the year we continued to be cognisant of the impact of Covid on our working environment and health and safety obligations. Although we are no longer required to make explicit consideration in our risk assessments, we continue to comply with our legal obligations relating to health and safety, employment and equality duties. All Government restrictions have now been lifted and we continue to ensure measures are in place to provide a safe working environment and always follow guidelines, ensuring staff welfare drives our decision-making.

We continue to proactively monitor and regularly review our health and safety procedures to ensure they reflect the most up-to-date health and safety advice.

Treating People Fairly

GOSH Charity recognises that every individual is unique in their background, experience and circumstance. With this in mind, it stands that every interaction between the Charity and members of the public will also be different. Our intention is that fundraising is a positive experience for everyone, and we want to ensure that anyone donating to our Charity has the freedom to make an informed choice.

We require all staff, volunteers, agencies and other third parties working on our behalf to help protect those who may potentially be in a vulnerable circumstance. Our Treating People Fairly policy, alongside an annual training programme, provides staff with tools, guidance and indicators to help them identify if an individual would benefit from additional support in making an informed decision, as well as how to respectfully assess whether it's appropriate to accept a donation from an individual or continue a conversation with them.



Governance

Governance in ESG supports the principles, rights, responsibilities, and expectations of how our Charity is governed. A well-defined and well-structured governance system enables us to balance and align the various interests of all our stakeholders and support the Charity's long-term strategy.

We recognise that good governance is fundamental to our success. Having strong governance practices that are embedded into our operational activities enables and supports not just our compliance with laws and regulations, but also provides for better strategic decision-making and promotes a culture where we all work together towards the same strategic vision. Governance has a very broad scope and overlaps with the environmental and social factors of ESG, working together with these to underpin our activities. We have no doubt that good governance encourages a trustworthy, moral and ethical environment on which to base our activities.

Our Trustees are committed to our cause and have joined us because they want to help us deliver our charitable purpose most effectively for the public benefit. They are also committed to good governance and to continued

improvement and we are grateful to them for their time, commitment and the expertise their strong and varied skills bring to our Board.

Compliance with Companies Act, Charities Act and Charities SORP 2019

The Trustees confirm that the financial statements comply with the Companies Act 2006, Charities Act 2011 (as updated by the Charities Act 2022), the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2019, applicable accounting standards and the provisions of the Memorandum and Articles of Association for both the Charity and its subsidiaries.

Legal Structure and Governing Document, Related Parties and Subsidiary Companies

The Charity's legal structure as of 31 March 2023 is laid out below:



GOSIPL is a separate legal entity and subsidiary of GOSH Charity. GOSIPL is responsible for all commercial activities of the group, namely licensing, sales promotions and mail order. All surplus funds earned by GOSIPL are donated, under Gift Aid, to the Charity. GOSIPL has its own Board responsible for all governance issues. Financial details for GOSIPL are summarised in the notes to the GOSH

Charity financial statements, with their own audited financial statements filed as appropriate.

Much of the GOSH research funded by the Charity is undertaken in partnership with ICH (see Note 5 to the financial statements).

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

Trustees and Associate Trustees/ Independent Committee Members

As at the date of signing of this Annual Report and Accounts, the volunteer Board of Trustees consists of a Chair, a Deputy Chair, and 10 other Trustees, all of whom have been appointed for their relevant and individual skills and experience (see *below and the Legal and administration information on page 89 for more details*).

Trustees are appointed following a thorough recruitment process, including interview, for an initial fixed term not exceeding four years. At the end of the fixed term, they are eligible to be reappointed for further terms, up to a maximum of nine years in total.

In addition to our Trustees, we have a small number of Associate Trustees and Independent Committee Members who provide enhanced specialist skills and experience. They are appointed by Trustees as volunteers and work alongside Trustees, bringing their expertise to Board Committees. Similar to Trustees, their appointment is subject to a thorough recruitment process, and they serve an initial term of three years, before being eligible to be reappointed up to a maximum of nine years.

All our Trustees, Associate Trustees and Independent Committee Members are required to undertake an enhanced DBS check and are provided with a thorough induction programme on appointment that incorporates:

- ▶ Charity Commission guidance
- ▶ Charity documentation including the Articles of Association, Standing Orders, information about the Charity's history and organisational strategy
- ▶ Access to all Board and Committee papers and minutes
- ▶ Introductory meetings with:
 - the Chief Executive
 - Members of the Senior Leadership Team
 - Fellow Trustees, Associate Trustees and Independent Committee Members
- ▶ An introductory charity governance session with the Company Secretary
- ▶ Familiarisation with the hospital and key hospital personnel
- ▶ Completion of Trustee Training as relevant to their role

On an annual basis Trustees, Associate Trustees and Independent Committee Members are given the opportunity to attend at least two supplementary knowledge/awareness sessions on key topics and they are encouraged to attend externally arranged training events relevant to their role with the Charity.

In July 2023, Sandeep Katwala stepped down from his position on the Charity Board, as Deputy Chair of Trustees and as Chair of Governance, Reputation and Risk Committee. We would like to thank Sandeep for his considerable contributions to the Charity over his tenure with us.

Trustees

(01 APRIL 2022 TO 18 JULY 2023)

Anne Bulford CBE
Chair of the Board
Member of: Finance and Resources Committee

Anne is currently an independent non-executive of KPMG's Public Interest Committee, a non-executive director of Reach plc and a Royal Ballet Governor. Her prior roles include Deputy Director General of the BBC and Chief Operating Officer at Channel 4.



Sandeep Katwala
(to 18 July 2023) Deputy Chair of the Board
Chair – Governance, Reputation and Risk Committee
Member of: Property and Development Committee

Sandeep spent 25 years as a lawyer with the global law firm Linklaters LLP where he was a member of the Executive Committee and headed up the firm's EEMEA Region and India business.



Jennifer Bethlehem
Chair – Grants and Impact Committee

Jennifer is a Corporate Partner at Freshfields Bruckhaus Deringer LLP and leads the firm's global healthcare team. Prior to becoming a lawyer Jennifer practiced for over 10 years as a nurse.



Nicky Bishop
Chair – Governance, Reputation and Risk Committee (from 18 July 2023)
Member of: Governance, Reputation and Risk Committee

Nicky is a consultant in the charity sector, working with international and UK organisations on overall strategy and fundraising with a focus on children and sustainable development. Prior to this she was CEO of The Red Cross Children's Hospital Trust in South Africa, and Director of Fundraising at WWF-UK.



Karima Fahmy
Member of: Grants and Impact Committee
Property and Development Committee

Karima is a senior corporate lawyer and was previously General Counsel of Grosvenor Group, a privately-owned internationally-diversified property group. Karima currently holds a number of non-executive positions including on the Board of Latimer Developments Limited, the Clarion Housing Group Investment Committee, the University of Cambridge's Property Board and the University Board of Bournemouth University where she also Chairs the Audit, Risk & Governance Committee.



David Craig
 David Craig joined LSEG on completion of the Refinitiv-LSEG combination in January 2021 as Group Head of Data and Analytics. David co-chairs the Taskforce on Nature-related Financial Disclosures

endorsed by the G7 and G20. David is an Executive Fellow at London Business School Department of Strategy and Entrepreneurship and co-chairs the UK-India Financial Partnership for TheCityUK, HMT and India Ministry of Finance.



David Germain
Member of: Finance and Resources Committee

David has more than 30 years' experience as a leader of global technology and digital strategy. David is the Group Chief Information Officer at QBE, the international insurer and reinsurer. Previously, David worked for a number of world-leading financial services institutions in C-suite roles (RSA, General Electric, NatWest Group, Deutsche Bank and Close Brothers).



Louise Justham
Member of: Governance, Reputation and Risk Committee

Louise is Global Marketing Director at The Body Shop. Prior to this, Louise was the CEO at Easyfundraising, a socially focused online affiliate. Louise was also CEO at Seatwave an online ticket marketplace which was sold in 2014 to Ticketmaster. Louise has also held digital marketing roles at Thomas Cook, BSkyB and Carphone Warehouse.



Mark Sartori
Chair – Investment Committee
Member of: Property and Development Committee

Mark has retired from a career in capital markets where he worked in European Equities for Credit Suisse and Morgan Stanley. Mark also built a European Equities business for the Royal Bank of Canada.



Kevin Thompson
Deputy Chair of the Board (from 18 July 2023)
Chair – Finance and Resources Committee
Member of: Governance, Reputation and Risk Committee
Investment Committee

Kevin is a Director and Chair of the Audit Committee at Spirax-Sarco Engineering plc. Kevin retired in 2018 from Halma plc, a FTSE 100 global group of life-saving technology companies, where he was CFO from 1998 until 2018.



Mike Wiseman
Chair – Property and Development Committee

Michael is the current Head of Office Leasing and former Development Director at British Land. Michael has 20 years' experience working on all aspects of large-scale mixed-use development across the UK and has been with British Land since 2011. He has held a variety of senior positions within the business and currently leads on customer engagement across the office business. Michael has previously worked at ING Real Estate Development UK, Knight Frank and Oak Holdings. Michael is a member of the Royal Institution of Chartered Surveyors.



Professor Sir Doug Turnbull
Chair – Research Strategy Advisory Board

Doug was appointed a Trustee in 2022 and is Chair of the Research Strategy Advisory Board. He is Emeritus Professor of Neurology at Newcastle University. He was Director of the Wellcome Centre for Mitochondrial Research and Director MRC/BBSRC Centre for Ageing and Vitality until his retirement in 2020.



ASSOCIATE TRUSTEES

Andrew Stoker

Member of: Finance and Resources Committee

Andrew is the Chief Financial Officer of Rothesay. Andrew joined Rothesay in 2014 and is responsible for the finance, actuarial and HR functions. Andrew was previously a partner in EY's risk and actuarial practice and prior to that was Chief Actuary at Lucida plc. Andrew has also held roles at PwC, Tillinghast (now WTW) and Legal & General.



Joseph McDonnell

Member of: Investment Committee

Joe is Managing Director and Head of Portfolio Solutions at Neuberger Berman. Prior to joining Neuberger Berman, Joe spent 10 years as Head of Portfolio Solutions EMEA and Head of Diversified Alternatives for Morgan Stanley Investment Management. In this role he was a Senior Portfolio Manager for Key Strategic/OCIO mandates, Multi-Asset, Diversified Alternatives funds/mandates and structured solutions. Prior to this Joe spent 10 years in Corporate Defined Pension Plan management as Head of Investments at Shell International and as Head of Fixed Income for IBM Europe Retirement plans. He has been awarded the Chartered Financial Analyst designation.



Joe was a Trustee Director and member of the Investment Committee for Morgan Stanley Pension Funds (UK) from 2008 to 2018.

Mark Burgess

Member of: Investment Committee

Mark is a Partner at Tulchan Communications where he advises clients on a broad range of City and Shareholder related issues. Previously, Mark was Chief Investment Officer, EMEA and Deputy Global CIO at Columbia Threadneedle, a position he held for nine years. Prior to this, Mark was Head of Equities at Legal and General Investment Management and held senior roles at Morgan Grenfell Asset Management and Deutsche Asset Management.



INDEPENDENT COMMITTEE MEMBERS

Louise Sherwin

Member of: Property and Development Committee

Louise is a Director at Deloitte with over 15 years' experience advising on major regeneration and property development projects. Louise is also a Chartered Surveyor.



Tom Fitzgerald

Member of: Investment Committee (from 1 April 2023)

Tom has over 11 years' experience in the fund management industry. He joined EdenTree Investment Management in 2011 as an Investment Analyst and now co-manages a number of the firm's Responsible & Sustainable Global Equity strategies, including the Responsible and Sustainable Global Equity Fund, the EdenTree Green Future Fund and the 'Sustainable Global Equities for a Just Transition' segregated strategies. He is also deeply involved with Corporate Social Responsibility at the firm as a member of the EdenTree CSR Committee and the EdenTree Community Investment Fund.



The Board of Trustees

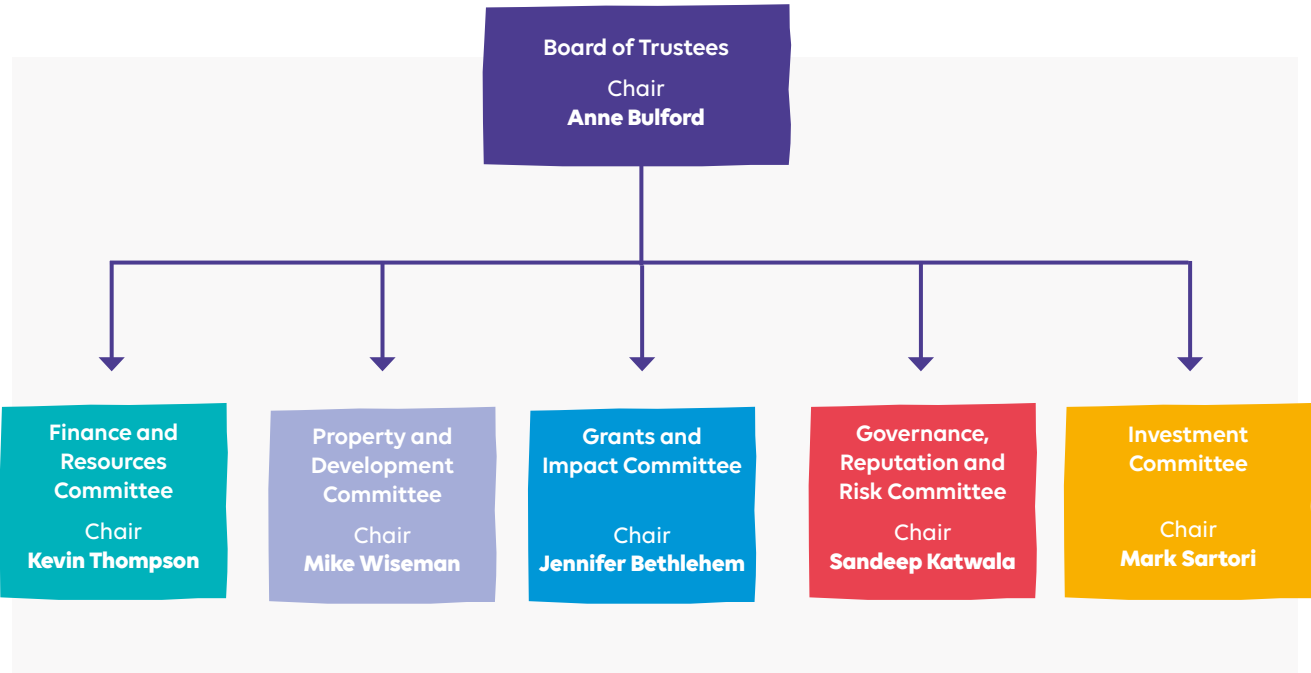
The Board of Trustees meets at least six times a year. It takes responsibility for putting in place and overseeing the governance of the Charity. The Board approves the Charity’s strategy and agrees strategic plans for fundraising and other activities, approving the allocation of charitable expenditure. Ad-hoc meetings may be called to deal with any matters of special interest outside of the scheduled meetings.

The Board sets out operating plans and budgets, determining the risk appetite and tolerances acceptable in achieving the Charity’s purpose and strategy. At each standard meeting, the Board reviews the operating and financial performance.

During the year, the Chief Executive and members of the Senior Leadership Team were invited to attend all meetings of the Trustees. The Board received presentations

from several guest speakers highlighting the importance and impact of the Charity’s funding. Senior managers from across the Charity were invited to present and/or discuss specific relevant topics.

The Board has five Committees that provide support in key areas, as represented in the diagram and following table below:



Governance, Reputation and Risk Committee

- ▶ Ensuring the Charity has a governance structure appropriate to its size and complexity and monitoring compliance with all governance policies, regulations, laws, and sector guidelines.
- ▶ Ensuring the Charity has appropriate internal audit provision and leading on the process for tendering and appointment/reappointment of internal auditors, approve annual internal audit plan, review non-financial internal audit findings, and monitor effectiveness of internal auditors.
- ▶ Policy setting and monitoring of all fundraising and digital activity, including the fundraising and digital strategies, fundraising practices, supporter commitment and use, guidelines and monitoring of third-party fundraising agencies and complaint monitoring.
- ▶ Engaging with other charities, charity regulators and other representative bodies to enhance the reputation of the charity sector.
- ▶ Reviewing risk management policy and risk register, monitoring all key non-financial risks of the charity, and ensuring the charity is operating within the risk appetite and tolerance levels set by the Board.
- ▶ Monitoring the Charity's reputation and setting policy for the identification, assessment, management, and resolution of material reputational risk to the charity as well as understanding the opportunities available to enhance the reputation of the charity.

Finance and Resources Committee

- ▶ Monitoring and reviewing the integrity of the Charity's financial statements and financial reporting, including the approval of all accounting policies and financial oversight of the Charity's trading subsidiary.
- ▶ Agreeing of both external audit and finance and resources internal audit plans and reports. Reviewing findings of external audit and finance and resources internal audits.
- ▶ Overseeing the process for appointing the External Auditor including setting the audit fees and reviewing effectiveness of the external auditors.
- ▶ Monitoring of technology projects plus financial aspects of major Charity projects.
- ▶ Reviewing of the annual business plan, budget and pay award proposal on which it makes recommendations to Trustees.
- ▶ Monitoring the operational arrangements in place in relation to procurement, information technology and cyber security, including overseeing the future technology strategy, including technology investment and projects.
- ▶ Overseeing the delivery and implementation of the Charity's people strategy including programmes relating to recruitment and retention, remuneration, transformation and change with general oversight of the charity's pension scheme.
- ▶ Overseeing the delivery and implementation of policies which reflect legislative requirements with respect to the reporting of equality, diversity and inclusion and monitoring progress of the charity in relation to these matters.



■ Investment Committee

- ▶ Monitoring the allocation and performance of the Charity's investment portfolios.
- ▶ Appointing professional advisors and investment managers, reviewing their appointment annually and evaluating their performance.
- ▶ Reviewing the investment strategy and related policies and recommending required changes to the Board of Trustees.
- ▶ Investing funds in accordance with the investment policy and in support of the Charity's financial plan and strategy.

■ Property and Development Committee

- ▶ Considering any material proposals of the charity relating to the Charity's property interests including without limitation the acquisition, disposal, development, capital expenditure on, mortgaging of or financing of such property.
- ▶ Reviewing and recommending to the Board the strategy for the Charity's estate in support of the hospital, ICH, and the Charity, and to monitor its implementation.
- ▶ Monitoring progress on all redevelopment projects that the Charity supports.
- ▶ Overseeing the Charity's disbursements relating to the hospital's property interests.

■ Grants and Impact Committee

- ▶ Recommending a research strategy for Board approval and recommending an overall grant making programme and grants strategy for the Charity.
- ▶ Awarding and varying grants within the grant award budget streams approved by the Board as part of the annual plan and ensuring such grants are compliant with the Charity's charitable objects.
- ▶ Monitoring grants provided for all charitable activities (excluding property and redevelopment) and overseeing the charity's disbursements programme.
- ▶ Assessing applications for funding and making recommendations to the Board including those from the Research Assessment Panel (RAP).
- ▶ Reviewing the programmes, policies and procedures relating to grant disbursement.

All our Committees report directly to the Trustee Board, meeting a minimum of three times per year.



Management

As Chief Executive, Louise Parkes has responsibility for ensuring that policies and strategies agreed by Trustees are applied and ensuring effective operational management of the Charity. The Chief Executive works alongside the Senior Leadership Team, made up of four executive directors, each of whom has responsibility, experience and expertise in specific areas key to ensuring the stability and development of the Charity, as well as wider knowledge and experience to drive sector-leading change. The Trustees meet with the executive directors during Board and Committee meetings (and frequently outside these meetings) to review and discuss ongoing critical and strategic issues, determining where Trustees can add best value to the Charity, beyond Board and Committee membership, whilst ensuring their independence.

Charity governance

Good governance promotes attitudes and a culture where everything works towards fulfilling the Charity's vision. It enables and supports the Charity in complying with its legislative and regulatory obligations. GOSH Charity has embedded high standards of governance into all activities, including its fundraising. It is committed to demonstrating exemplary leadership and governance, continually improving, and learning as the regulatory environment evolves.

Standards and monitoring

During 2022/2023, the Charity was supported by its experienced Corporate Services Department who provide subject matter expertise across all areas of governance, including corporate, legal, data protection and general compliance. The Corporate Services Department is supported by trusted external partners made up of professional organisations that provide additional resilience and specialist expertise as and when required.

The Governance, Reputation and Risk Committee supports the Trustee Board in meeting its overall responsibility for ensuring good governance. The Committee focuses on oversight, scrutiny and governance of fundraising regulation and reputation, legislative compliance and non-financial risks. The Charity continues to benefit from an internal Compliance Forum, which is chaired by the Company Secretary. The Compliance Forum meets three times a year and provides a framework for discussing and implementing an appropriate level of governance and compliance across operational activity and business functions. It reports through to the Governance, Reputation and Risk Committee. Membership of the Compliance Forum covers representation from across the Charity.

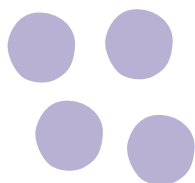
BDO were appointed to act as the Charity's internal auditors, taking over from Grant Thornton on 1 April 2022. An internal audit programme was delivered during the year which incorporated audits covering key areas including third-party agencies, complaints management and income processing. BDO provided regular reporting and considered support to the Governance, Reputation and Risk Committee and the Charity generally throughout the year.

GOSH Charity continued to maintain its governance review programme during the year. The review programme is made up of regular board evaluation exercises and reviews of governance practice against legislative, regulatory and best practice requirements. More information is detailed in the 'Board objectives and performance review' section below.

In addition to sector guidance, codes and regulations, the Charity is committed to the principles of the Charity Governance Code, which is used as a tool to benchmark its governance processes and evaluate its effectiveness. The Charity applies the principles and rationales laid out in the Charity Governance Code to support continuous improvement and underpin our values, helping to inform decision-making.

The Charity continues to keep abreast of changes, and potential changes, in legislation and regulation both within the charity sector and beyond. During the year, the Charity actively participated in the consultation issued by the Government into proposed new data protection legislation and has kept abreast of other legislative changes that may impact it, such as the phased implementation of the Charities Act 2022 and upcoming legislation such as the Economic Crime and Corporate Transparency Bill.

Our understanding, involvement and engagement with legislative and regulatory consultations provides us with the opportunity to help shape and build good practice, better understanding and developments across the sector.



Board objectives and performance review

In order for the Board to lead the Charity in delivering its charitable objects and public benefit in an effective and sustainable manner, the Charity employs a cycle of continuous improvement and review of its performance. This process evaluates the effectiveness of the Board structure, decision-making processes, and performance as part of its commitment to continuous learning and improvement.

In 2021/22, the Charity undertook an internal evaluation, and opportunities of note relating to its work on EDI, ESG and an Impact Framework were highlighted. During the year the Charity made good progress in these areas, continuing to embed the EDI Strategy and further developing its approach and principles around ESG and its Impact Framework.

During 2022/23, the Board commissioned an external Board Evaluation. This external and independent evaluation of the Board was conducted over the period September 2022 to November 2022 and was undertaken by Board Excellence. It comprehensively evaluated the Charity's Board, providing an independent assessment of the Board's effectiveness, performance and compliance with the UK Charity Governance Code and other relevant codes and guidance, alongside their own experience of board best practices. The review comprised reading through background material, a questionnaire that was completed by Trustees and the Senior Leadership Team, one-to-one interviews, and a Board observation.

In its summary report, Board Excellence highlighted that an effective Board requires the right people with the right attitude focusing on the right issues at the right time and supported by excellent papers. They have a model of assessment which ranges from dysfunctional to high

performance and overall, they considered the Board to be good approaching strong. Whilst they made observations and recommendations across a number of areas, they believed the greatest opportunity for development was in respect of where the Board focused its time and how effectively the papers set up the Board for the subsequent discussion at the meeting.

The Charity acknowledges the recommendations and outcomes in the report and the Company Secretary and Chief Executive are working with the Board to consider how best to incorporate these into the governance arrangements of the Board moving forward.

The Board, and each Committee, maintains a Board Plan and Forward Agenda system that facilitates agenda setting and strives to ensure Committees cover their delegated responsibilities as laid out in their Terms of Reference, with information, discussion and decision flowing up to the Board in the right way at the right time.

To support the overarching Board Evaluation process, each Committee undertakes an annual effectiveness review. This process was introduced during 2021/22 and these reviews are used as assurance that the Committee is supporting the Board effectively and that the Terms of Reference give clarity on responsibilities, with all matters being considered appropriately during the course of the year. The reviews for 2022/23 commenced in March 2023 and any necessary enhancements to the Terms of Reference for the Committee will be presented to the Board for its consideration and approval following completion of each review.

Section 172 – Carrying out duties, decision making and stakeholder engagement

The Trustees of the Charity understand that their duty as individuals and collectively is to act in good faith and within their powers to promote the success of the Charity for the benefit of our beneficiaries and wider stakeholders as well as the wider public. As such, Trustees take several factors into consideration when making decisions and carrying out their duties:

Long-term consequences

The Charity operates under strategic and long-term plans as detailed in this report. Detailed plans are developed to assist the Charity to achieve its long-term plans, and the Trustees consider decisions based on their impact on the long-term strategic plans of the charity. The Charity operates under a risk management framework, as set out on pages 66 to 76, which ensures Trustees inform all areas of risk that are considered in decision-making. The Charity has also introduced a long-term finance model, which considers long-term financial implications of decision-making.

The interests of employees

The Trustees are entirely conscious of the value that our staff bring in enabling the Charity to transform the lives of seriously ill children. Page 80 sets out the initiatives we have in place to listen to our staff and ensure their views are represented in decision-making.

Fostering relationships with beneficiaries, supporters and suppliers

As our principal beneficiaries, the needs of the hospital and ICH drive our activity. As we reached the end of Year 2 of our strategy, which puts children at the heart of our decision-making, with the clear purpose statement of ‘Transforming the lives of seriously ill children’, the Chief Executives of both the Charity and the hospital have continued to attend Charity Board meetings, ensuring Trustees are informed and updated on the issues and challenges faced by the organisation. The Hospital Priorities Steering Group continues to facilitate cross-organisational working, ensuring Charity funds are utilised to achieve the greatest impact and the charitable expenditure is aligned with the priorities of the hospital.

Patients and their families continue to form a central part of our decision-making process, as you can see on page 36. Our new research strategy was approved at the end of financial year 2022/2023, for implementation over 2023-2028 in partnership with the hospital and ICH, with an aim to increase our national research partnerships, expanding the reach of our funding, for the benefit of families everywhere. Our property strategy was in principle approved at the end of the financial year 2022/2023, ensuring that we are building a property portfolio that is central to the needs of patients and their families. We are also developing a new strategy for patient and family experience, with input from families on what best makes hospital visits a positive experience at every stage of the strategy development.

Our supporters and suppliers remain fundamental to our success. We are committed to following the Fundraising Regulator’s Code of Fundraising Practice, as described on page 79, and have refreshed and relaunched our Supporter Commitment during this year. Across the Charity, our staff work tirelessly to maintain relationships and ensure we provide our supporters and suppliers with a positive experience. The Charity continues to recognise the importance of holding relationships across the sector and actively participates and engages with its colleagues to the benefit of sector as a whole. Working in partnership continues to be a priority for us in line with our organisational strategy and we strongly believe this enables us to enhance our charitable activities.

The impact on the community and environment

We continue to be mindful of our role in the community and environment and our activities to develop, explore and promote ESG across the Charity is set out on page 42.

Guided by our Charity values, we remain committed to our charitable purpose of improving the lives of seriously ill children while ensuring we are conscious and considerate of our impact on the environment, and society, as a direct result. We will ensure we learn and develop our understanding and knowledge in this area, adopting and embedding policies that put ESG at the centre of our strategic objectives. As a trusted brand, we aspire to meet the expectation placed on us by the public, by being ambitious in applying the principles of ESG to the stewardship of our donors, supporters and stakeholders; delivering sustainable fundraising and charitable impact; our investment processes and the operations of our Charity.

Maintaining a reputation for high standards of conduct

The Trustees ensure full and appropriate compliance with all relevant regulations, laws and good governance requirements, and have a continued commitment to good governance as set out on page 63. The Trustees consider whether they have sufficient information when making decisions, and actively seek external advice from trusted third-party advisers or bodies such as regulators where necessary. The Trustees welcomed BDO as their new internal audit partner during the year and engaged them to carry out internal audits to ensure compliance and good practice throughout the operations of the Charity.

The need to act fairly between members

The Charity does not operate under a membership scheme and, therefore, Trustees do not believe this element of Section 172 applies to the Charity. However, as our stakeholders are primarily our beneficiaries, we aim to act fairly in how we allocate resources to projects by ensuring consistent review by committees as set out in pages 60 to 62.

Risk identification, mitigation, review and reporting

We encourage every member of the Charity to identify and report both existing and emerging risks on an ongoing basis. The Charity holds a centralised risk register that records and evaluates these risks agreeing mitigations as appropriate.

The Senior Leadership Team (also considered the key management personnel of the Charity as set out in Note 6.4) regularly review the risk register and all high rated net risks are reported to Trustees. Trustees acknowledge that some projects or activities may incur a residual high level of net risk but seek assurance that the actions and controls to mitigate the risks are robust and effective, and that all reasonable steps have been taken to minimise the risk, where it is felt that this exposure is appropriate to help meet the Charity's purpose.

The Board has delegated oversight of risk and reporting on risk to the Governance, Reputation and Risk Committee. The Governance, Reputation and Risk Committee considers and recommends to the Board the approach to risk appetite and management and monitors the Charity's management of all risk, including risks such as health and safety, fraud and whistleblowing.

As part of their Committee meetings, the Governance, Reputation and Risk Committee members undertake deep dives into activities, thus ensuring risks have been given due consideration and that there are appropriate levels of due diligence being carried out, with effective mitigations put in place.

Trustees recognise that risk is, by its nature, unpredictable. They obtain assurances on the general 'health' of the Charity from a wide variety of sources including presentations, internal and external audits, and external benchmark reporting.

The Governance, Reputation and Risk Committee and the Board also at least annually review and approve the Charity's Risk Management Framework, as set out below.

Risk Management Framework

All well-run organisations have a comprehensive risk management framework in place to identify risk areas and determine the organisation's risk appetite, i.e., the level of risk the organisation is willing to take. The risk management framework sits above the organisation's risk register, which records and rates significant risks, as well as recording mitigations in place and agreed actions to reduce risk.

Trustees are responsible for ensuring that GOSH Charity has an effective risk management framework and risk register in place and that these are reviewed regularly – annually for the framework, at least quarterly for the register.

Net risk is defined as the risk remaining to the Charity after all existing assurance and controls to manage the risk are taken into account.

Purpose driven approach to risk

The starting point for determining our risk management framework is our purpose. Our purpose is: To transform the lives of seriously ill children through research, care and advocacy.

In our risk management framework, we identify those net risk areas that could significantly impact the successful realisation of our purpose and strategy, and the assurance and controls we need in place to manage these risk areas most effectively, e.g., through risk elimination, reduction, mitigation and acceptance.

At the same time, we realise that some risk is inherent to us as an organisation and the environment we work in, as well as the activities required to deliver our purpose. We also recognise that not all risk is negative, and that we have a duty to take proportionate risks to maximise contribution and therefore the impact the Charity can have. We therefore accept a level of risk but always within the context of, and in a manner consistent with, our values.

Guiding principles

Our risk management framework sets out the overall boundaries within which the Charity operates, but we also need practical guidance that Charity staff can use on a day-to-day basis. We have therefore established guiding principles in respect of our net risk appetite, i.e., the level of risk we are prepared to accept.

Risk appetite definitions

The below table sets out brief common-sense definitions of what we mean by the different net risk appetite ratings. It is recognised that a level of judgement and subjectivity will apply to these qualitative definitions.

Net Risk Appetite Table

Net Risk Appetite	Definition
Zero	While accepting that no activity comes with literally zero risk, GOSH Charity does not have any appetite to accept any reasonable avoidable risk in this area.
Low	GOSH Charity is willing to accept some risk, but at a fairly minimal level, in relation to this area.
Low/Medium	This rating covers where some activities within the risk area fall into Low and some fall into Medium without it being considered practical to split this risk area into two or more.
Medium	GOSH Charity is willing to accept, and potentially seek out and promote, activities which come with a moderate amount of risk in this area.
Medium/High	This rating covers where some activities within the risk area fall into Medium and some fall into High without it being considered practical to split this risk area into two or more.
High	GOSH Charity is willing to accept, and potentially actively seek out and promote, activities which come with a significant risk, e.g., because the potential upside or gain warrants this approach.



Net Risk Management Framework Table

Risk area	Net risk appetite	Guiding principles
Legal and regulatory	Zero	We will be legally compliant in all aspects of our operations, and we take a zero-tolerance approach to slavery and human trafficking.
Organisational Culture	Zero	We will have an inclusive and diverse culture where people are proud to work. We have zero tolerance for discrimination or bullying/harassment.
Data loss or unplanned / unauthorised disclosure	Zero	We will not compromise the confidentiality of personal data, including ensuring any third-party processors uphold our standards.
Fraud	Zero	We recognise that some of our activities carry a risk of fraud. We will minimise this by reviewing where fraud risk exists and how best we can eliminate, mitigate, or otherwise control this risk.
Cyber	Low	We recognise there is a cyber risk of hacking into our systems, data theft and ransomware. We will minimise this by reviewing where cyber risk exists and how best we can eliminate, mitigate, or otherwise control this risk.
Environmental, Social and Governance (ESG)	Low	We will strive to maintain and improve performance regarding ESG and sustainability considerations, where relevant to the Charity's activities.
Reputation	Low	Our reputation is fundamental to realising our purpose and strategy and is integrally linked to the hospital's reputation and activities. We always aim to minimise risks to our reputation and to that of the hospital.
Advocacy	Low	We will advocate for change in line with our purpose and strategy. We accept this brings some risk, e.g., reputational, and financial, e.g., where others hold a different opinion.
Financial Sustainability	Low/ Medium	We will maintain a sustainable financial/business model that maximises charitable contribution and impact over the medium-long term with acceptable cost/income and charitable expenditure ratios. We recognise that within this model we may take moderate risks in order to realise our purpose and strategy, e.g., investment in non-cash assets, investment in fundraising, including innovation, and financing the Children's Cancer Centre.

Risk area	Net risk appetite	Guiding principles
Fundraising	Medium	We will fully comply with fundraising regulations and guidelines, including the Fundraising Regulator’s Code of Practice, and uphold sector standards in our fundraising activities, monitoring our fundraising activity to ensure that the public have a positive experience. Moderate risks may be taken in line with fundraising policies. These risks are managed on a business case basis, depending on the degree of risk and size of potential donation/income stream balanced against reputation considerations.
Research and Grants	Medium	We invest in many areas, including pure/basic research with no clear commercial return or guarantee of clinical success. We welcome this research as necessary in pursuit of impact from ground-breaking new science and clinical approaches, in line with our purpose and strategy.
Commercialisation of assets	Medium	We will regularly review and consider the various ways we can use all of our assets to provide the greatest impact, whether by income generation or direct charitable support.
Partnerships	Medium	We actively seek to work in partnership with others in order to further our purpose. We have a robust due diligence process to ensure partners work to the same high standards as us.
Digital	Medium	We invest in digital skills and technologies to optimise our data management and improve user experience.
Innovation	Medium /High	We invest in new, untried activities within acceptable financial and reputational constraints recognising that not all such activities will deliver their intended return.
Major capital projects	Medium /High	We recognise that major capital projects come with risks, e.g., scope changes, financial overruns. However, these projects also provide huge opportunities for us to deliver impact for children, e.g, the Children’s Cancer Centre, a hospital 2020-25 strategic goal. We ensure a robust process is applied for approval of these projects with appropriate gateways and milestones and further approval required regarding any changes to the original approved business case.

Identification of key risks: strategic priorities and impact

The risks below, relevant at the date of approval of this Annual Report, have been identified as the key net risks of the Charity that could have a materially negative impact on the ability of the Charity to deliver its strategy, along with the actions we are taking to mitigate these risks.

Trustees have reviewed these risks and believe that they are sufficiently controlled and mitigated against, as per the below table, such that they fall as applicable within the relevant risk appetites shown in the net risk management framework table above, noting that different key risk areas may have different net risk appetites and the individual risks all involve several key risk areas that may apply to different extents.

Net Risk High

Risk

Children's Cancer Centre (CCC) – project materially not delivered to level of ambition set out, or not delivered to agreed budget or project timescale

Key Risk Areas

Major Capital Projects
Financial Sustainability
Fundraising
Reputation
Research and Grants

Mitigations

- Programme is monitored through robust and established joint governance structures across the Charity and hospital, including the CCC Programme Board, CCC Oversight and Assurance Group as well as Charity and hospital Board and Committees. Process for escalation has been mapped out and proven to work on real issues.
- Transformation work is underway linked to cancer services and cancer research, including opportunity for national partnerships.
- Significant contingency, at the higher end of what is currently recommended, remains within the total available budget and is yet to be accessed. Additional inflation also built in at cost-check gateway.
- Charity Funding agreed with Hospital and governance in place to deal with any overspend.
- Charity and hospital affordability is closely monitored, and mitigation plan agreed through the Hospital Priorities Steering Group, were we to find ourselves in a worst-case scenario.
- Planning permission for the CCC has been received.
- Formal regular risk management reporting to begin now the project is at RIBA4.
- Regular, open and transparent communication with our donors on progress of the CCC project to maintain position as Charity of choice for donors.

Remaining risks

- Factors outside of our and/or the hospital's control impact materially on delivery of CCC.



Net Risk

High

Risk

Impact – We face significant challenges delivering the scale of our impact objectives set out in the organisational strategy, which, if realised, may reduce the transformational change we can make to the lives of seriously ill children through research, care, and advocacy.

Key Risk Areas

Financial Sustainability
Fundraising
Reputation
Research and Grants
Major Capital Projects

Mitigations

- Monitor priorities and impact through the Hospital Priorities Steering Group and funding committees, as well as External Advisory Boards. Their advice and recommendations help to ensure we spend the Charity's money in the most impactful way.
- Agreed a 10-year charitable expenditure plan linked to the fundraising strategy, with regular meetings with the Director of Finance and Resources to monitor affordability and agree the funding envelope.
- Impact framework in development and a draft 'theory of change' has been approved by Trustees that links projects to our charitable purpose. This will further ensure that funding is directed towards the most impactful projects. It will also evaluate retrospective impact.
- Increased focus on the sustainability of our funding portfolio and the opportunity to generate a commercial return and new income for the Charity, as well as the opportunity to leverage funding through partnership. This will help to make our money go further.

Remaining risks

- That other risks if realised result in less funds being available for charitable expenditure and impact.

Net Risk **High**

Risk

Fundraising Strategy – We are unable to deliver the full breadth of the Fundraising Strategy in significant areas of the portfolio, due to a rise in fundraising costs, key agency partners going into administration, changes in donor behaviour.

Key Risk Areas

Financial Sustainability
Fundraising
Reputation
Research and Grants
Major Capital Projects

Mitigations

- Breadth/diversity of portfolio and priorities; income projections are based on a most likely case with the potential for overperformance in some streams to counterbalance potential for underperformance in others, with regular reforecasting reported to Board.
- Increased target set for CCC Appeal Board given success of private phase to date and investment agreed for committed giving in 2023/2024.
- Increased roster of third-party fundraising agencies to minimise risk. Undertaken balanced negotiations re: 2023/2024 costs to ensure affordability for the Charity and sustainability for the agencies.
- Fundraising portfolio review undertaken to identify alternative events and products, focus for innovation pipeline and to prioritise activities in 2023/2024 plans.

Remaining risks

- Agencies face challenges recruiting fundraisers impacting volumes; cost of living impacts appeal response rates; supporter behaviour post-Covid continues to impact event participation; the costs of fundraising are further impacted by inflation.



Net Risk

Medium

Risk

High levels of uncertainty in the external environment, e.g., economic, health, political, security factors – reduce the Charity’s ability to raise income and deliver impact in line with the Organisational Strategy.

Key Risk Areas

Financial Sustainability
Fundraising
Reputation
Research and Grants
Major Capital Projects

Mitigations

- Diversity of sources of fundraising.
- Significant philanthropic pledges already secured for CCC to provide some sustainability, and protection against uncertain environment, along with increased investment in committed giving.
- Investment in and growth of innovation team and programme, with Mission and Money workstream to explore potential for other commercial ventures and additional income streams.
- Focus on and investment in supporter retention, to counteract challenges that might be experienced recruiting new donors.
- Launching Build It. Beat It. appeal in April 2023 to provide clear and compelling need for support.
- Developing fundraising plan for paediatric research opportunity.

Remaining risks

- Value of legacy bequests impacted by housing market; cost-of-living crisis impacting underlying giving; corporate/trusts focusing on cost-of-living causes; impact on corporates of current economic conditions.

Net Risk

Medium

Risk

Reputation – key issues/negative stories about our charitable activities, including how we fundraise, partnerships, compliance and/or data breaches and anything related to care and treatment delivered to patients in the hospital, negatively impact on our brand and profile and therefore risk our ability to fundraise and/or be a partner of choice.

Key Risk Areas

Financial Sustainability
Fundraising
Reputation

Mitigations

- Implementation and effective management of Partnership Governance Group to assess and manage risk of any current and new partnerships.
- Accept, Refuse and Return Policy in place, with oversight from Director of Fundraising and Governance, Reputation and Risk Committee.
- Regular review of complaints and compliance issues via the Compliance Forum.
- Effective crisis communications management plan in place – this is currently being reviewed/ strengthened.
- Regular meetings between Hospital and Charity Communications Directors to share live and potential future issues.

Remaining risks

- There is always a risk that reputation issues can occur due to factors outside of the Charity's or Hospital's control.

Net Risk

Medium

Risk

Loss of systems/data – successful cyber-attack and/or IT systems/disaster recovery failure results in significant data loss and/or impact on the Charity's ability to function.

Key Risk Areas

Cyber Security
Data loss or unplanned/unauthorised disclosure
Financial Sustainability
Fundraising
Reputation

Mitigations

- 24/7 monitoring, detection and threat analysis by Security Operations Centre and cyber security partner.
- Daily backup of all systems on a rolling cycle.
- Suitable firewall plus continued analysis of infrastructure endpoints for vulnerabilities with any issues identified, priorities and actioned.
- Secure devices including multi-factor authentication, encryption, anti-virus software and regular patch updates.
- Cyber security training and awareness platform providing three content drops over a four-week period, including monthly phishing simulation testing.
- Annual penetration testing with both internal and external ethical hacking. Remedial actions taken for any risks and/or issues identified.
- Red Team exercise carried out in January 2023 with no critical/high issues identified.
- Suitable third parties used by the Charity to provide cloud-based/managed services and systems with lowest level of access granted to them.

Remaining risks

- Increased sophistication in phishing attacks and other types of cyber-crime as well as third-party risk mean there is always some inherent residual loss of systems/ data risk.

Net Risk

Medium

Risk

People and Culture – we don't develop and nurture the internal culture needed to effectively recruit, support, reward and retain the best talent so they can flourish and excel in their roles and deliver our organisational strategy.

Key Risk Areas

Financial Sustainability
Fundraising
Reputation

Mitigations

- Values – new values launched in 2021/22, and better aligned to deliver our strategy, embedded across the Charity.
- Total Reward Project phase 1 completed, ensuring pay and benefits are competitive with comparator charities.
- Equality, diversity and inclusion (EDI) – updated action plan established and targets in place.
- Learning and Development programmes launched to develop leaders, managers and staff to ensure everyone is developed and equipped to be their best and deliver the strategy.
- Engagement through all staff survey to determine staff experience, culture and to identify areas for improvement, with appropriate plans in place and KPIs set to monitor progress.
- Recruitment process review in progress to ensure optimised to fully meet business need, including embedding EDI.
- People Policy project in progress to review all people policies, create a new appraisal and performance framework to instil a performance culture underpinned by our values.

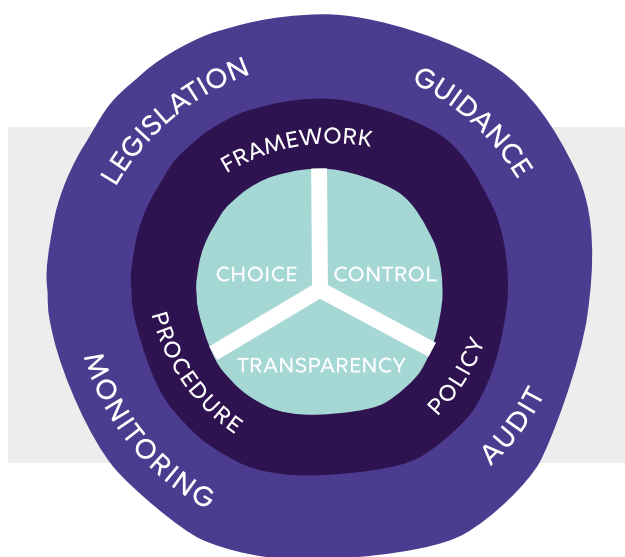
Remaining risks

- Current economic concerns.
- Staff productivity affected by post-Covid wellbeing issues.
- Candidate-led employment market.
- Hybrid working makes it harder to put desired culture in place.
- Turnover/lower engagement if people and culture offering does not meet staff expectations.

Data protection and information governance

The Charity recognises that individuals entrust us with, and allow us to gather information relating to, their support, fundraising, employment, and other matters as part of their contact with the Charity. Individuals do this with the confidence, and a legitimate expectation, that we will respect their privacy and act appropriately.

The Charity implemented its privacy management programme in 2018, to coincide with the implementation of the General Data Protection Regulation (GDPR). It continues to ensure this programme remains appropriate and fit for purpose in the evolving legislative framework following the UK's departure from the EU, its move towards UK GDPR and the Data Protection and Digital Information Bill working its way through Parliament.



The principles of Choice, Control and Transparency remain appropriate and our culture and values promote putting the individual first and ensuring compliance with privacy legislation.

The Charity's Company Secretary, Corporate Services, acts as our Data Protection Officer, and has operational responsibility for our compliance in this important area. The Company Secretary works closely with Trustees, the Governance, Reputation and Risk Committee, our CEO, the Senior Leadership Team, and all our staff and partners, ensuring engagement with and understanding of privacy and data protection across all our activities.

The Charity undertakes regular monitoring of both its own and trusted third-parties compliance against privacy legislation. Throughout the year, it has continued to support on matters surrounding the collection and processing of personal data, including developments on use of EDI data, and supporting the Fundraising Directorate on matters relating to data quality. The Company Secretary has kept abreast of the progress of the Data Protection and Digital Information Bill as it makes its way through Parliament,

recognising that this will result in changes to the legislative framework. Looking forward, the Charity will seek to review and refresh its Privacy Management Framework against the backdrop of legislative reform, and ensure it remains fit for purpose, continuing to place high importance of individuals rights whilst supporting the most effective and efficient support for the Charity's strategic priorities.

Cyber security

Hybrid working and continued global pressures, such as the war in Ukraine, have continued throughout the year, seeing an increase in cyber security attacks and phishing attempts. The Charity has encountered limited attacks, mostly from opportunists or groups running unsophisticated phishing attempts but is very aware that the technology industry continues to predict increased attacks that will grow in sophistication.

With this in mind, the Charity has continued to focus on cyber security and investing in enhanced technology and processes. Cyber security is an evolving area, and we maintain our commitment to keeping our processes, procedures and technology under review to ensure we mitigate risk as much as is possible to protect Charity systems and services.

During 2022/2023, the Charity invested in partnering with a cyber security specialist who has supported in the implementation and embedding of a cloud-based cyber security solution that provides assurances on the monitoring, detection and management of security risks in a robust and proactive manner. The specialist now works closely as an extension of our own technology experts, assisting us in key operational and strategic decisions going forward. The Charity further introduced additional training for Charity staff that supports the annual e-learning material. A Red Team exercise was carried out, testing the Charity's defences, and over the course of the year, further work is planned to provide assurances on the robustness of the Charity's defences.

Fundraising and Fundraising Standards

Principal fundraising activities

The Charity continues to benefit from a broad and diverse supporter base who choose to donate in a wide variety of ways.

During 2022/2023 the main forms of fundraising were:

- ▶ Regular giving – more than 216,000 supporters made regular donations, usually monthly, as well as over 50,000 supporters playing the weekly lottery.
- ▶ Individual donations – for example, major philanthropic donors giving to a specific project or individual supporters responding to a charity appeal, entering a raffle or our weekly lottery, or buying merchandise.
- ▶ Community fundraising – as Covid restrictions have relaxed, the Charity has been pleased to welcome the reintroduction of face-to-face events while maintaining the virtual and digital events that were introduced during the pandemic through Facebook challenges. Clothing collection bags continued following their introduction during 2021/2022.
- ▶ London Marathon – the Charity was proud to be the Charity of the Year partner for the TCS London Marathon in April 2023.
- ▶ Corporate fundraising – corporate partners chose to give donations to the charity, delivering cause-related marketing programmes and/or engaging with their employees to help raise vital funds.
- ▶ Legacies – we received notification of 645 legacy gifts this year, where supporters have chosen to give a gift to the charity in their Will.

Fundraising on our behalf

The Charity uses agencies and third parties to support with certain elements of our fundraising, including door-to-door, telephone and private site fundraising, as well as the processing of regular donations. Throughout the year, the Charity continued to work with a range of fundraising agencies and increased its direct dialogue fundraising activity to support its ambitious fundraising strategy. The Charity places great importance on ensuring the agencies and partners it works with are thoroughly vetted and briefed on the objectives and purpose of the Charity. It expects them to comply with and meet its high and exacting standards for fundraising activity, following the Code of Fundraising Practice, and embracing our Supporter Commitment and Charity values. The Charity provides detailed training to fundraising agencies and staff working on its behalf, ensuring they are fully briefed about the work of the hospital. The Charity regularly monitors and oversees their activities, using a combination of methods including call monitoring, mystery shopping, meetings, reporting, KPIs and internal audit.

We continue to maintain fundraising contracts with all our agencies and third parties who undertake fundraising activity on our behalf. Each contract is compliant with the

requirements of the Charities (Protection and Social Investment) Act 2016 and best practice requirements, outlining our expectations and requirements of the third party in relation to areas including but not limited to modern slavery, equality, diversity and inclusivity and data protection. We also incorporate robust oversight measures.

Supporter Commitment

It is thanks to our incredible supporters, partners and donors that we can raise the money the hospital so urgently needs. This enables us to fund rebuilding and refurbishment of the hospital, provide holistic care for children and their families, support life-changing research and purchase cutting-edge medical equipment.

We recognise that how we fundraise is just as important to us as how much we raise.

We strive to uphold our organisational values – we are curious, we are courageous, and we care – in everything that we do. It is this approach that guides our Supporter Commitment, outlined below. We promise to do our utmost to deliver this commitment to all of our supporters, and we pledge to always hold ourselves to the very highest of standards in doing so.

We care:

- We commit to treat you with the utmost respect, honesty and integrity.
- We comply with fundraising laws and practices.
- We work with our families to tell their story in a way that is positive and empowering for them.
- We will abide by your wishes with relation to how we use any personal data.

We are courageous:

- We have made this commitment as an addition to the Fundraising Regulator's fundraising promise.
- We want every interaction you have with us – whether that is in person, by telephone, email, letter or via social media – to be a positive experience.
- We are committed to lasting change.
- We will be conscious and considerate of our impact on the environment and society.

We are curious:

- We will show you how impactful your support is.
- We want you to hear from us in the ways that you wish to.

Our full Supporter Commitment is published on our website.

Complaints

Our Supporter Commitment recognises our pledge to help make every interaction with us a positive experience. However, we appreciate that sometimes this may not be the case and an individual may wish to make a complaint. We take all complaints seriously and strive to ensure we constantly improve our service to supporters. Our complaints policy adheres to best practice and is regularly reviewed to ensure that the processes for handling complaints are embedded within our Teams, and every complaint is treated with the respect it deserves.

For the year 2022/23, we received a total of 900 complaints. In comparison to previous years, this number is higher and is directly attributable to the fact that we have significantly increased our fundraising activity during the year in line with our new and ambitious fundraising strategy. We are confident that while this shows an increase in complaint numbers, the ratio of complaints against the volume of activity (0.01%) over the last two years has decreased from previous ratios.

Many of the complaints we receive are made in relation to the face-to-face fundraising activity we undertake. We acknowledge and appreciate that door-to-door fundraising does generate complaints, however it is a crucial form of fundraising that provides the Charity with the opportunity to talk to individuals and potential donors about the impact of their donation, which is a key part of our supporter commitment.

With this awareness of complaints against fundraising activity, we continue to have robust processes in place to monitor and review our activities, complaint numbers and ratios and maintain an awareness of the types of complaints coming through on a regular basis. We report on complaints regularly to our Senior Leadership Team and Trustees with the Governance, Reputation and Risk Committee supporting the Board in monitoring complaint management at each meeting.

Fundraising regulation

GOSH Charity is registered with the Fundraising Regulator and holds membership with the Chartered Institute of Fundraising and the National Council for Voluntary Organisations.

We are committed to ensuring that all our fundraising activity is undertaken not only in a way which meets the standards laid out in the Fundraising Code of Practice, but champions excellence in fundraising practice.

In line with our Accept, Refuse, Return Policy, and Charity Commission guidance, we ensure that robust due diligence is undertaken on all significant donations. We continue to face complex decisions about our fundraising activity, and the changing circumstances require us to continue to be flexible, act fast and adapt quickly. The external environment is challenging and impacts on our ability to fundraise, however, we work closely with our colleagues in the sector, including our fundraising agencies, and also maintain close contact with the Regulators. This open and transparent relationship with key stakeholders helps ensure our fundraising continues to be honest, open, respectful and legal.

Although Covid restrictions have now been relaxed, we remain mindful and cognisant of the impact the pandemic has had on individuals and continue to maintain an awareness and respect for others while undertaking our fundraising.

In 2017, the Fundraising Regulator set up the Fundraising Preference Service (FPS), as an alternative way for individuals to suppress contact from charities. During the year to 31 March 2023, we received 72 requests from individuals through the FPS who no longer wished to receive our communications, compared with 63 in the previous year. The Charity ensures it processes all requests received in this way promptly and has processes in place to ensure the wishes of the members of the public are respected, whether the individual chooses to use the FPS or update the Charity by other means.



Our people

Staff wellbeing and engagement

In 2022, we welcomed an EDI and wellbeing specialist into the Charity. Since then, we have focused on developing a more strategic approach to employee wellbeing around six key pillars. These are:

- 1 Mental health
- 2 Physical health
- 3 Social wellbeing
- 4 Financial wellbeing
- 5 Work/life balance
- 6 Learning and development

These pillars, alongside our organisational value of 'care', were at the core of our recent Total Reward review, which saw the Charity implement several initiatives to support colleagues and ensure a holistic approach to employee wellbeing in everything we do. [More detail on this can be found on page 81.](#)

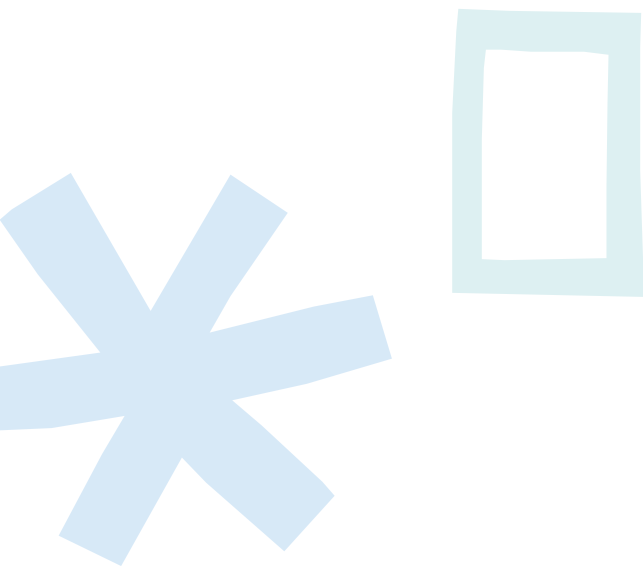
We introduced an improved occupational health service, a new Employee Assistance Programme where employees

can access up to eight counselling sessions per issue and 24/7 confidential advice on various areas that may cause stress and worry, as well as self-directed cognitive behavioural therapy programmes and access to wellbeing webinars. Later this year, we will train 16 colleagues to be Mental Health First Aiders.

We know the cost-of-living crisis has been a significant stressor for many people, including our colleagues, so we have also partnered with Schroders to provide free financial planning services and offered financial support to colleagues where necessary through a support fund.

We continue utilising our town hall meetings and staff representative groups to ensure we listen to colleagues' feedback on their wellbeing and act accordingly. All feedback on wellbeing will be fed into a comprehensive and enabling People Strategy.

We look forward to working closely with colleagues to embed a positive, honest and open culture towards mental health and wellbeing at GOSH Charity, creating an environment where all can thrive at work.



Staff engagement survey

A new staff engagement survey, **'The Happiness Index'**, was conducted in November 2022 by external provider WorkL. We had a survey completion rate of 83% and an overall engagement/happiness score of 74%

Our best results were instilling pride 84% (+15%), which is considered excellent in comparison to the charity sector benchmark data, job satisfaction at 75% (+4% sector) and empowerment 74% (+3% sector).

Our survey results meant we qualified for entry into the Sunday Times Best Places to Work Awards and were accredited as one of the Best Places to Work in the medium employer category.

We will be running a pulse survey in July 2023 to test progress since November 2022. The intention is to set our staff engagement KPIs based on the results achieved and to continue to run the survey on an annual basis each November to measure progress against these KPIs.

Recruitment

Following a year of relatively high turnover as we implemented the new organisational structure, in common with other organisations, we have seen this trend persist into 2023 as colleagues continue to move on for career development opportunities elsewhere. This turnover has meant we have welcomed many new starters to the Charity which has increased the diversity of staff within the Charity, which has been a real focus of our recruitment.

In March 2023, the Charity welcomed a talent acquisition specialist, recognising the need for a strategic approach to talent acquisition and on-boarding that will enable us to attract and retain high potential staff.

Learning and development

This year we launched **'Grow with GOSH'** which aimed to help create a high performing culture at GOSH Charity through a strategic approach to learning and development (L&D). We worked with an external provider to deliver leadership and management training to every member of staff who has a management or leadership role in the organisation. This enabled everyone across the organisation to understand what great management looks like and to take a consistent approach to nurturing and developing teams in the most effective way. Alongside this we have introduced LinkedIn Learning, which provides online access to professional development for all staff. The coaching and mentoring programmes focused on instilling a coaching culture and performance management to raise the confidence of our managers and leaders.

Embedding our values in our L&D offer has been a key feature of our L&D programme. This will be our focus in the redesign of our appraisal process, as well promoting better conversations to support high performance and a culture of continuous development.

Volunteering

Following the appointment of a Volunteering Business Partner, 2022/23 saw the start of a consistent and high-quality volunteering programme across the charity. An innovation workshop and policy and process gap analysis kickstarted this work, culminating in the development of a fresh Volunteering Policy, designed to underpin GOSH Charity involvement of volunteers for the future. The year also saw over 330 volunteers sign up to support GOSH Charity at the TCS London Marathon, utilising new external promotional avenues such as local volunteer centres and universities. Aspirations for volunteering in 2023/24 are high, with the focus on upskilling colleagues on their volunteer management skills, incorporating a strategic volunteering vision within the wider People Strategy and the development and implementation of a digital engagement tool to provide an effective and seamless volunteering journey.

Remuneration

At GOSH Charity we take a holistic approach to pay and reward, incorporating various financial and non-financial elements. We invest in our people and relate our rewards to our values, striving to focus on the things which are the most meaningful for our people and to encourage a positive relationship between work, reward and recognition.

Our approach to remuneration is led by our key principles:

- ▶ Equality and fairness to ensure that our pay decisions are always compliant with equal pay requirements.
- ▶ We seek to close the gender pay gap.
- ▶ We deploy a fair, consistent and transparent approach to evaluating roles.
- ▶ We match or go higher than the London Living Wage as of the date of our annual pay review.
- ▶ We use a range of reward measures wider than pay to ensure staff are recognised and valued for their contribution and supported in their wellbeing in both financial and non-financial ways.
- ▶ We commit to paying staff a fair salary that is competitive within the charity sector, proportionate to the complexity and responsibilities of each role.
- ▶ We seek to achieve the right balance between total reward and affordability and the need to run an effective and efficient organisation.

This year, we completed the first step of our Total Reward project, which aimed to ensure all staff were paid a fair salary for their role and to enhance our benefits package for employees.

To ensure staff are paid fairly, we benchmarked each role and compared the rate of pay to similar sized national charities with a London location. We set pay ranges for

every role based on the start, the median and the top of the range using the data provided. We then reviewed every member of staff's salary against this benchmark and committed to bringing everyone under the start of range up to that point.

To enhance our benefits package, we introduced several changes, including a commitment to reduce working hours from 37.5 hours to 35 hours to bring us into line with the charity sector generally, as well as improvements to our pension scheme alongside the new benefits laid out in the 'Staff wellbeing and engagement' section on page 80.

In addition to this, the April 2023 pay review saw all eligible staff receive the same increase in pay of 5%. In line with our new Pay Reward model, if the increase of 5% took a staff member over the top of the range for their role, the element of the 5% that took them up to the top of their range was consolidated into their salary, and the remainder was paid as a non-consolidated amount spread evenly over 12 months, i.e. it was not added to salary. Staff who were already at the top of the range received a 5% non-consolidated pay award spread evenly over 12 months.

Executive pay

In determining executive pay, the Board of Trustees pays close attention to the fact that our income comes from generous supporters who ultimately want the best for children and families at GOSH, and that our income fluctuates year-to-year depending on the projects we are fundraising for at the time. Recruiting and retaining a high performing executive team is crucial to the success of the Charity and as with the salaries of all staff, the salaries of the Executive Team are benchmarked both across the sector and industry as a whole and we pay market rate both in the sector and professionally. Charity executives received the same annual increases in pay as for all staff, as set out above.

Financial review

Income

The Charity had a strong financial performance in the financial year ended 31 March 2023.

Our total income of **£107.7m (2021/22: £74.5m)** represents an increase of £33.2m (45%) against the previous financial year's position. This is our highest ever total income, of which we are incredibly grateful.

Of the £107.7m income, £99.5m (92%) came from fundraising income streams, the top five categories shown in the chart below.

Increased activity and investment in fundraising has seen increased income against all five fundraising income streams. Of particular note is direct gifts, which has seen an increase of £15.8m. Legacy income is up by £9.0m, with community fundraising £2.0m higher, partnerships, campaigns, events and other income £2.1m higher and fundraising trading activities up £1.8m.

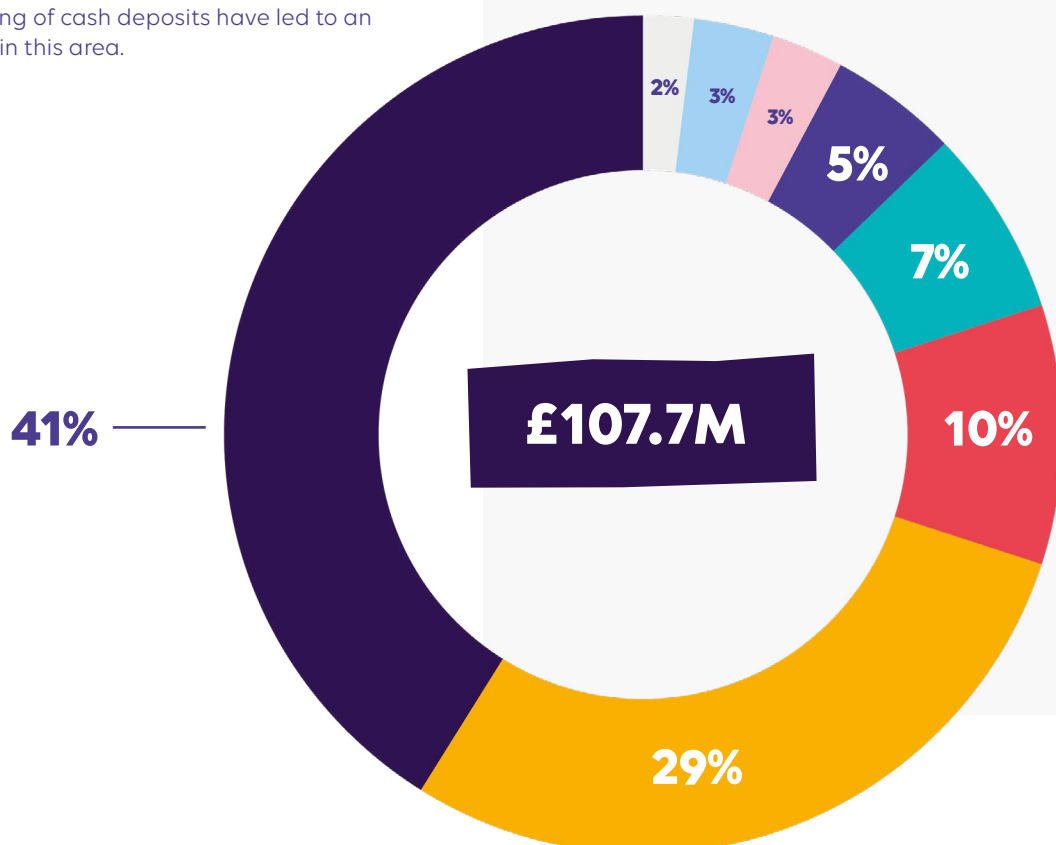
These five fundraising income streams ensure the Charity has a diversity of fundraising activities across a wide supporter base and helps provide resilience against challenges in one or more of these areas.

Of the £2.0m income from charitable activities, the majority was rental income arising from property owned by the Charity in support of the hospital (e.g. staff accommodation, family accommodation, the Zayed Centre for Research).

Investment income represents income from fixed term cash deposits and bank interest. Increased interest rates and more active placing of cash deposits have led to an increase of £3.1m in this area.

Where our income came from in 2022/23

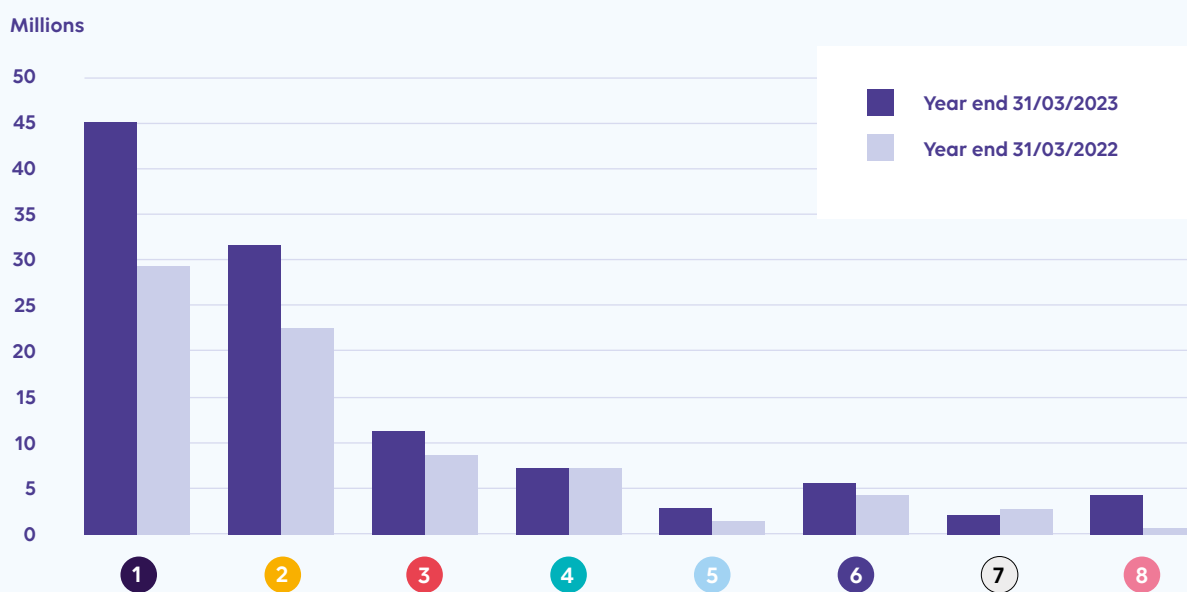
- Direct Gifts **£44.7m**
- Legacies **£31.0m**
- Community Fundraising **£10.9m**
- Partnership, campaigns and events **£7.8m**
- Trading activities **£5.1m**
- Investments **£3.5m**
- Other income **£2.7m**
- Charitable activities **£2.0m**



The private phase of fundraising for the Children’s Cancer Centre was launched during the year, which saw a number of high value donations and pledges totalling £135m. More detail is included within the Income section [\(page 35\)](#) and in the Children’s Cancer Centre section on [page 38](#). The public phase was launched towards the end of the year, with activity in this area expected to increase during 2023/24.

The Charity would like to thank all our supporters. Whether through making a regular monthly donation, taking part in or donating to a fundraising event, or leaving a gift in your Will, every supporter makes our work possible and helps transform the lives of seriously ill children. We are especially grateful for all your support during the cost-of-living crisis.

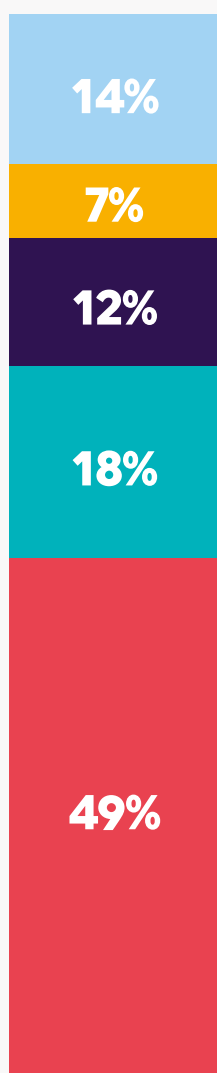
2023 Income Streams compared to prior year



- 1 Direct Gifts
- 2 Legacies
- 3 Community Fundraising
- 4 Partnerships, campaigns and events
- 5 Other Income
- 6 Trading activities
- 7 Charitable activities
- 8 Investments

Expenditure on charitable activities

£28.5M



- Patients, Family and Staff Support **£14.0m**
- Research **£5.1m**
- Technology and Innovation **£3.5m**
- Redevelopment and Environment **£1.9m**
- Property and Other **£4.0m**

How your money was spent

Of the £107.7m of income generated, our total expenditure in the year was £69.1m (2021/22: £59.2m), £9.9m higher than prior year.

Expenditure on running the Charity and raising funds was £40.5m (2021/22: £27.7m), an increase of £12.8m, mainly driven by the increase of £6.8m in expenditure on raising direct gifts from individuals and trusts, and in particular the acquisition of more regular givers, as we undertook year 2 of our transformational 10-year fundraising strategy. We recognise that investing, as we are, in long-term net income growth strategy can increase the cost to income ratio and decrease the charitable expenditure ratio (see left) in the short term but this investment is expected to have a material beneficial impact in future as the investment makes a positive return and increases the funds available to the Charity to spend on charitable activities and maximise our impact on the lives of seriously ill children.

Increases in community fundraising and mass participation events reflect the increased activity in these areas.

Ongoing focus is given to ensuring that the Charity maximises the cost effectiveness of its activities, obtains value for money and provides high standards of supporter care and compliance to fundraising standards.

Expenditure on charitable activities was £28.5m (2021/22: £31.5m), a decrease of £3.0m. Redevelopment and environment grant awards were £10.1m lower than in 2021/22, mainly due to lower commitments needed in the year for the Children’s Cancer Centre project, noting these are expected to increase in 2023/24 in line with project requirements. This decrease is largely offset by the £9.1m increase in patients, family and staff support, mainly due to the £5.6m award for the GOSH Learning Academy and awarding 18 months instead of 12 months for the annual patients and family funding. Property spend was £1.0m lower than in 2021/22 due to £1.3m of non-capital spend on Powis Place in the previous year.

Funding is provided by the Charity for research, welfare and clinical development, medical equipment and systems, and patient, family and staff accommodation and other support, as well as for redevelopment. Commitments made to the hospital’s redevelopment and major infrastructure, systems and equipment projects usually extend over a number of years, which can give rise to significant variations in expenditure and/or amounts held in the Charity’s designated funds from one year to the next.

Expenditure on raising funds and charitable activities includes an allocation of £12.1m (2021/22: £11.9m) for support costs, as required by Charity accounting rules and as set out in Note 4 to the financial statements.

Cost to income and charitable expenditure ratios

We are very aware that our work relies on the generosity and support of our donors. It is therefore very important that the Charity optimises the amount of donated funds available to fund charitable activity over time. One way of measuring this, is to consider the cost to income and charitable expenditure ratios.

We monitor and report both ratios over a rolling five-year period. We do this because the ratios inevitably vary from year-to-year and to account for material volatility in our annual income and charitable expenditure. This can arise due to the timings of large-scale hospital redevelopment projects against which we raise specific funds, particularly material donations from major donors and corporate partners.

A five-year average also spreads the impact of short-term investment in fundraising and therefore gives us a much truer picture of the long-term relationship between income raised and expenditure on charitable activities and raising funds than a one-year average would.

The cost to income ratio is defined as, on a rolling five-year basis, the amount of expenditure on raising funds (including the allocation for support costs, as set out in the previous section) as a proportion of total income, excluding gifts-in-kind from both amounts. The charitable expenditure ratio is then the balance to make 100%, recognising that some of this expenditure may fall in future years.

At the end of 2022/23 our rolling five-year charitable expenditure ratio was 68.6% (2021/22: 70.7%) and our cost to income ratio was 31.4% (2021/22: 29.3%).

Tangible fixed assets

Tangible fixed assets at 31 March 2023 of £248.1m (2021/22: £316.4m) mainly consist of properties, the freehold of which is owned by the Charity and used for clinical, residential and administrative purposes by the hospital, with the Charity carrying the associated risks and rewards for each asset.

These assets are held by the Charity to further its charitable purpose and are used by the hospital or the ICH. The largest part of the Charity's property portfolio is provided through long-term leases to the hospital at peppercorn rents to support clinical and research activities. Certain of the residential properties are let to key hospital staff to assist the hospital with recruitment and retention. Other residential property is provided, free of charge, to parents of children undergoing treatment at GOSH. The Zayed Centre for Research is leased to the hospital and ICH at commercial rates.

A full property valuation as at 31 March 2023 was carried out by Montagu Evans LLP, a property consultancy. Prior year valuation was conducted by Cluttons LLP, also a property consultancy. The Charity accepted that a change in valuer would likely result in a change in valuation outcome, which has been the case. However, there has

been no change in accounting policy, only a change in estimate. The overall valuation basis applied was 'fair value', which aims to reflect a market value for buildings and associated land but recognises that clinical/specialist buildings should be valued at depreciated replacement cost.

The valuation resulted in a net decrease in property value of £68.3m, which together with depreciation write-backs of £2.2m gives an overall unrealised loss for the year of £66.1m.

There are several contributing factors to the net decrease in property value which are expanded on in Note 9 to the accounts, page 113.

It should be noted that this reduction is reflected in the Charity's Tangible Fixed Assets and Property Revaluation Reserves which have reduced in total by £68.3m from £316.4m to £248.1m.

Investment policy and performance

The investment policy of the Charity is cautious, with the Trustees' priority being to preserve capital in order to meet existing and future commitments on capital programmes and other grants made. The Investment Committee continues to keep under review the Charity's investment policy and strategy and, in compliance with the policy, explore ways of improving investment returns that minimise the risk of capital loss. The Investment Committee will continue to review the allocation of the investment portfolio to ensure it remains appropriate for the commitments and future funding expectations of the Charity.

The Charity uses the services of a number of investment managers. The Charity's investment managers followed strict investment guidelines in line with the Charity's moral and ethical policy. This specifies that the Charity does not invest in tobacco or arms manufacturing, or any stock in which either tobacco or arms manufacture are the main or a material element, due to the negative impact they have on child health. In addition, Environmental, Social and Governance (ESG) factors must be central considerations in the investment process of each manager.

The total investment portfolio including cash at 31 March 2023 was £274.6m (31 March 2022: £253.5m) divided between the long-term investment portfolio, short-term cash deposits and cash held in our bank accounts.

The value of the long-term portfolio at 31 March 2023 was £91.9m (31 March 2022: £98.0m). This portfolio holds the Charity's invested risk assets and made an unrealised loss of £6.1m during the year.

There are many factors which can influence movements within the portfolio. It is noted that the unrealised loss of £6.1m represents a point in time at year end against a backdrop of economic pressures, rising interest rates, the war in Ukraine and the changes in UK Government during the year. The later end of the year saw funds held with both LGIM and Aberdeen Standard start to settle and expectations are that the performance of our long-term investments may pick up in 2023/24. The Investment

Committee meet several times a year where fluctuations within the portfolio are carefully considered and fund managers asked to present on the performance of our funds held with them.

The short-term deposits portfolio of £135.7m at 31 March 2023 (31 March 2022: £113.2m) is held across a number of UK banks, deposits with Royal London Cash Management and a short-term fixed income portfolio managed by HSBC. The increases in Bank of England base rate during the year have created opportunities with fixed term deposit rates increasing and we are seeing higher interest income in this regard. The Charity recognised £3.5m of fixed term deposits and bank interest.

Remaining funds are held as cash in our bank accounts as working capital to facilitate standard working activities. The balance at 31 March 2023 was £47.0m (31 March 2022: £42.3m). A formal Treasury policy was implemented during 2022/23 to maximise the benefits from holding this level of cash, particularly given increasing interest rates on fixed term deposits. Any further amounts invested or placed with deposit holders will align to the Liquidity, Funds & Reserves policy ensuring that sufficient working capital is always available to meet the Charity's running costs and commitments due.

As part of the ongoing governance of our investment portfolio, the Investment Committee carry out regular reviews of investment performance and aim to meet with investment managers once a year.

Liquidity, funds and reserves

The total funds and reserves of the Charity decreased in the year by £33.5m to £487.8m at 31 March 2023. They match the total net assets of the Charity as shown on the balance sheet with detailed breakdowns shown in notes 18 and 19 to the financial statements. The primary reason for the decrease is the property valuation decrease, offset by increased income.

The Charity works within a Liquidity, Funds and Reserves Policy. This policy sets out the Charity's approach to these areas and the key points are set out below.

Liquidity and going concern

The Trustees are keen to ensure that funds donated to the Charity are not only used on the highest priorities delivering the most impact but also that these funds are used promptly so that the benefits can be realised as soon as possible. The Trustees need to balance this objective with the need to maintain financial prudence and ensure the long-term financial sustainability of the Charity and that the Charity remains a 'going concern', i.e. is able to meet its liabilities as they fall due. This is particularly important when the Charity commits to significant multi-year redevelopment projects for the hospital, e.g. the Children's Cancer Centre, for which significant fundraising will be required post commitment.

The Charity's policy requires it to hold sufficient liquidity to cover at least two years of projected total Charity and charitable expenditure, as set out in the Charity's finance model. The Charity's liquidity is the total of its cash,

short-term deposits and long-term investments (all of which can readily be liquidated if required) as shown on the balance sheet.

Long-term financial modelling has been undertaken which considers various scenarios and stress tests. This modelling gives reasonable assurance that the Charity has, and will continue to have, sufficient liquidity and is, and will continue to be, a going concern for at least 12 months from the balance sheet signing date.

General funds

Given the Charity's approach to designated funds and reserves set out above, general funds are held by the Charity to ensure that there are sufficient funds to cover our short term working capital requirements as well as provide resilience against financial shocks.

Based on its financial modelling, the Charity has determined that general funds of £20.0m should be held at all times and this is the level held at year end as shown on the balance sheet.

Designated funds and reserves

Trustees may, at their discretion, and ensuring there is a suitable rationale, set up designated funds and reserves for specific purposes. Designated funds and reserves are part of unrestricted funds along with general funds. Detail regarding all designated funds and reserves is shown in Note 19 to the financial statements.

Designated funds

Designated funds are those funds set aside for future charitable commitments and expenditure in line with the Charity's purpose.

The Charity has three designated funds:

- ▶ Research fund
- ▶ Property Redevelopment fund
- ▶ Other Charitable Commitments fund

The three designated funds operate as follows:

Research fund: the Charity's policy requires it to hold a balance based on c. 50% of projected research expenditure over the next 5 years. The reason that c. 50% of projected spend over the next 5 years is used for the Research and Other Charitable Commitments funds is that it is sensible, and desirable, for some annual income to be used for these purposes. We also expect that some funding for these purposes will be raised as restricted income.

Property Redevelopment fund: the Charity's policy requires it to hold a balance set as the balance of unrestricted funds once the criteria of the Research fund, the Other Charitable Commitments fund and General funds (see below) have been met.

Other Charitable Commitments fund: the Charity's policy requires it to hold a balance based on c. 50% of projected charitable expenditure (other than research and property redevelopment expenditure) over the next 5 years.

Designated reserves

Designated reserves are those funds set aside to match Charity fixed assets as per the balance sheet as well as any unrealised gains or losses on the Charity's investments.

The Charity has four designated reserves:

- ▶ Tangible Fixed Assets reserve
- ▶ Property Revaluation reserve
- ▶ Intangible Fixed Assets reserve
- ▶ Investments Revaluation reserve

The total of the Tangible Fixed Assets reserve and the Property Revaluation reserve match the total Tangible Fixed Assets on the balance sheet.

Restricted funds

Donors may place restrictions on their donations, e.g. to research, medical equipment or a property redevelopment project. Restricted funds represent the balance of restricted income and related restricted expenditure according to the income and expenditure accounting policies as set out in Note 1 to the financial statements.

The Charity holds a number of different funds to support specific activities chosen by donors which fall within the objects of the Charity.

At 31 March 2023, restricted funds were held of £49.5m (2021/22: £15.0m).

Endowments

Endowment funds are restricted and held permanently in accordance with any restrictions placed on the individual funds, e.g. to generate funds to support specific charitable purposes or to increase general funds to support all our charitable work.

The Charity holds five endowments totalling £0.7m (2021/22: 5 endowments, £0.7m).

Provision

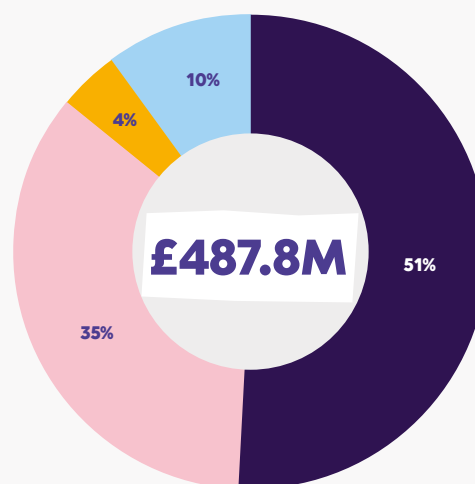
In 2021/22, a historic potential exposure came to light concerning potential employer NHS pension contributions between 2006/07 – 2014/15. This matter has been reported to the Charity Commission, The Pensions Regulator and NHS Pensions. Work is ongoing to resolve this matter and an annual indexation uplift of £0.2m has been added to the provision for 2022/23. The provision of £1.6m remains the best estimate of the potential exposure. Please see Notes 1 and 21 to the accounts for more details.

GOSIPL

As a trading subsidiary of GOSH Charity, Great Ormond Street International Promotions Limited (GOSIPL) Gift Aided 2022/23 profits of £1.1m to GOSH Charity (2021/22: £0.5m).

Funds & Reserves Allocation

The Charity's fund balances are split as follows:



- Designated Reserves **£246.5m**
- Designated funds **£171.1m**
- Restricted and endowment funds **£50.2m**
- General funds **£20m**

Legal and administrative details

From 01 April 2022 to 18 July 2023

Great Ormond Street Hospital Children's Charity

Registered charity number 1160024
Company House number 09338724
Incorporated England and Wales

Great Ormond Street International Promotions Limited (GOSIPL)

Company limited by share capital. Registered number 02265303, Incorporated England and Wales

Principal and registered office

40 Bernard Street,
London WC1N 1LE
T: 0203 841 3841
www.gosh.org

Trustees

Anne Bulford CBE (Chair)
Sandeep Katwala (Deputy Chair) (*retired 18 July 2023*)
Jennifer Bethlehem
Nicky Bishop
David Craig
Karima Fahmy
David Germain
Louise Justham
Mark Sartori
Kevin Thompson (Deputy Chair) (from 18 July 2023)
Professor Sir Douglass Turnbull
Mike Wiseman

Summary of Charity's objects

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

Associate Trustees/Independent Committee Members

Mark Burgess
Thomas Fitzgerald (appointed 1 April 2023)
Joseph McDonnell
Louise Sherwin
Andrew Stoker

Executive Directors

Louise Parkes (Chief Executive)
Bill Cunningham (Director of Finance and Resources)
Emma Guise (Director of Marketing and Communications)
Kiki Syrad (Director of Impact and Charitable Programmes)
Liz Tait (Director of Fundraising)

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place, London WC2N 6RH

Bankers

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

Investment Managers

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

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

Legal and General Investment Management
One Coleman Street, London EC2R 5AA

Aberdeen Standard
35a Avenue JF Kennedy
L-1855 Luxembourg

Statement of Trustees' responsibilities

The Trustees (who are also Directors of Great Ormond Street Hospital Children's Charity for the purposes of company law) are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the Trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- ▶ make judgements and accounting estimates that are reasonable and prudent; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Trustees are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

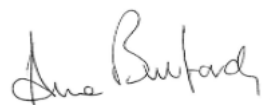
The Trustees are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Trustees' confirmations

In the case of each Trustee in office at the date the Trustees' report is approved:

- ▶ so far as the Trustee is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- ▶ they have taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the group's and company's auditors are aware of that information.



Anne Bulford

CBE Chair

Approved by the Board of Trustees on 18 July 2023



Main entrance of the hospital

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

Report on the audit of the financial statements

Opinion

In our opinion, Great Ormond Street Hospital Children's Charity's group financial statements and parent charitable company financial statements (the "financial statements"):

- ▶ give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2023 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated and charity balance sheets as at 31 March 2023; the consolidated statement of financial activities (incorporating an income and expenditure account) and the consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the parent charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Trustees' Report, we also considered whether the disclosures required by the UK Companies Act 2006 and Charities Act 2011 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Trustees' Report for the period ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and the Trustees' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine 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 group's and parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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.

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.

Based on our understanding of the group and parent charitable company and their industry/environment, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and the manipulation of key accounting judgements and estimates. Audit procedures performed by the engagement team included:

- ▶ enquiring of management and the board of trustees, including consideration of known or suspected instances of fraud and non-compliance with laws and regulations;
- ▶ reading minutes of meetings of the Board of Trustees and Board subcommittees, including the Finance and Resources Committee;
- ▶ reviewing correspondence with regulators, including the Charity Commission for England and Wales;
- ▶ understanding and evaluating the group's and parent charitable company's control environment;
- ▶ identifying and testing journal entries, including journal entries posted with unusual account combinations to income or expenditure accounts;
- ▶ assessing the reasonableness of key accounting judgements and estimates, including accrued legacy income and the valuation of land and buildings; and
- ▶ assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in financial statements. Also, 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 or intentional misrepresentations or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Daniel Chan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London 18 July 2023

Financial Statements

Great Ormond Street Hospital Children's Charity Consolidated statement of financial activities for the year ended 31 March 2023 (incorporating an income and expenditure account)

	Note(s)	Unrestricted funds £000	Restricted and endowment funds £000	Year ended 31 March 2023 £000	Unrestricted funds £000	Restricted and endowment funds £000	Year ended 31 March 2022 £000
Income and endowments from:							
Donations and legacies	2.1	71,245	25,846	97,091	60,417	7,855	68,272
Trading activities	2.2	2,786	2,274	5,060	1,523	1,749	3,272
Investments	2.3	3,528	7	3,535	465	4	469
Charitable activities	2.4	1,735	270	2,005	1,466	1,061	2,527
Other activities	2.5	-	-	-	1	-	1
Total		79,294	28,397	107,691	63,872	10,669	74,541
Expenditure on:							
Raising funds	3.1	40,534	-	40,534	27,748	-	27,748
Charitable activities	3.2	7,137	21,380	28,517	8,097	23,360	31,457
Total		47,671	21,380	69,051	35,845	23,360	59,205
Net income before (losses)/gains on investments		31,623	7,017	38,640	28,027	(12,691)	15,336
Net (loss)/gain on investments		(6,121)	-	(6,121)	1,567	-	1,567
Net income/(expenditure)		25,502	7,017	32,519	29,594	(12,691)	16,903
Transfers between funds	19.1/19.2/19.3	(27,544)	27,544	-	(14,179)	14,179	-
Other recognised gains:							
Net (Loss)/gain on revaluation of fixed assets	9	(66,050)	-	(66,050)	6,998	-	6,998
Net movement in funds		(68,092)	34,561	(33,531)	22,413	1,488	23,901
Reconciliation of funds:							
Total funds at the beginning of year		505,691	15,624	521,315	483,278	14,136	497,414
Total funds carried forward 31 March		437,599	50,185	487,784	505,691	15,624	521,315

Notes 1 to 25 form part of these financial statements.


All amounts relate to continuing operations. All gains and losses recognised in the year are included in the consolidated statement of financial activities.

Great Ormond Street Hospital Children's Charity
Consolidated and Charity Balance Sheets
 As at 31 March 2023

	Note(s)	Consolidated		Charity	
		Total at 31 March 2023 £000	Total at 31 March 2022 £000	Total at 31 March 2023 £000	Total at 31 March 2022 £000
Fixed assets					
Intangible assets	8	3,026	3,847	3,026	3,847
Tangible assets	9	248,061	316,383	248,061	316,383
Long-term investments	10	91,895	98,016	91,895	98,016
Total fixed assets		342,982	418,246	342,982	418,246
Current assets					
Stock	11	35	26	-	-
Short-term deposits	12	135,706	113,225	135,706	113,225
Debtors	13	33,639	21,224	34,493	22,068
Cash at bank and in hand		47,048	42,321	46,104	41,439
Total current assets		216,428	176,796	216,303	176,732
Creditors: amounts falling due within one year	14	49,933	52,678	49,833	52,639
Net current assets		166,495	124,118	166,470	124,093
Total assets less current liabilities		509,477	542,364	509,452	542,339
Creditors: amounts falling due after more than one year	15	20,095	19,649	20,095	19,649
Provisions for liabilities	21	1,598	1,400	1,598	1,400
Total net assets		487,784	521,315	487,759	521,290
Funds and reserves					
General funds	19.3	20,000	20,009	19,975	19,984
Designated funds	19.3	171,066	163,883	171,066	163,883
Designated reserves	19.3	246,533	321,799	246,533	321,799
Total unrestricted funds and reserves		437,599	505,691	437,574	505,666
Endowment funds		664	664	664	664
Restricted income funds		49,521	14,960	49,521	14,960
Total restricted and endowment funds	19.1/19.2	50,185	15,624	50,185	15,624
Total funds and reserves		487,784	521,315	487,759	521,290

Net income (£000) for the charity for the year before consolidation was £31,373 (2021/22: £16,248).

The notes on pages 98 to 125 are an integral part of these financial statements. The financial statements on pages 95 to 125 were authorised for issue by the Board of Trustees on 18 July 2023 and were signed on its behalf on 18 July 2023.



Anne Bulford CBE, Chair

Great Ormond Street Hospital Children's Charity
 Company number: 09338724
 Charity number: 1160024

Great Ormond Street Hospital Children's Charity
Consolidated statement of cash flows
 For the year ended 31 March 2023

	Year ended 31 March	Year ended 31 March
Note	2023	2022
	£000	£000
Cash flows from operating activities:		
Net cash generated from operating activities	20.1	23,693
		12,243
Cash flows from investing activities:		
Dividends and interest from investments	2.3	3,535
		469
Purchase of property, plant and equipment	9	(20)
		(563)
Purchase of investments	10	-
		(10,000)
Net cash used in investing activities		3,515
		(10,094)
Change in cash and cash equivalents in the reporting year		27,208
		2,149
Cash and cash equivalents at the beginning of the reporting year		155,546
		153,397
Cash and cash equivalents at the end of the reporting year	20.2	182,754
		155,546
	Total at	Total at
	31 March	31 March
	2023	2022
	£000	£000
Analysis of cash and cash equivalents:		
Cash in hand		47,048
		42,321
Short-term deposits	12	135,706
		113,225
Cash and cash equivalents at the end of the reporting year		182,754
		155,546

Notes to the financial statements

1. Accounting policies

1.1 Accounting policies

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

1.1.1 Company information

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

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

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

1.1.2 Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis as a public benefit charity, under the historical cost convention, as modified for the revaluation of certain investments and properties measured at fair value, and in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities Act 2016 and the Companies Act 2006. No separate Statement of Financial Activities (SOFA) has been presented for the charity alone, as permitted by section 408 of the Companies Act.

Total income (£000) for the charity before consolidation was **£106,094 (2021/22: £73,619)** with total expenditure of **£68,600 (2021/22: £58,938)**. Net income (£000), excluding investment losses, for the year was **£37,494 (2021/22: £14,680)**.

The consolidated and financial statements are presented to the nearest thousand (£000) except where otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and charity accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.1.5.

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

The parent charity has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the charity's cash flows;
- ii) from certain financial instrument disclosures required under FRS 102 sections 11 and 12, as the information is provided in the consolidated financial statement disclosures.

1.1.3 Going concern

The charity meets its day-to-day working capital requirements through cash held in the bank and aligned with current internal treasury practices. The charity's forecasts and projections, taking account of possible changes in performance including a range of scenarios,

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

show that the charity should be able to operate within the level of its current facilities. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date the financial statements were authorised for issue.

As described above and in the Annual Report, following the Trustees' assessment of going concern (see page 87), the Trustees continue to adopt the going concern basis in preparing the financial statements.

1.1.4 Basis of consolidation

The consolidated financial statements of the charity incorporate the financial statements of the Company Limited by Guarantee and its wholly-owned subsidiary undertaking, Great Ormond Street International Promotions Limited (GOSIPL). Intercompany transactions and balances between charity companies are eliminated. Consistent accounting policies have been adopted across the group.

The net assets of subsidiaries at the date of association are assessed on a fair value basis for the purpose of consolidation into the results for the group.

1.1.5 Critical accounting judgements and estimation uncertainty

The charity makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical Accounting Judgements

(i) Recognition of legacy income

Legacy income from residuary estates requires judgement due to its variability and is recognised when three criteria are met:

- ▶ Entitlement is established when we receive formal notification of an interest in an estate and a copy of the will
- ▶ Income receivable is probable at the grant of probate
- ▶ Measurement criteria are considered met

When these criteria have been met, income from legacies is recognised in the financial statements after a deduction for estimated costs.

Legacy income recognised in the year was £31.0m (2021/22: £22.0m), at the year end accrued legacy income was £23.3m (2021/22: £16.9m).

To allow for movement in the value of estates during the completion of administration, an annual analysis for a previous 5-year period is undertaken to review estimated legacy income value to actual value received. This is used to determine whether a haircut should be applied. The review for 2022/23 concluded that no haircut (2021/22: 5%) should be applied to estimates provided, which does not give rise to an estimation uncertainty.

A contentious legacy arises when a claim is made against the estate. Income from contentious legacies is only recognised when there is certainty of receipt and all other legacy accrual criteria is met. An additional 5% reduction is applied to estimates provided to allow for greater uncertainty due to length of time to resolve.

(ii) Grant creditor balances (note 17)

With the exception of some major capital redevelopment projects, where approved expenditure commitments are used, grant expenditure is straight-lined over the period of the grant to determine whether grant creditors are within one year, or beyond. There can be variances in timing of actual amounts paid out due to the timing of grant recipients requesting payment.

Estimation uncertainties

(i) Valuation of land and buildings (note 9)

Valuations are carried out professionally at not more than five-yearly intervals, with an internal review undertaken in all other years. Full valuations were carried out by Montagu Evans for the balance sheet date 31 March 2023, prior year was undertaken by Cluttons for 31 March 2022.

The revaluation resulted in a net loss in property valuations of £66.1m. This was made up of a property value increase of £1.2m and a decrease of £69.5, offset by depreciation write-backs of £2.2m. The impact of the property market on these assets will be kept under review as part of our internal valuation assessments each year. Estimates give consideration to floor space, location, property type and property market indices. Contributing factors specifically for this year include a change in approach to the land aspect of the clinical and research buildings. Key worker accommodation now valued based on prevailing planning use rather than potential residential use and the Sight and Sound Centre valuation now aligned to the other clinical and research buildings, previously valued on an investment basis.

The charity undertakes its own revaluation review in the years when there is no professional valuation carried out. Where an indication of material upward or downward

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

revaluation is identified, an estimation of the fair value of the property is required. This requires estimation of the future economic benefits from the property and also selection of appropriate discount rates in order to calculate the net present value of those economic benefits.

(ii) Provisions (note 21)

The position regarding the potential size of the pensions exposure is uncertain. The provision set out in note 21 is based on actuarial analysis of an historic potential NHS employer defined benefit contribution exposure, reasonably discounted to give a best estimate of actual costs to the charity should any exposure be realised. An uplift of £0.2m to reflect inflation has been recognised during the year.

This is a non-current liability as resolution will be ongoing beyond 31 March 2024.

1.1.6 Income and endowments

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

a) Donations and legacies

(i) Gifts-in-kind, except donated goods to the hospital:

In all cases, the amount at which gifts-in-kind are recognised is either fair value of the cost to the donor or the amount actually realised as appropriate dependent on the gift. Total gifts-in-kind were £0.6m (2021/22: £0.4m).

i. Assets given for distribution by the charity are included in the SOFA only when distributed.

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

iii. Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.

iv. Services provided by volunteers such as fundraising event volunteering and office assistance, are not recognised in the SOFA.

(ii) Legacies:

Legacies are accounted for as income when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably. This is in line with the requirements under FRS102 and SORP.

(iii) Income from fundraising activities:

General donations and Gift Aid are recognised on receipt or accrued for in cases where recognition criteria is met in advance. Ticket, auction and sponsorship income from fundraising events are disclosed under other trading activities and recognised when receivable.

b) Trading activities

Income from the charity's trading subsidiary is disclosed under other trading activities. This income is recognised on sale of goods when dispatched, on royalties and licences as they are contractually entitled to the income, for challenge events in line with when these take place and for commercial sponsorship on an accruals basis or when the event takes place.

c) Grants and other time-related income

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

d) Investments

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

1.2 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under the principal categories of 'expenditure on raising funds' and 'expenditure on charitable activities'. The expenditure on raising funds comprise the costs incurred in generating donations and legacy income including apportioned support costs. Expenditure on charitable activities comprises the costs incurred on delivering charitable activities including apportioned support costs.

Full provision is made within the financial statements for grant expenditure at the point when a commitment is made, the payment is probable and the liability can be quantified with reasonable certainty. If the commitment is dependent on the grant recipient meeting a performance related condition, this will be provided for when the condition is met.

Any redundancy costs are accrued for when notified to the individuals involved and the amount can be determined reliably.

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

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

1.3 Funds structure

Income and expenditure are allocated to particular funds according to their purpose.

a) Permanent endowment funds

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

b) Restricted funds

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

c) Unrestricted funds

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

d) Designated funds and reserves

The Trustees may designate unrestricted funds and reserves for a particular purpose without restricting or committing the funds legally. Designated funds are funds delegated by the Trustees to meet various current or future obligations.

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

1.4 Intangible fixed assets

a) Capitalisation

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

b) Valuation

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

c) Amortisation

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

1.5 Tangible fixed assets

Non-property tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

All assets falling into the following categories are capitalised:

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

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

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

a) Land and buildings

Land and buildings are held by the charity as part of charitable objectives to assist the hospital. As a result, properties may be leased below market value and the charity carries substantially all the risks and rewards of ownership.

Land and buildings are stated at fair value which is either open market value or depreciated replacement cost. Depreciated replacement cost takes into account the expected timing of potential replacement when properties are subject to leases.

Valuations are carried out professionally at not more than five-yearly intervals, with an internal review undertaken in between. A full revaluation was carried out by Montagu Evans LLP for the balance sheet date 31 March 2023. Prior year revaluation was undertaken by Cluttons LLP.

Revaluation gains and losses are recognised in other recognised gains or losses.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

To the extent that a downward revaluation exceeds previously recognised revaluation gains (also referred to as an impairment), this is recognised within net income.

A net decrease of £66.1m was applied to the fixed asset revaluation fund as a result of the change in property valuation estimates so there is no impact on income this year.

b) Fixtures, fittings, vehicles and equipment

Fixtures, fittings, vehicles and equipment are stated at cost less accumulated depreciation.

c) Assets under construction

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

d) Depreciation

Depreciation is charged on each main class of tangible fixed asset, depreciating the asset over its expected useful life from the date of use, other than land which is not depreciated, as follows:

Buildings	50-100 years
Fixtures and fittings	15 years
Office equipment	10 years
Vehicles	10 years
IT equipment	5 years

e) Donated assets

Donated assets are capitalised at their valuation on a full replacement cost basis or fair value where this is not the same on receipt and are depreciated as described above.

f) Subsequent additions

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

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

g) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the SOFA.

1.6 Financial instruments

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

Financial assets

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

- i)* Quoted stocks and shares, included in the balance sheet at market value, which is equivalent to fair value. For 2022/23 the carrying value is £91.9m (2021/22: £98.0m)
- ii)* Cash deposits, held at cost plus accrued interest. For 2022/23 the carrying value is £47.0m (2021/22: £42.3m)
- iii)* Investments in subsidiary undertakings, stated at cost less impairment. For 2022/23 the carrying value is £2 (2021/22: £2)

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

1.7 Stock

Stock consist of purchased goods for resale, which are valued at the lower of cost and the estimated selling price, less costs to complete and sell. Provision is made

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

for any obsolete or slow-moving items.

1.8 Employee benefits

The charity provides a range of benefits to employees, including paid holiday arrangements and a defined contribution pension plan. Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Most employees are members of the defined contribution pension plan. A defined contribution plan is a pension plan under which the charity pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations. Contributions are chargeable to the SOFA in the period to which they relate. The assets of the plan are held separately from the charity in independently administered funds.

The charity also participates in the NHS Pension Scheme, with one current employee and a number of former employees being covered by the provisions of that scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable the charity to identify its share of the underlying scheme assets and liabilities and is therefore accounted for as though it were a defined contribution scheme in accordance with FRS 102 section 28.11. The cost of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. As the scheme is a government run scheme, the ultimate responsibility for any underfunding lies with the government and the charity cannot be held liable.

Consideration is given to the following by the NHS Pension Scheme when calculating these contributions:

- a) Accounting valuation
- b) Full actuarial (funding) valuation
- c) Scheme provisions

This is in line with FRS102 whereby "multi-employer plans are classified as defined contribution or defined benefit plans on the basis of the terms of the plan, including any constructive obligation. However, where sufficient information is not available to use defined benefit accounting then the employer should account for the plan as a defined contribution plan and provide additional

disclosures."

1.9 Taxation

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

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

1.10 Leases

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

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

1.11 Related party transactions

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

1.12 Cash and cash equivalents

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

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

in current liabilities.

1.13 Provisions and contingencies

(i) Provisions

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

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

(ii) Contingencies

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

Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

1.14 Debtors and Creditors

Trade and other debtors are recognised at the settlement amount due after any discount offered and net any bad debt provision. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

1. Accounting policies (continued)

1.15 Great Ormond Street International Promotions Limited

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

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Profit and loss account		
Turnover	1,837	887
Cost of sales	(337)	(183)
Gross profit	1,500	704
Administrative expenses	(357)	(245)
Operating profit	1,143	459
Interest receivable and similar income	3	-
Profit before taxation	1,146	459
Taxation	-	-
Profit for the financial year	1,146	459
Distribution to Charity	(1,146)	(459)
Net movement in funds	-	-

Balance sheet as at 31 March 2023

	Total at 31 March 2023 £000	Total at 31 March 2022 £000
Stock	35	26
Debtors	791	410
Cash	945	882
Current liabilities	(1,746)	(1,293)
Net assets	25	25
Profit and loss account	25	25
Share capital and reserves	25	25

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

2. Income

	Unrestricted Funds £000	Restricted Funds £000	Year ended 31 March 2023 £000
Income and endowments from:			
2.1 Donations and legacies			
Direct gifts from individuals and trusts	28,341	16,367	44,708
Legacies	28,797	2,186	30,983
Community fundraising	9,980	913	10,893
Partnerships, campaigns and events	3,556	4,253	7,809
Other income	571	2,127	2,698
	71,245	25,846	97,091
2.2 Trading activities			
Auctions, tickets, sponsorship and other income	1,073	2,150	3,223
Fundraising trading	1,713	124	1,837
	2,786	2,274	5,060
2.3 Investments			
Fixed term deposit and bank interest	3,528	7	3,535
	3,528	7	3,535
2.4 Charitable activities			
Grants	-	(31)	(31)
Property	1,735	301	2,036
	1,735	270	2,005
Total income	79,294	28,397	107,691

Included within income and endowments from donations and legacies is Gift Aid income of £7.5m (2021/22: £4.2m) and gifts-in-kind income of £0.6m (2021/22: £0.4m). Gifts-in-kind of £0.6m (2021/22: £0.4m) are also recognised within expenditure, included within Note 3.1.

The negative grants balance of £31k relates to a grant previously given to the Charity that wasn't fully utilised, and therefore the difference not spent has been repaid.

There was no endowment income within the year (2021/22: £Nil).

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

2. Income (continued)

	Unrestricted Funds £000	Restricted Funds £000	Year ended 31 March 2022 £000
Income and endowments from:			
2.1 Donations and legacies			
Direct gifts from individuals and trusts	24,800	4,156	28,956
Legacies	20,698	1,264	21,962
Community fundraising	8,190	732	8,922
Partnerships, campaigns and events	6,040	1,590	7,630
Other income	689	113	802
	60,417	7,855	68,272
2.2 Trading activities			
Auctions, tickets, sponsorship and other income	669	1,750	2,419
Fundraising trading	854	(1)	853
	1,523	1,749	3,272
2.3 Investments			
Fixed term deposit and bank interest	465	4	469
	465	4	469
2.4 Charitable activities			
Grants	-	761	761
Property	1,466	300	1,766
	1,466	1,061	2,527
2.5 Other activities			
Government Coronavirus Job Retention Scheme	1	-	1
	1	-	1
Total income	63,872	10,669	74,541

Included within income and endowments from donations and legacies is Gift Aid income of **£4.2m** and gifts-in-kind income of **£0.4m**. Gifts-in-kind of £0.4m are also recognised within expenditure.

Other income has been presented as a separate line within Donations and legacies, for prior year this was included with Partnerships, campaigns and events.

There was no endowment income within the year.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

3. Expenditure on

	Direct costs £000	Support costs £000	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
3.1 Raising funds:				
Direct gifts from individuals and trusts	21,706	2,271	23,977	17,235
Legacies	1,447	544	1,991	1,483
Community fundraising & Mass Participation	3,904	2,236	6,140	4,296
Partnerships & Special Events	2,443	1,711	4,154	4,143
Trading activities	436	78	514	493
Fundraising Support Teams	2,084	1,574	3,658	0
Investment management costs	87	13	100	98
	32,107	8,427	40,534	27,748
3.2 Charitable activities				
Patient, Family and Staff Support	12,201	1,781	13,982	4,870
Research	4,415	644	5,059	5,948
Technology and Innovation	3,080	450	3,530	3,657
Redevelopment and Environment	1,648	241	1,889	11,957
Property and other	3,540	517	4,057	5,025
	24,884	3,633	28,517	31,457
Total expenditure	56,991	12,060	69,051	59,205

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
3.3 Expenditure includes charges for:		
Lease rentals	634	727
Fees payable to the charity's auditors for the audit of the group annual report and financial statements, excluding VAT	117	70
Amortisation (Note 8)	821	822
Depreciation (Note 9)	2,292	2,381

Lease rentals include the rental costs for our office, IT leases and the hire of photocopiers.

The raising funds and charitable activities categories reported for this year are based on areas of focus identified within our strategy, with prior year updated to reflect the same. The new category, Fundraising Support Teams, in raising funds does not relate to new expenditure in this area, in prior year this was split out across the other categories hence why the prior year comparative is Nil.

Charitable activities includes grants awarded, along with other charitable expenditure, for example, property costs, legal fees.

The fees payable to the Charity's auditors includes an amount for additional work completed during 2022/23 relating to the 2021/22 financial year audit in relation to the provision within Note 21.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

4. Support costs

	Staff costs £000	IT and Comms £000	Other £000	Total at 31 March 2023 £000	Total at 31 March 2022 £000
Cost of expenditure on raising funds	4,570	697	3,160	8,427	8,072
Patient, family and staff support	967	147	668	1,782	1,195
Research	350	53	241	644	719
Technology and Innovation	244	37	169	450	442
Redevelopment and Environment	130	20	90	240	1,444
Property and other	280	43	194	517	-
Total	6,541	997	4,522	12,060	11,872

Support costs include the costs of the following teams: People, Finance, Corporate Services, Technology, Administration, Brand Marketing, Digital Engagement and Communications as well as office rental and running costs. These are allocated using a full-cost model, which is calculated using drivers from each team's activities during the year. Non-support staff costs are allocated directly to activities.

5. Grant funded activities

Name of recipient:	Total at 31 March 2023 £000	Total at 31 March 2023 No. awarded	Total at 31 March 2022 £000	Total at 31 March 2022 No. awarded
	Great Ormond Street Hospital	20,913	58	17,999
Institute of Child Health	1,851	8	2,994	21
Cancer research UK	1,250	2	-	-
University College London	1,145	5	1,178	5
King's College London	499	2	-	-
Queen Mary University of London	250	1	472	2
University of Nottingham	242	1	-	-
Newcastle University	230	1	-	-
University of Manchester	191	1	-	-
Guy's and St Thomas' NHS Foundation Trust	113	1	-	-
The Hospital for Sick Children	63	1	63	1
University of Cambridge	-	-	249	1
Royal College of Paediatrics and Child Health	-	-	38	1
Birmingham Children's Hospital	-	-	2	1
Imperial College London	-	-	2	1
Total	26,747	81	22,997	106

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

6. Details of staff numbers and costs

	Total at 31 March 2023	Total at 31 March 2022
	No. of staff	No. of staff
The average number of employees is split as follows:		
Fundraising	136	97
Finance & Resources	52	46
Marketing & Communications	37	39
Impact & Charitable Programmes	15	10
CEO Directorate (Includes Directors)	8	8
Total	248	200

The average full time equivalent is split as follows:

Fundraising	131	93
Finance & Resources	51	44
Marketing & Communications	37	38
Impact & Charitable Programmes	14	9
CEO Directorate (Includes Directors)	8	8
Total	241	192

The number of employees reported for the year is split by Directorate.

6.2 Analysis of staff costs

	Total at 31 March 2023	Total at 31 March 2022
	£000	£000
Salaries and wages	10,531	8,163
Social security costs	1,204	889
Pension costs	724	623
Other employee benefits	8	10
Total emoluments of employees	12,467	9,685

Included within Salaries and wages is £7k (2021/22: £185k) of ex gratia costs. Prior year costs were redundancy costs, incurred primarily as a result of our organisation design project to ensure that the charity's structure and roles were best aligned to our strategy.

Pension costs are split as follows:

Defined contribution scheme	711	605
Final salary scheme	13	18
Total pension costs	724	623

Outstanding contributions as at the year end were:

Defined contribution scheme	89	76
Final salary scheme	1	1
Total outstanding contributions	90	77

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

6.3

The number of employees whose emoluments, as defined for taxation purposes (i.e. net of employer pension contributions and employer national insurance contributions), amounted to £60,000 or more in the year were as follows:

	Total at 31 March 2023 £000	Total at 31 March 2022 £000
£60,000 - £69,999	13	9
£70,000 - £79,999	3	3
£80,000 - £89,999	4	1
£90,000 - £99,999	-	2
£100,000 - £109,999	5	2
£110,000 - £119,999	1	1
£150,000 - £159,999	-	1
£160,000 - £169,999	1	-

The employee in the top band for 31 March 2023 and 31 March 2022 was the Chief Executive.

6.4 Key management personnel

Key management personnel emoluments, comprising wages and salaries, and other benefits but excluding pension contributions were as follows:

	Total at 31 March 2023 £000	Total at 31 March 2022 £000
Chief Executive Officer	165	159
Other Executive Directors	430	342
Key management personnel	595	501

Key management personnel is defined as members of the Senior Leadership Team, 31 March 2023: 5 (31 March 2022: 5). The increase primarily reflects a full year salary cost for the Director of Marketing and Communications. Prior year costs are lower because there was a gap between the previous part-time Director of Communications leaving and the new full-time Director of Marketing and Communications starting. None of the above received any benefits-in-kind.

The total amount of employee benefits received by the Senior Leadership Team for the year was £648k (2021/22: £547k) of which £595k (2021/22: £501k) was actual gross salary and £53k (2021/22: £46k) was paid for pension contributions.

7. Trustees' remuneration and indemnity insurance

None of the Trustees received any remuneration from the charity or its subsidiaries during the current or previous financial year. Two of the Trustees were reimbursed for expenses totalling £544 while carrying out their responsibilities for the charity during the year (2021/22: £85).

The charity holds Directors and Officers Liability (D&O) insurance policies at a cost of £41,816 (2021/22: £39,644).

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

8. Intangible assets

Consolidated and Charity

	IT software £000
Cost:	
Balance as at 1 April 2022	7,684
Balance at 31 March 2023	7,684
Accumulated amortisation:	
Balance as at 1 April 2022	3,837
Charge for the year	821
Balance at 31 March 2023	4,658
Net book value at 31 March 2023	3,026
Net book value at 31 March 2022	3,847

Intangible assets are identifiable software assets.

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

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

9. Tangible assets

Consolidated and Charity	Freehold / leasehold land and buildings £000	Fixtures and fittings £000	Office equipment £000	Vehicles £000	IT equipment £000	Total £000
Cost and valuation						
Balance as at 1 April 2022	315,784	472	70	13	279	316,618
Transfers	-	-	-	-	-	-
Additions	-	-	11	-	9	20
Disposals	-	-	-	(13)	-	(13)
Revaluations	(68,270)	-	-	-	-	(68,270)
Balance at 31 March 2023	247,514	472	81	-	288	248,355
Accumulated depreciation						
Balance as at 1 April 2022	-	30	4	13	188	235
Charge for the year	2,220	31	7	-	34	2,292
Disposals	-	-	-	(13)	-	(13)
Revaluations	(2,220)	-	-	-	-	(2,220)
Balance at 31 March 2023	-	61	11	-	222	294
Net book value at 31 March 2023	247,514	411	70	-	66	248,061
Net book value at 31 March 2022	315,784	442	66	-	91	316,383
Historical cost less depreciation at 31 March 2023	166,501	411	70	-	66	167,048

The charity undertook a full independent professional valuation by Montagu Evans of all properties as at 31 March 2023 in accordance with the Statement of Recommended Practice and FRS 102

The valuation resulted in a net decrease in property valuations of £68.3m, made up of an increase of £1.2m and decrease of £69.5m. With depreciation write-backs of £2.2m factored, this has resulted in a net loss on revaluation of £66.1m which is recorded in the SOFA. The prior year valuation resulted in a net increase in property valuations of £7.0m, made up of an overall property value increase of £5.1m together with depreciation write-backs of £2.1m, adjusted down to account for assets brought into use during the year. This change does not impact the level of the Charity's cash or investments or our unrestricted general or designated funds and does not impact on the ability of the Charity to meet any of its actual or planned expenditure commitments.

This movement was offset by a reduction in the corresponding tangible fixed assets and property valuation reserves.

The historical cost amount for land and buildings has been restated to £166.5m from £204.5m as a result of identifying amounts within the revaluation reserve that should have been taken through the historical cost line

in prior years. This has not changed the opening Net Book Value, nor any other values within the table above. Corresponding entries have been applied to Note 19.3.

A multitude of factors are used to support the valuation, including (but not exclusive to) market performance, comparable evidence, building drawings and consideration of specialist use of property.

Charity-owned buildings used by the hospital for clinical purposes are valued on a depreciated replacement costs basis unless a market value has been deemed by Montagu Evans to be feasible and more appropriate. The depreciated replacement cost basis is the most commonly used basis for specialist buildings such as these. This is because transactions involving the sale of these types of assets are relatively infrequent and therefore estimating a market value is not considered feasible due to their specialist nature. Depreciated replacement cost is deemed to be an acceptable alternative to market value and is a methodology that is recognised by the International Valuation Standards Council. Land values associated with these charity buildings are valued at fair value. All residential and office properties are valued at market value using comparable market information based on location, condition and quality of properties, and the nature of the market at time of valuation.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

9. Tangible assets (continued)

The below contributing factors, which are primarily driven by a change in valuer judgement, represent the majority of the movement in valuation:

- ▶ A change in approach to the land aspect of the clinical and research buildings. Current valuers have applied a consistent rate per acre, factoring in average land transactions within the local area; previous valuers assumed possible residential/ office development which gave rise to a higher valuation. The approach this year is more conservative, and reflects the expected use of the properties for the coming years.
- ▶ The Sight and Sound Centre was previously valued assuming it could have market value potential to other healthcare providers, but on consideration the valuation approach has been amended to align more to the valuations of the other clinical and research buildings.
- ▶ Buildings used currently for key worker accommodation were previously valued on a potential residential use basis, the approach this year is more prudent recognising that prevailing planning use is currently restricted to key worker accommodation. Therefore a more conservative estimate has been applied to reflect this.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

10. Investments

10.1 Analysis of fixed asset investments

Consolidated and Charity

	Total 31 March 2023 £000	Total 31 March 2022 £000
Market value at 1 April	98,016	86,449
Disposals at carrying value	-	-
Acquisitions at cost	-	10,000
Movement on cash held as part of long-term portfolio	-	-
Net (loss)/gain on revaluation	(6,121)	1,567
Market value at 31 March	91,895	98,016
Historic cost at 31 March	90,000	90,000

10.2 Market value

	Held in the UK £000	Held outside the UK £000	Total 31 March 2023 £000	Total 31 March 2022 £000
Investments in equity funds	6,658	85,237	91,895	98,016
Total fixed asset investments at market value	6,658	85,237	91,895	98,016

Fixed income investments and liquidity funds are included in the short-term portfolio. All other investments are included in the long-term portfolio.

Investment Powers

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

As a result of holding investments, the charity is exposed to financial risks, including market risk, credit risk and liquidity risk.

The charity manages market and credit risk by appointing professional investment managers and ensuring a balanced and diverse portfolio, giving regard to the overall level of risk as well as the risk

associated with each investment type. Market risk arises as a result of market fluctuations caused by movements in interest rates, currency and other market factors. Credit risk arises as a result of funds the charity is invested in, failing to make a redemption of the investment. The charity is not significantly exposed to credit risk and the Investment Committee regularly review investment reports to ensure an appropriate level of risk is maintained.

Liquidity risk is managed by the charity's Liquidity, Funds & Reserves policy which states that the charity is required to hold sufficient cash and other liquid assets to cover at least two years of total projected expenditure.



Great Ormond Street Hospital Children's Charity

Notes to the financial statements

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

	Total 31 March 2023	Total 31 March 2022
Total	£2	£2

The net result for GOSIPL in 2022/23 is a surplus of £1,146,320 (2021/22: £459,478) with a distribution to the charity of £1,146,320 (2021/22: £459,478).

11. Stock

	Consolidated		Charity	
	Total at 31 March 2023 £000	Total at 31 March 2022 £000	Total at 31 March 2023 £000	Total at 31 March 2022 £000
Goods for resale	35	26	-	-
Stock	35	26	-	-

12. Short-term deposits

	Consolidated		Charity	
	Total at 31 March 2023 £000	Total at 31 March 2022 £000	Total at 31 March 2023 £000	Total at 31 March 2022 £000
Short-term deposits	135,706	113,225	135,706	113,225
Short-term deposits	135,706	113,225	135,706	113,225

All short-term deposits are held in the UK.

13. Debtors

	Consolidated		Charity	
	Total at 31 March 2023 £000	Total at 31 March 2022 £000	Total at 31 March 2023 £000	Total at 31 March 2022 £000
Trade debtors	2,615	614	2,351	604
Amounts owed by group undertakings	-	-	1,645	1,254
Other debtors	2,589	105	2,589	105
Prepayments	2,341	2,023	2,029	1,978
Accrued income - Legacies	23,330	16,859	23,330	16,859
Accrued income - Other	2,764	1,623	2,549	1,268
Debtors falling due within one year	33,639	21,224	34,493	22,068

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

14. Creditors: amounts falling due within one year

	Consolidated		Charity	
	Total 31 March 2023 £000	Total 31 March 2022 £000	Total 31 March 2023 £000	Total 31 March 2022 £000
Trade creditors	1,397	754	1,389	752
Taxation and social security	419	353	419	353
Grants due to be paid (see note 17)	45,116	48,409	45,116	48,409
Other creditors	359	376	359	376
Accruals	1,777	1,964	1,756	1,964
Deferred income (Note 16)	865	822	794	785
Creditors falling due within one year	49,933	52,678	49,833	52,639

15. Creditors: amounts falling due more than one year

	Consolidated		Charity	
	Total 31 March 2023 £000	Total 31 March 2022 £000	Total 31 March 2023 £000	Total 31 March 2022 £000
Grants awarded (see note 17)	19,884	19,333	19,884	19,333
Rent-free provision	211	316	211	316
Creditors falling due after one year	20,095	19,649	20,095	19,649

Rent-free provision relates to the 10-year lease agreement for the charity office, which includes a rent free period released over the first 5 years ahead of a break clause.

16. Deferred income

	Total 1 April 2022 £000	Released £000	Deferred £000	Total 31 March 2023 £000
	Charity	785	(785)	794
Trading subsidiary	37	(37)	71	71
Deferred income	822	(822)	865	865

Income is deferred for future events where it is refundable or has been received in advance.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

17. Grants awarded

Consolidated and Charity

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Outstanding liabilities at the beginning of year	67,742	68,075
Awarded during the year		
Redevelopment and Environment	2,019	9,250
Technology and Innovation	3,342	3,469
Research	6,732	5,784
Patients, Family and Staff Support and other	14,654	4,494
Awarded during the year	26,747	22,997
Paid during the year		
Redevelopment and Environment	(5,682)	(5,908)
Technology and Innovation	(2,639)	(349)
Research	(6,641)	(6,495)
Patients, Family and Staff Support and other	(8,663)	(9,152)
Paid during the year	(23,625)	(21,904)
Adjustments in the year		
Redevelopment and Environment	(464)	(181)
Technology and Innovation	(262)	(262)
Research	(2,318)	(604)
Patients, Family and Staff Support and other	(2,820)	(379)
Adjustments in the year	(5,864)	(1,426)
Outstanding liabilities at 31 March	65,000	67,742
	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Grant Creditor Balances		
Amounts falling due within one year	45,116	48,409
Amounts falling due after more than one year but less than 5 years	19,884	19,333
Outstanding liabilities at 31 March	65,000	67,742

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

Liabilities for grants awarded represent the unpaid balance on grants awarded by the charity as at the balance sheet date. They relate to current activities funded by the charity to which it is firmly committed. Unpaid balances due after more than one year are not discounted as the impact overall would be immaterial.

Adjustments primarily relate to grant retractions whereby all funds allocated have not been used and are no longer required and therefore returned to funds for reallocation.

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

18. Analysis of consolidated net assets between funds

	Unrestricted		Restricted	Endowment	Total funds
	General	Designated			
	£000	£000	£000	£000	£000
Fund balances at 31 March 2023 are represented by:					
Tangible and intangible fixed assets	-	251,087	-	-	251,087
Long term investments	-	91,231	-	664	91,895
Net current assets	21,809	75,281	69,405	-	166,495
Long term liabilities	(1,809)	-	(19,884)	-	(21,693)
Total net assets	20,000	417,599	49,521	664	487,784

Restricted funds include long-term liabilities of £19.9m (2021/22: £19.3m) and short-term liabilities of £45.1m (2021/22: £48.4m), relating to grants awarded to the hospital, the Institute for Child Health and other research institutions.

	Unrestricted		Restricted	Endowment	Total funds
	General	Designated			
	£000	£000	£000	£000	£000
Fund balances at 31 March 2022 are represented by:					
Tangible and intangible fixed assets	-	320,230	-	-	320,230
Long term investments	-	97,352	-	664	98,016
Net current assets	21,725	68,100	34,293	-	124,118
Long term liabilities	(1,716)	-	(19,333)	-	(21,049)
Total net assets	20,009	485,682	14,960	664	521,315

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

19. Consolidated funds

	Restated 1 April 2022 £000	Income £000	Expenditure £000	Transfers between funds £000	Losses and gains £000	31 March 2023 £000
19.1 Endowment funds						
A Tippetts and Crux	222	-	-	-	-	222
B Lewisohn	11	-	-	-	-	11
C Barnes	7	-	-	-	-	7
D Mary Shepard Bequest	407	-	-	-	-	407
E John Lund Wells Bequest	17	-	-	-	-	17
Total endowment funds	664	-	-	-	-	664
19.2 Restricted funds						
A Redevelopment	1,821	19,445	(790)	2,892	-	23,368
B Louis Dundas Centre	975	57	-	837	-	1,869
C Physiotherapy Unit	1	-	-	-	-	1
D Translational Oncology research	663	-	56	-	-	719
E Regenerative Medicine	(324)	181	-	-	-	(143)
F The Richard Wright Fund	1,802	-	-	-	-	1,802
G The Friends Fund	1,076	-	-	-	-	1,076
H Craniofacial Fund	64	29	(25)	-	-	68
I Clinical Cardiac Chair	110	-	(16)	-	-	94
J Family Studies	229	-	(7)	-	-	222
K Olivia Hodson Cancer Fund	130	96	17	-	-	243
L Other special purpose funds	2,778	227	(281)	8	-	2,773
M Other restricted purpose funds	5,635	8,321	(20,334)	23,807	-	17,429
Total restricted funds	14,960	28,397	(21,380)	27,544	-	49,521
Total restricted and endowment funds	15,624	28,397	(21,380)	27,544	-	50,185
19.3 Unrestricted funds						
General funds	20,009	79,294	(45,379)	(33,924)	-	20,000
Designated funds and reserves:						
Research fund	23,083	-	-	16,117	-	39,200
Property Redevelopment fund	111,953	-	-	(2,787)	-	109,166
Other Charitable Commitments fund	28,847	-	-	(6,147)	-	22,700
Total designated funds	163,883	-	-	7,183	-	171,066
Tangible Fixed Assets reserve	167,100	-	(1,471)	1,419	-	167,048
Property Revaluation reserve	149,285	-	-	(2,222)	(66,050)	81,013
Intangible Fixed Assets reserve	3,847	-	(821)	-	-	3,026
Investments Revaluation reserve	1,567	-	-	-	(6,121)	(4,554)
Total designated reserves	321,799	-	(2,292)	(803)	(72,171)	246,533
Total unrestricted funds	505,691	79,294	(47,671)	(27,544)	(72,171)	437,599
Total funds	521,315	107,691	(69,051)	0	(72,171)	487,784

The opening balances for the Tangible Fixed Assets reserve and Property Revaluation reserve have been restated to ensure historical cost of fixed assets brought forward is aligned to Note 9. The Tangible Fixed Asset reserve was reported as £212.7m in the prior year, restated to £167.1m. The Property Revaluation reserve was reported as £103.7m in the prior year, restated to £149.3m. The adjustment is made up of £38.0m recorded within the Property Revaluation reserve that should have been taken through the Tangible Fixed Assets reserve in prior years and £7.6m to reconcile the opening Tangible Fixed Asset Reserve to the opening cost less accumulated depreciation of the fixed assets. There is no change to the Net Book Value of the Fixed Assets, nor changes to any other values in the table above.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

19. Consolidated funds (continued)

Designated funds and reserves

The Research fund is designated to provide funds for research, improving outcomes for children through scientific discovery and researching new treatments.

The Property Redevelopment fund is designated to provide funds for major building and capital development projects, e.g. the Children's Cancer Centre.

The Other Charitable Commitments fund is designated to provide funds for non-research and non-property redevelopment charitable expenditure, e.g. patient & family support, medical equipment, technology and digital opportunities, the GOSH Learning Academy and maintenance and running costs for property held by the charity as part of providing support to the Hospital.

The Tangible Fixed Assets reserve is designated to fund the replacement or refurbishment of such assets belonging to the charity. The value of this reserve is based on historical cost and does not include properties identified for sale. The total value of the Tangible Fixed Assets reserve and the Property Revaluation reserve equals the value of tangible fixed assets shown on the Balance Sheet.

The Property Revaluation reserve is designated to reflect changes in value to our property portfolio arising from independent valuations.

The Intangible Fixed Assets reserve is designated to fund the replacement of software assets belonging to the charity.

The Investments Revaluation reserve is designated to reflect the changes in value to our long-term investments portfolio arising from independent valuations.

Transfers between funds represent:

- ▶ Where subsequent instructions are received from a donor restricting income that was originally received with no restrictions (or vice versa)
- ▶ Where two restricted funds have a common purpose, transfers may be made to support on an individual project which matches their restrictions.
- ▶ General funds may be designated for a particular purpose should the Trustees decide this to be appropriate.
- ▶ Designated funds may be undesignated with the funds returning to General funds should the Trustees decide this to be appropriate.
- ▶ Movement between unrestricted and designated funds to hold the correct closing balances in each fund as per the charity's liquidity, funds and reserves policy
- ▶ Gains and losses represent increases or decreases in the charity's property valuations (see note 9) and unrecognised gains or losses within the investment portfolio (see note 10).

Negative restricted funds are held in instances whereby we have received assurance from donors of their support for projects that we have funded, but not yet received the funds or a contracted pledge. During the year, a detailed review of funds was undertaken, and where amounts had not been received, funds were transferred from unrestricted funds.

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

19. Consolidated funds (continued)

Endowment funds

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

Restricted funds

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

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

20. Notes to the consolidated cash flow statement

20.1 Reconciliation of net income to cash flows from operating activities

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Net movement in funds	(33,531)	23,901
Depreciation and amortisation charges	3,113	3,203
Investment income	(3,535)	(469)
Unrealised loss/(gain) on investments	6,121	(1,567)
Unrealised loss/(gain) on revaluation of land & buildings	66,050	(6,998)
(Increase)/decrease in stocks	(9)	21
Increase in debtors	(12,415)	(4,595)
Decrease in creditors	(2,299)	(1,253)
Increase in provisions	198	-
Cash inflow from operating activities	23,693	12,243

20.2 Analysis of net funds

	1 April 2022 £000	Cash flows £000	31 March 2023 £000
Cash at bank and in hand	42,321	4,727	47,048
Short-term deposits	113,225	22,481	135,706
Total	155,546	27,208	182,754

21. Commitments, contingent liabilities and provisions

There are no commitments (other than operating leases disclosed elsewhere) or contingent liabilities requiring disclosure in the financial statements (31 March 2022: nil).

The potential size of the pensions exposure is uncertain and an uplift of £0.2m to reflect inflation has been applied to the prudent prior year provision of £1.4m bringing it to £1.6m. This provision relates to an historic potential exposure that came to light during 2021/22 concerning potential employer NHS pension contributions between 2006/07 – 2014/15. This provision represents a 'best estimate' based on actuarial analysis of potential costs to the charity and is based on 20% of a 'total worst case' position. The best estimate sits within a range of zero for a 'reasonable best case', which assumes no exposure is realised, and £3.2m for a 'reasonable worst case', based on 40% of the 'total worst case'. These percentage discounts are supported by our professional actuarial advisers as reasonable given the high level of uncertainty regarding whether the exposure will be realised and, if so, the extent to which the charity will ultimately incur costs.

	Total	Total
	31 March	31 March
	2023	2022
	£000	£000
Employer NHS Pension Contributions	1,598	1,400
Total	1,598	1,400

This is a non-current liability as the matter will be ongoing beyond 31 March 2024

22. Legacies

The charity has been notified of 312 legacies which have not been included within the financial statements, as some or all the criteria for recognition have not been satisfied (2021/2022: 373). Of these, 47% are pecuniary legacies which have an average value of £1k (2021/22: 50% £7k) and the remaining 53% are residuary, life interest, income trust & specific legacies which have an average value of £16k (2021/22: 50% £18k). The charity does not have any indication of when it is due to receive these monies. Included within the above figures are 24 legacies (2021/22: 34) which are subject to a life interest, as well as 20 specific legacies (2021/22: 20) which are not subject to a life interest.

Great Ormond Street Hospital Children's Charity

Notes to the financial statements

23. Annual commitments under non-cancellable operating leases

	Total 31 March 2023 £000	Total 31 March 2022 £000
Operating leases which expire:		
Within one year	557	30
Between one and five years	991	569
After five years	-	-
Total	1,548	599

Non-cancellable operating leases include the lease for our office and IT leases. The office lease, which makes up most of the commitments, is for a period of 10 years with a 5-year break clause in February 2026. Therefore, only commitments that fall due up to the break clause are included here.

24. Related party transactions

During the year the following related party transactions took place:

Two Trustees hold Board positions at the University of Cambridge, but do not have significant influence. During the year Research Grants were provided to the University totalling £202,134.

During the year donations of £314,687 (2021/22: £237,344) were received from related parties. This includes £30,000 from NHS Charities Together, of which Kiki Syrad (Director of Grants & Charitable Impact) is a Trustee. It also includes donations amounting to £255,748 from one Trustee. The remaining £28,939 is made up of various smaller donations. From an accounting perspective, these donations are not considered to be material.

The charity entered into material transactions with its subsidiary during the year as listed below. All income and expenditure is removed on consolidation.

Party	Nature of Relationship	Transaction	Income for the year ended 31 March 2023 £000's	Debtor balance as at 31 March 2022 £000's
			GOSIPL	Wholly owned subsidiary

The charity has 115 linked charities, which primarily relate to Special Purpose Funds. These are restricted funds relating to various areas within Great Ormond Street Hospital and the Institute of Child Health.

25. Events after the reporting period

There are no events that occurred after the reporting period which require disclosure.



**GREAT
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HOSPITAL
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**This Annual Report
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www.gosh.org

Great Ormond Street Hospital Children's Charity

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Registered charity no. 1160024.