

Annual report and accounts

2023–2024





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Chair and Chief Executive's introduction

The 2023/24 financial year was another year of strong performance, reflected both in the level of our grant-making and prudent management of our investment portfolio.

We were delighted to award £33.1m in funding, split between our three partners: £21.2m to Barts Health NHS Trust (Barts Health), £11.4m to the Faculty of Medicine and Dentistry (FMD) at Queen Mary University of London (QMUL) and £0.5m to the School of Health and Psychological Sciences at City, University of London (now City St George's).

Our investment portfolio has grown to £520m with available reserves significantly in excess of the minimum level required to meet our operational and funding commitments and preserve the real-terms value of the portfolio.

We continue to support a broad range of research and healthcare projects through a number of targeted funding schemes. Our largest awards this year have included:

- Precision Medicine Academy – funding for the creation of eight Academic Clinical posts, four for medics and four for nurses and allied health professionals
- Establishing an epigenomics research hub – a collaboration between geneticists and AI and machine learning experts exploring whether it is possible to diagnose a range of diseases early through detecting chemical 'tags' on DNA using a simple blood test
- Critical care digital transformation – a system of bespoke electronic record keeping across critical care units and operating theatres to provide more accessible patient data to multi-disciplinary staff, removing the need for manual data input and allowing information and data to be used to support innovation in care
- three new state-of-the-art surgical robots, one at each of St Bartholomew's, The Royal London and Whipps Cross Hospitals
- a Barts Health Staff Recognition Programme to promote staff wellbeing

In addition, our funding schemes for medical research, healthcare delivery and Everyday Impact have supported projects as diverse as research to protect blood vessels from cardiovascular

disease; implementing a new patient pathway for unaccompanied asylum-seeking children in Northeast London; and providing phone charging stations in emergency departments. Thanks to our Clinical Research Training Fellowships, health professionals are funded to take a formal break from clinical training or clinical work in order to undertake health-related research. We were delighted that having broadened the eligibility criteria for these Fellowships to provide greater equity of access to our funding, we saw a broader range of applicants than ever before, including GPs for the first time.

Our fundraising has also seen a successful year. In 2023, we celebrated the 900th anniversary of St Bartholomew's Hospital. It was a year of celebration of the history of one of the world's oldest medical institutions. It included events on a large scale like the special service in St Paul's Cathedral and reception in the Guildhall in May, to the smaller and more personal fundraising events led by former staff and patients. At the heart of all the celebrations was a focus on the people who work and have worked in the Hospital to deliver great care to those who need it most. During FY2022/23 we announced our support for the creation of a brand-new Clinical Research Facility at The Royal London Hospital. In the last year, each of The Wolfson Foundation and The Charles Wolfson Charitable Foundation has pledged £1m to this important project, which aims to give the people of East London greater access to potentially life-changing treatments.

You can find out more about how we are making a difference to the health of people in East London in our impact report (available on our website). We could not have achieved so much in the last year without our highly talented and engaged staff, Board and advisers, partners and supporters. We feel very fortunate to have their support and would like to extend our thanks for all they do.

Andy Bruce
Chair of Trustees

Fiona Miller Smith
CEO

Trustees' Report

The Trustees present their report, incorporating the strategic report, and the audited financial statements for the year ending 31 March 2024. The introduction from the Chair and Chief Executive on page 1, and the Statement of Trustees' Responsibilities on page 18 form part of this report.

The financial statements as at 31 March 2024 and for the year then ended have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards comprising the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland – (second edition effective 1 January 2019) (Charities SORP (FRS 102)), Charities Act 2011, and the Companies Act 2006.

Who we are and what we do

Vision

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

Mission

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

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

Barts Charity 2022–2027 strategic objectives

We wanted our vision and mission to provide the strategic context for each area of our charitable activity and we have used them to frame five strategic objectives for 2022–2027.

Research

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

Healthcare

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

Fundraising and communications

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

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

Endowment

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

How we work

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



Our funding principles and focus

To achieve our funding and impact strategic objectives, we will focus our funding:

- where we can create transformational change
- where we can leverage further support for our funded projects
- on projects which cannot be covered by other funders or revenue sources

Our primary focus is on our funding being relevant to, and having an impact in, East London. We expect that much of the activity we support will also have a wider health benefit, both across the UK and potentially globally.

We adhere to robust funding processes to make sure our resources can improve healthcare and transformative research. We also strive to ensure that our funding processes and policies are inclusive and unbiased. We are a member of the Association of Medical Research Charities and can demonstrate high standards of governance around decision processes and monitoring involved in funding.

Our values

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

One Team

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

Ambitious

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

Open

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

Accountable

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

Review of 2023/24

In our 2023 Annual Report we set out our strategic targets for 2023/24. Here, we summarise the progress we’ve made against these:

Strategic aims	Progress made
Funding – Research/Healthcare delivery	
<p>Progress the Clinical Research Facility at The Royal London Hospital and develop plans for a Barts Breast Cancer Centre at St Bartholomew’s Hospital, as part of the Barts 900 Campaign.</p>	<ul style="list-style-type: none"> • Contractor agreed for build of Clinical Research Facility, with aim to start build in 2024. • Operational set up of clinical trials research activity underway for Clinical Research Facility opening. • Further design and development of clinical and building cases for Breast Cancer Centre, including pledging £2.8m for additional design fees.
<p>Maintain a significant funding programme in research and healthcare, outside of the Barts 900 Campaign.</p>	<ul style="list-style-type: none"> • >£30m granted to healthcare and research projects outside of the Barts 900 projects (Clinical Research Facility and Breast Cancer Centre).

Maintain a potential pipeline of high-quality research and healthcare funding applications.	<ul style="list-style-type: none"> • High quality pipeline of short and long term as well as small and larger opportunities for funding research and healthcare applications and initiatives developed.
Fundraising and communications	
Invest in our fundraising infrastructure to make sure we have the right resources in place to deliver our strategy for the Barts 900 Campaign. Identify all lead gifts for the Clinical Research Facility and build a pipeline for the next stage of the campaign.	<ul style="list-style-type: none"> • 13 major gifts secured for the Clinical Research Facility totalling >£2.4m. • Partnership with Barts Health and FMD strengthened through joint delivery of new funding partnerships for Clinical Research Facility. • Pipeline for Breast Cancer Centre developed to deliver fundraising target, in readiness for project approval.
Amplify our message for our Public Fundraising strategy which will build a broad and sustained base of support from community donors. Develop in memory, in celebration and legacy offerings.	<ul style="list-style-type: none"> • New umbrella fundraising proposition developed and rolled out into hospitals via leaflets, vinyls and digital screens and built into all public fundraising materials. • In Memory plans have expanded and include tribute fund stewardship and promotion. • Mid-value and legacy fundraising developed and embedded.
Further develop our partnership with the City of London Corporation to increase support from key city institutions.	<ul style="list-style-type: none"> • 900th anniversary celebration event hosted by City of London Corporation at the Guildhall and St. Paul's Cathedral and attended by 1500 guests including Barts Health staff, former staff and city representatives. • 3 key events hosted at the Mansion House during the anniversary year by two successive Lord Mayors. • Barts 900 Campaign supported financially by 19 livery companies.
Identify a successor campaign to the Barts 900 Campaign.	<ul style="list-style-type: none"> • Delays to the Breast Cancer Centre project have meant that identification of a successor campaign was postponed.
Endowment	
Continue to implement revised asset allocation under our investment strategy, including developing responsible investing principles.	<ul style="list-style-type: none"> • Continuing to progress strategic reallocation of assets from public to private markets. ESG considerations and stewardship considerations are integrated in the investment process.
Develop a risk register for financial investment operations.	<ul style="list-style-type: none"> • Risk Register for investment operations created. The Register is reviewed quarterly by Investment Committee and annually by Finance & Audit Committee.

Develop a real estate investment strategy.	<ul style="list-style-type: none"> • Strategy for real estate portfolio developed and agreed. Implementation has commenced and is in progress.
How we work	
Improve cyber security and information governance, achieving Cyber Essentials Plus accreditation.	<ul style="list-style-type: none"> • Achieved Cyber Essentials plus accreditation. Set up a robust cyber security package for ongoing cyber-risk monitoring.
Consolidate and rationalise a proportion of our restricted funds.	<ul style="list-style-type: none"> • Spending down restricted funds against funding awards is ongoing. An options analysis for more top-down review is planned for 2024/25.
Engage with staff to prioritise People & Culture projects (e.g. refresh of learning & development programme) and deliver them making more use of cross-team working groups led by non-SMT members.	<ul style="list-style-type: none"> • High levels of staff engagement through staff representation group, StaffVoice. • Some cross-team projects led by non-SMT members have taken place – feedback being sought as to how we can replicate these models going forward.

Challenges

There have been a number of challenges across the year, and these have helped to inform some of our aims for 2024/25:

- Plans for the Barts Breast Cancer Centre have taken longer to finalise than both we and Barts Health had anticipated. Finalisation of the project plans has extended beyond the Barts 900 Campaign year, making proactive fundraising for the project difficult during 2023/24.
- The direct property portfolio is concentrated in Central London, primarily consisting of office spaces. This is a concentration risk and increases the likelihood of tenancy voids. Diversification of the real estate portfolio has been agreed as a priority in the investment strategy.
- The Marketing & Communications team was reorganised under the leadership of the Chief Operating Officer, involving a new operating model and recruitment to new roles. This has now been successfully achieved but there were some pressure points during the rebuilding period.
- Analysis of the first year of diversity data obtained through our grants application and monitoring processes showed some issues in data architecture which made analysis more challenging than anticipated.

Managing the endowment

The management of the endowment is designed to provide financing, alongside voluntary income, for our funding programme. The assets in the portfolio are selected based on the prospects of value accretion in the long run. A managed approach to risk is taken and the Trustees and management work with a number of advisers to provide an appropriate balance of risk against a targeted return.

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

The Investment Committee has been working with Mercer as its financial investment adviser for more than three years. Based on a review of our investment beliefs, a new investment strategy was formulated in 2022. The strategy aims to further diversify the overall sources of risk and return. A number of investments were made in new funds during 2023/24 as part of the transition to the target allocation. The Investment Committee appointed Swiss Life Asset Managers as strategic property advisers in April 2023 to advise on direct and indirect property holdings.

Strategic aims for 2024/25

Funding

- Progress the Clinical Research Facility at The Royal London Hospital and further develop plans for a Barts Breast Cancer Centre at St Bartholomew's Hospital
- Maintain a significant funding programme in research and healthcare.
- Maintain a potential pipeline of high-quality research and healthcare funding applications beyond this financial year.
- Develop a refreshed Intellectual Property policy for Barts Charity funded activities and implement associated processes.

Fundraising and communications

- Create ongoing, targeted major gift fundraising portfolio from Funding & Impact pipeline, including the Breast Cancer Centre subject to approval
- Strengthen fundraising operations to ensure that our data and systems work effectively across all areas of activity
- Continue to build culture of philanthropy with partner institutions through collaboration with senior leadership, comms teams and staff

Endowment

- Continue to implement revised asset allocation under our investment strategy, including following responsible investing principles.
- Implement the direct property portfolio strategy.
- Develop a new Reserves Policy.

How we work

- Invite tenders for Technology provider services and review the Charity's Information Governance framework.
- Improve management of restricted funds including payment processes and potential consolidation of historic funds to promote spend down.
- Continue to foster a fair and supportive workplace culture, improving feedback mechanisms and working with external agencies for targeted expert reviews and HR support.

Commitment to Equity, Diversity and Inclusion (EDI)

We believe that our commitment to EDI is best demonstrated through action. Our EDI Commitment, Priorities and Definitions are available in full on our [website](#).

Barts Charity's EDI commitment

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

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

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

Barts Charity's EDI priorities

Culture

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

Governance

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

Data/insight

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

Funding

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

Personnel

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

During 2023/24 we have:

- Collected the first year of data about diversity of grant applicants and grant holders as a baseline data set so that we can begin to explore whether our funding processes are inclusive, fair, and free from bias.
- Updated website imagery and photo library to ensure our visuals better represent people from ethnically diverse backgrounds, reflecting our local population.
- Implemented a new social media management platform which provides better analytics about our audience demographics, which will provide baseline data to inform how we can diversify our digital audience.
- Introduced a Menopause Policy and Guidelines.
- Trained two staff to become Mental Health First Aiders and provided all-staff training.
- Welcomed students from Tower Hamlets secondary schools for work experience.

Annual personnel diversity survey

We ran our second annual diversity survey in autumn 2023, looking at the diversity characteristics of our staff and non-executives. The survey is based on guidelines issued by the organisation Equality, Diversity & Inclusion in Science & Health (EDIS) which draw upon a wealth of studies and research data. The questions and response categories are designed to follow the 2021 census so that we can benchmark the results. These covered age, disability/long-term health condition/impairment, ethnic group, gender, sexual orientation, and religion/belief.

We had a response rate of 78% (64 responses out of 86, comparing to 81% in 2022) with very low use of the 'prefer not to say' option. This suggests respondents felt comfortable confirming their personal details in the survey. For reasons of information governance, we do not store the responses, and so the survey is a snapshot of the Charity's personnel diversity at a single point in time. As a small organisation, it can be challenging to report data about diversity in case it compromises anonymity for those who report in minority groups. Therefore, we do not publish the results in full.

Although this year's survey showed some improvement in ethnic diversity compared to last year's, the Charity remains most unrepresentative for people identifying as Black/ African/Caribbean/ Black British. There is also very low representation of people reporting a disability/long term health condition.

We are very conscious of the importance of diversity and inclusion across our personnel and want to ensure that our recruitment processes are not acting as a block to wider representation. We will undertake a formal review of our recruitment process using an external EDI adviser during this year (see below).



2024/25 EDI plan

Our plans for 2024/2025:

ACTION
<p>Culture</p> <ul style="list-style-type: none">• Work experience programme with Tower Hamlets secondary school children (4 students).• Review our external events to ensure there is better speaker and guest representation.• Consider how the breadth of the East London population we serve is better reflected in the case studies we use to communicate about our funding.• Closer liaison with Barts Health Comms Team and EDI groups in development of collateral based on hospital sites to ensure that the staff and patient profile is reflected.
<p>Data/Insight</p> <ul style="list-style-type: none">• Analyse the second year of data about diversity of grant applicants and grant holders in autumn 2024 so that we can begin to explore whether our funding processes are inclusive, fair, and free from bias.• Use social media analytics to reach a more diverse digital audience.• Run a third annual personnel diversity survey, comparing results to the previous year and potential benchmarks.
<p>Funding</p> <ul style="list-style-type: none">• Continue to develop funding policies and processes that further support creating an inclusive and fair organisational culture where we fund.• Develop a public statement of commitment to and activities associated with patient and public involvement and engagement in funding activities.
<p>Personnel</p> <ul style="list-style-type: none">• Undertake an externally facilitated formal review of our recruitment process to reach people from more diverse backgrounds and remove bias.

The above actions involve all teams and will be incorporated into their delivery plans. These will be assessed mid-year (October) and year end (March), and we will report our progress against each action.

Finance Review

Review of financial performance

Our financial strategy is to manage and grow our investment assets and voluntary income to support annual grant giving and operating activities for the long term. The net assets as of 31 March 2024 increased by £10.3m to £412m (2023: £401m).

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

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

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

The Statement of Financial Activities (on page 24) shows that, during the financial year, the charity received income of £14.0m, (2023: £11.9m), of which £10.9m was unrestricted (2023: £10.2m). Though the charitable expenditure decreased over the same period to £36.5m (2023: £45.4m) the charity is on track to grant £150m over the five-year period 2022–27. The proportion of non-charitable activities spending relative to total expenditure increased to 10.5% (2023: 8.5%). The increase in the ratio was primarily on account of the reduction in charitable expenditure during the year compared to the previous year.

Two prior year reclassifications have been made in the financial statements for the year: cash with our global custodians, Northern Trust, has been reclassified as 'investments' (from 'cash at bank and in hand' in prior year) and all grant creditors are now reflected as amounts falling due within one year.

As stated above, and as shown in the Statement of Financial Position, the charity's net assets were £412m (2023: £401m). The endowment funds increased in value due to realised and unrealised gains. Restricted funds reduced in value partly because we used some for charitable expenditure and partly in line with the charity's wish to consolidate and close a number of low value funds.

In terms of assets and liabilities, the charity's fixed assets reflect office refurbishments and capitalised software.

Investment review

The value of the charity's investments increased by £19m to £520m over the 12-month period to 31 March 2024.

The majority of equity markets experienced strong, positive returns over the 12-month period to 31 March 2024, led by the US equity market and, in particular, a number of large US technology companies. Returns within fixed income markets, however, were more mixed. The second quarter of 2023 saw the orderly resolution of some high-profile bank failures in the US, declining inflation and increased geopolitical tensions. During the third quarter of 2023, headline inflation continued to slow, core inflation fell in most regions and inflation expectations continued to decline. Developed market central bank actions were mixed, with some deciding to pause hiking interest rates, and others continuing to increase policy rates.

The fourth quarter of 2023 began with low expectations, owing to high long-term interest rates and renewed geopolitical tensions in the Middle East. However, slowing inflation in the US and other regions raised hopes that interest rates may have peaked, thereby boosting investor confidence towards the end of 2023. Positive investor sentiment continued during the first quarter of 2024, buoyed by resilient economic data and expectations of interest rate cuts later in the year.

The long-term target for the portfolio is an average total return of Consumer Price Index (CPI) +4.5% per year (net of fees) over a rolling three-year period and an annualised return in excess of the portfolio's blended benchmark.

The Charity performed well relative to the broader market during the financial year with the portfolio returning 8.2%, net of fees.

Though the long-term target for the portfolio is a total annualised return of CPI +4.5% over rolling three-year periods, the Investment Committee recognises that, given the current high inflationary environment, this will be a challenging target to achieve over the shorter term.

All figures are in % per annum	Return achieved	Target CPI+4.5%	Target Blended Benchmark
3-year period to 31 March 2024	5.2	11.5	6.9
3-year period to 31 March 2023	8.0	10.6	10.0
Since inception to 31 March 2024	8.5	7.5	6.5

Investment performance is monitored quarterly by our Investment Committee with the assistance of our investment advisors, Mercer, who provide advice and monitoring services for the financial portfolio.

Reserves

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

Endowment funds: there are a number of segregated individual personal endowments which are usually created in the form of a trust that limits the use of both the original capital and any investment gains attached to them. There is also an aggregated **expendable endowment** fund – these funds, and gains arising from them, can be applied generally by the Trustees to deliver the Charity's objectives. The value of the aggregated expendable endowment, as at 31 March 2024, was £385.6m (2023: £349.5m).

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

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

Reserves policy

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

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

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

The Charity annually sets a minimum reserve level it considers necessary to maintain in order to achieve this balance between current and future activity. As at 31 March 2024, this minimum reserve level is £392m (2023: £378m).

The level of total reserves as at 31 March 2024 was £520m (2023: £501m) therefore the Trustees consider that the Charity has sufficient funds to continue its charitable activities into the future.

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

Responsible investing

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

As a result, ESG (including but not limited to climate change) and stewardship considerations are integrated in the investment process. This includes selecting new investment managers and monitoring the existing ones, and an ongoing review of the portfolio's ESG characteristics compared to relevant benchmarks and peers. During the year under review, Barts Charity also reviewed the voting and engagement activities of the listed equity managers. When we appoint new investment managers, the Charity believes it is important to consider the level of diversity, including (but not limited to) gender across the manager's investment team. The Charity has no direct investments in tobacco stocks. The Charity monitors exposure to tobacco through pooled funds, including passive index trackers as well as actively managed strategies, aiming to have less than 1% of equities in tobacco companies (i.e. approximately half or less vs the aggregated equity benchmark).

We have a strategic equity exposure achieved through investment in pooled equity funds. The Charity has made an allocation to a Sustainable Global Equity Fund. This aims to provide a positive tilt across a broad range of ESG factors, including reducing carbon emissions, relative to investment in a traditional global equity fund. We follow the principles set out in the Charity Commission's guidance document CC14 and ensure our investment decisions align with our ethical standards.

Going concern statement

The preparation of the accounts for the year ending 31 March 2024 has been undertaken on the basis that Barts Charity is a going concern.

As part of the assessment of the going concern basis of the Charity, scenario analysis and a multi-year projection of reserve levels has been undertaken. This has demonstrated that the

Charity is expected to hold sufficient assets to meet its reserve policy levels, as set out above. Our portfolio is sensitive to movements in investment values, but it still has sufficient liquidity to enable the charity to meet its obligations and is able to meet its planned grant commitments without being a forced seller of assets. Based on these assessments, the Trustees have determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

Public benefit

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

Fundraising policy

We are very grateful to our supporters, who contribute significantly to our work. They give generously in terms of donations and carrying out fundraising activities in our community.

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

The Charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. We are also members of the Institute of Fundraising and refer to their best practice guidance. Our own practice and policies make sure that no individual, including vulnerable people, are put under undue pressure to make a donation. In the year to 31 March 2024, more than 1,200 people and organisations supported us through donations or fundraising and we received no complaints related to fundraising. We have refreshed our privacy statement in line with the UK General Data Protection Regulation (UK GDPR). This and our complaints policy are freely available on our website.

Risk Management

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

The major strategic risks and principal mitigations on 31 March 2024 are set out below.

Risk	Actions to manage the risk
<p>Funding</p> <p>Impact of inflation on significant capital projects under development.</p>	<ul style="list-style-type: none"> • Include contingency in costs surrounding capital builds and potential inflationary increases in costs both before and after tender. • Expert review of significant capital projects under development. Charity representation on relevant project and design boards to ensure we have early sight on arising risks.
<p>Fundraising</p> <p>Economic environment and a number of competing healthcare capital appeals make it harder to achieve our fundraising targets.</p>	<ul style="list-style-type: none"> • Investment in campaign strategy, team and resources to optimise chances of meeting targets. • Healthy pipeline of major donors means we are on course to meet target.
<p>Fundraising and communications</p> <p>A more politicised environment around healthcare funding and cost pressures may cause us reputational risk by association.</p>	<ul style="list-style-type: none"> • Regular communications with Barts Health NHS Trust senior team. • Close relations with Barts Health's communications teams. • Regular dialogue with potential major donors.
<p>Endowment</p> <p>Period of inflation means that the endowment does not generate the target annual return and potentially results in a fall in value of the portfolio.</p>	<ul style="list-style-type: none"> • Asset allocation includes assets which are inflation-resilient, such as property and equities (including listed infrastructure). • Allocations have been made to asset classes with focus on contractual income, such as property, private debt and growth fixed income. • Investments are made with a long-term view. The charity has a significant buffer above the minimum reserve level and can withstand periods of lower return without impacting the operations or funding.
<p>How we work</p> <p>We suffer financial/reputational loss as a result of a cyber security incident/data breach.</p>	<ul style="list-style-type: none"> • Additional IT security has been put in place in partnership with our IT partners. • During the year, we obtained Cyber Essentials Plus status.

Structure, Governance & Management

Constitution

Barts Charity is a company limited by guarantee (registration number 07168381) and a registered charity in England and Wales (registration number 212563). It is governed by Articles of Association most recently updated on 12 December 2016. It is fully independent of the Department of Health and Social Care and regulated only by the Charity Commission.

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

Charitable purposes

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

Non-executives and committees

Barts Charity acts through its Board of Directors (who are known as Trustees). As of 31 March 2024, there were 11 Trustees. Since then, one Trustee has stepped down. All Trustees give of their time freely and no Trustee remuneration is paid. Details of Trustee expenses and related transactions are disclosed in Notes 12 and 13 to the accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Power to appoint new Trustees lies with the existing Board, in accordance with the provisions

of our Articles of Association. All Trustees are appointed for a fixed term of not more than three years, renewable to a maximum of nine years in total. Exceptionally, the Board may decide to extend this maximum term for a Trustee in appropriate circumstances.

The Board has established a series of committees so that much of the Charity's detailed governance work can be conducted by groups of Trustees and specialist members with the most relevant experience and expertise. Committee membership is confirmed annually. Specialist committee members who aren't Trustees are appointed annually, renewable up to a total term of five years. All new Trustees and committee members have an induction programme which enables them to become familiar with key constitutional and operating documents, meet senior Trustees and management, and tour the hospitals that we work with.

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

The Board has established a Scientific Review Panel to supplement the peer review of research grant applications. We are fortunate to be able to call on a team of eminent scientists from across the UK with appropriate expertise relative to the subject matter of the applications. They meet to discuss the full applications and submit their views and recommendations to the Grants Committee for its consideration. Final decision-making authority rests with the Grants Committee for funding requests up to £650,000 and with the Board for requests over this amount. In addition, the Charity Executive has established Everyday Impact and Advancing Healthcare Panels comprising Barts Health staff members to support our Everyday Impact Grant and Advancing Healthcare Small Grant funding schemes. The Panels provide real world experience and review of healthcare applications under these schemes which provide grants of up to £50,000. Final decision-making authority rests with the Executive for funding requests.

Management arrangements

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

Staff remuneration

Staff remuneration is closely scrutinised to ensure that we can attract and retain the best talent, while keeping salaries aligned with the market. When we introduce a new role or undertake a mid-year pay review, we use a live salary database run by specialist reward consultants to reference the benchmark salary range for the role. The benchmark is compiled using a number of factors. These include comparable sectors, the nature and seniority of the role (job rank), our location, number of employees and turnover. We use the range from median to upper quartile mean.

We review all staff salaries every year taking into consideration inflation and data from comparable foundations and the wider third sector. We check the proposed increase against the benchmark for each role to ensure that annual pay awards stay in line with the market. Increases are applied from 1 April each year. The Charity reserves the discretion not to award an increase, especially when an employee's salary is already at the top of their benchmark range. The same principles apply to the pay of the SMT, which is approved by the Appointments and Remuneration Committee.

Pension

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

Reference and administrative details for Barts Charity

Registered and principal office

12 Cock Lane
London
EC1A 9BU

Company registered number: 07168381

Charity registered number: 212569

Non-executives – *includes changes up to date of signing*

Trustees

Andy Bruce, Chair
Sally Flanagan
Professor Catherine Godson
Ian Hart, Deputy Chair
Professor Dame Parveen Kumar (to 31 May 2024)
Dr Richard Lewis
Jean Murphy
Nimesh Patel
Dr Thomas Round
Adam Sharples (ex officio Trustee, Acting Chair of Barts Health NHS Trust from 5 July 2024)
Rt Hon Jacqui Smith (ex officio Trustee, Chair of Barts Health NHS Trust to 5 July 2024)
Dr Lorna Williamson OBE

Board Adviser

Moira Gitsham (communications)
(to 30 September 2023)

Appointments and Remuneration Committee

Andy Bruce, Chair
Sally Flanagan
Ian Hart
Nimesh Patel (from 1 November 2023)

Finance and Audit Committee

Nimesh Patel, Chair
Ian Hart
Dr Richard Lewis
Mohammad Memon

Grants Committee

Dr Lorna Williamson OBE (Chair)
Professor Mirela Delibegovic
Professor Adrian Dixon (to 30 September 2023)
Professor Catherine Godson
Professor Sarah Purdy OBE
Professor Kanchan Rege Thrasher
Dr Thomas Round
Dr Ultan McDermott

Investment Committee

Sally Flanagan, Chair
 Andy Bruce
 Philip Glaze
 Ian Hart
 Jean Murphy

Senior Management Team

Fiona Miller Smith, Chief Executive
 Fiona Bickley, Chief Operating Officer
 Victoria King, Director of Funding and Impact
 Ilia Ralphs, Director of Fundraising
 Prabhakar Sundaresan, Director of Finance and Resources

Advisors**Bank**

National Westminster Bank plc
 1 Princes Street
 London
 EC2R 8BP

Auditor

Moore Kingston Smith LLP
 9 Appold Street
 London
 EC2A 2AP

Legal Advisors

BDB Pitmans LLP
 50 Broadway
 Westminster
 London
 SW1H 0BL

Taylor Wessing LLP
 5 New St Square
 Holborn
 London
 EC4A 3TW

Hogan Lovells International LLP
 Atlantic House
 Holborn Viaduct
 London
 EC1A 2FG

HR Benefits Advisors

Anderson Financial Management Ltd
 Saville Court
 11 Saville Place
 Bristol
 BS8 4EJ

Property Advisors

Swiss Life Asset Managers UK Ltd
 55 Wells Street
 London
 W1T 3PT

Workman LLP
 80 Cheapside
 London
 EC2V 6EE

Investment Advisor

Mercer
 1 Tower Place
 West Tower Place
 EC3R 5BU

Global Custodian

The Northern Trust Company
 50 Bank Street
 Canary Wharf
 London
 E14 5NT

Insurance Broker

Willis Towers Watson Ltd
 51 Lime Street
 London
 EC3M 7DQ

Statement Of Trustees' Responsibilities

The charity trustees (who are also the directors of Barts Charity for the purposes of company law) are responsible for preparing a trustees' annual report, strategic report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving our trustees' annual report:

- there is no relevant audit information needed by the auditor in connection with preparing their report, of which the Auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This Trustees' report, incorporating the Strategic Report, was approved by the Board of Trustees of Barts Charity on 4 July 2024 and signed on its behalf.

Andy Bruce
Chair
Date: 4 July 2024

Independent auditor's report to the members of Barts Charity

Opinion

We have audited the financial statements of Barts Charity ('the charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease

operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these

requirements by discussions with management and those charged with governance.

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 the 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.

Use of our report

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

Luke Holt (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP,
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Date: 9 July 2024

Statement of Financial Activities

(incorporating an income and expenditure account)

for the financial year ended 31 March 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total funds £'000	2023 Total funds £'000
Income and endowments from:						
Donations and legacies	2.1	1,966	3,067	-	5,033	2,717
Investments	2.2	8,968	-	-	8,968	9,182
Total income		10,934	3,067	-	14,001	11,899
Expenditure on:						
Raising funds	3.1	8,078	-	-	8,078	7,156
Charitable activities	3.1	29,876	5,543	1,057	36,476	45,393
Total expenditure		37,954	5,543	1,057	44,554	52,549
Net expenditure before gains/(losses) on investments						
		(27,020)	(2,476)	(1,057)	(30,553)	(40,650)
Gains/(Losses) on investment assets	7.2	2,753	-	36,305	39,058	(7,394)
Net (expenditure)/income		(24,267)	(2,476)	35,248	8,505	(48,044)
Transfers between funds	10	686	(686)	-	-	-
Gains on revaluation of heritage assets	6	-	-	1,770	1,770	-
Net movement in funds		(23,581)	(3,162)	37,018	10,275	(48,044)
Fund balances brought forward at 1 April 2023		27,548	15,767	358,009	401,324	449,368
Fund balances carried forward at 31 March 2024		3,967	12,605	395,027	411,599	401,324

All activities relate to continuing activities. The Notes on pages 25 to 43 form part of these financial statements.

Statement of Financial Position

as at 31 March 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	2024 Total funds £'000	2023 As Reclassified Total funds £'000
Fixed assets						
Tangible fixed assets	5a	99	-	-	99	143
Intangible fixed assets	5b	-	-	-	-	58
Heritage assets	6	-	-	17,313	17,313	16,600
Investments	7	129,610	12,605	377,714	519,929	500,689
Total fixed assets		129,209	12,605	395,027	537,341	517,490
Current assets						
Debtors	8.1	1,696	-	-	1,696	2,341
Cash at bank and in hand	8.2	77	-	-	77	504
Total current assets		1,773	-	-	1,773	2,845
Creditors: amounts falling due within one year	9	(127,515)	-	-	(127,515)	(119,011)
Net current liabilities		(125,742)	-	-	(125,742)	(116,166)
Total net assets		3,967	12,605	395,027	411,599	401,324
Funds						
Endowment funds	10.1	-	-	395,027	395,027	358,009
Restricted income funds	10.2	-	12,605	-	12,605	15,767
Unrestricted funds						
Designated funds	10.3	122	-	-	122	366
General funds	10.3	3,845	-	-	3,845	27,182
Total funds		3,967	12,605	395,027	411,599	401,324

Company registration number 07168381.

The Notes on page 25 to 43 form part of these financial statements.

Andy Bruce
Chair of Trustees

Nimesh Patel
Chair of Finance and Audit Committee

Date: 4 July 2024

Cash Flow Statement

for the year ended 31 March 2024

	Note	2024 £'000	2023 As Reclassified £'000
Cash flows from operating activities:			
Net cash used in operating activities	11.1	(9,959)	(13,626)
Cash flows from investing activities:			
Dividends, interest and rents from investments		8,968	9,182
Payments to acquire tangible fixed assets		-	(166)
Payments to acquire investment assets		(41,223)	(177,367)
Receipts from sales of investment assets		44,346	178,900
Net withdrawals from/(receipts into) investments		(2,559)	2,590
Net cash provided by investing activities		9,532	13,139
Change in cash and cash equivalents in the year		(427)	(487)
Cash and cash equivalents at the beginning of the year		504	991
Cash and cash equivalents at the end of the year	11.2	77	504

The Notes on page 25 to 43 form part of these financial statements.

Financial statements

for the year ended 31 March 2024

Notes to the accounts

1 Accounting policies

Barts Charity is a private company limited by guarantee and does not have share capital. The liability of members is limited to £1.

It is a charitable company registered in England (company number 07168381, charity number 212563) and its registered office is 12 Cock Lane, London, EC1A 9BU.

The following accounting policies have been used consistently in dealing with items which are considered material to the charity's financial statements.

A. Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and heritage assets, which are included at market value.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (2nd edition): Accounting and Reporting by Charities issued in October 2019, the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS 102.

These financial statements are presented in pounds sterling (GBP), as that is the currency in which the majority of the charity's transactions are denominated. The financial statements are presented to rounded to the nearest thousand pounds.

B. Going concern

The preparation of the accounts for year ended 31 March 2024 has been undertaken on the basis that Barts Charity is a going concern. The Charity currently meets day to day working capital requirements through its existing cash facilities. In conjunction with the Charity's investment advisors modelling has been undertaken incorporating expected asset values of the portfolio in stressed scenarios and net spending over the next 10 years.

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

Based on these assessments the Trustees have not identified any material uncertainties relating to going concern. The Trustees have therefore determined the Charity to be a going concern and the basis of the preparation of the annual report and accounts on a going concern basis is therefore appropriate.

C. Accounting estimates and judgements

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

The key judgements and estimates are:

a. Valuation of property

A full property valuation is undertaken tri-annually with an annual desktop valuation in the years between. A full property valuation was completed for 2023/24 by Knight Frank LLP, Chartered Surveyors, (refer to Note 1, Section J). The valuation has been prepared using a fair value basis, being the price that would be received to sell an asset, in an orderly transaction, between market participants at the measurement date.

b. Valuation of private equity and private credit investments

Due to the nature of private investments, there is no quoted market price for the funds. The value at the balance sheet date is deemed to be the most recent valuation from the private investment group, adjusted for those cashflows up to and

including the balance sheet date. This is then reviewed in light of valuations which become available post the balance sheet date up to the date the financial statements are approved.

c. Allocation of income, expenses and gains / losses to restricted and endowment funds

Expenses are charged on an actual basis for restricted and endowment funds.

Donation income is charged to restricted funds on an actual basis. Investment income is charged to the relevant restricted and unrestricted funds in relation to the endowments funds on a proportionate basis.

Gains and losses are allocated across all funds types on a proportionate basis on the value of the funds at the start of the year.

d. Valuation of accrued dividend income

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

e. Heritage assets

Heritage Assets are not depreciated but are revalued every five years. The last valuation was completed by Gurr Johns in January 2024. Any surplus or deficit on revaluation is credited or debited to the Statement of Financial Activities.

D. Fund structure

a. Restricted funds

These are funds for which a legal restriction exists over their use and related income is restricted to the purpose of the fund.

b. Endowment funds

(i) Permanent endowment funds

These are funds where the capital is held in perpetuity, but the related income may be used for unrestricted or restricted purposes, as specified by the donor.

(ii) Expendable endowment:

These funds represent donations received by the hospitals of Barts Health NHS Trust prior to 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4, of the National Health Service Act 2006 (see c(i) below).

c. Unrestricted funds

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

i. General

Sections 220(3) and 220(5) and paragraph 10(1) of Schedule 4 of the National Health Service Act 2006: To hold the property on trust for such purposes relating to hospital services (including research), or to any other part of the health service associated with any hospital, as the person holding the property thinks fit.

ii. Designated

The Trustees have chosen to earmark these funds for specific areas within the general charitable purposes.

E. Income

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

Donations are accounted for as income when received.

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

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

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

F. Expenditure

All expenditure is accounted for on an accruals basis. Direct costs of raising funds, charitable activities and support costs are charged to the relevant category or activity, according to the area to which the expenditure relates. Support costs incurred that relate to more than one cost category are apportioned, based on full time equivalent staff numbers in each area. Charitable activities include grants that have been approved during the year.

G. Grant commitments

Grant commitments are recognised when the following conditions have been fulfilled: (1) the receipt of necessary approvals for the grant from the Trustees, and (2) the communication of the approval to the grant recipient. Grants are discounted to reflect the time value of money, if this is considered material to the financial statements.

H. Fixed assets

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

a. Tangible fixed assets

Tangible fixed assets are included in the Statement of Financial Position at cost less accumulated depreciation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward depreciation.

Depreciation is charged on a straight line basis to support costs over their estimated useful lives. Fixtures, fittings and equipment are depreciated over the shorter of five years or the remaining lease term for the office premises.

b. Intangible fixed assets

Intangible fixed assets are included in the Statement of Financial Position at cost less accumulated amortisation. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and any impairments are shown as reducing both the initial cost and brought forward amortisation.

Amortisation is charged on a straight line basis to support costs over their estimated useful lives. IT software is considered to have a useful life of five years.

I. Heritage Assets

Heritage assets are capitalised and include: art collections, historic archives, sculptures, ceramic surgical instruments, uniforms, teaching materials, and other items.

They are reported on the balance sheet at their insured values, which are based on replacement values in the retail market or, where appropriate,

in the second-hand retail market with items of a similar nature, age, condition and quality.

They are not depreciated but are revalued every five years, with the last valuation completed by Gurr Johns in January 2024.

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

J. Investments

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

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

The annual market valuation of Barts Charity's investment properties has been carried out in accordance with the current editions of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, incorporating the International Valuation Standards and the RICS UK National Supplement. The valuations were carried out by Knight Frank LLP, Chartered Surveyors, who have been instructed as our external valuer to value Barts Charity's freehold and long leasehold interests at 31 March 2024. They have reported their opinion of the aggregate of the values of Barts Charity's interest in the individual buildings.

K. Realised and unrealised gains and losses on investment assets

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

L. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at their fair value, net of transaction costs, and are measured subsequently

at amortised cost, using the effective interest method, less any impairment.

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

M. Creditors

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

N. Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of a change in value.

O. Financial instruments

Basic financial instruments are initially recognised at their transaction value and subsequently measured at their fair value, as at the balance sheet date using the closing quoted market price.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Charity does not acquire put options, derivatives or other complex financial instruments directly. Where individual investment managers have discretion to use financial instruments, valuation is in line with market practice.

P. Pension contributions

The cost of employer contributions to the NHS Pension Scheme and the Defined Contribution Scheme are charged to the Statement of Financial Activities.

Certain past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of benefits payable under these provisions can be found on the NHS Pensions Website (www.nhsbsa.nhs.uk/nhs-pensions). The scheme is an unfunded, defined benefit scheme, preparing its own statements, that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contributions one: the cost to an NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme. Applicable rates for employee contributions for the NHS Pension Scheme were 13.5% for both 2023/24 and 2022/23. Employer contributions were 14.38% for both 2023/24 and 2022/23.

Employees employed after 1 April 2011 can choose to belong to a Defined Contribution Scheme which is a Group Personal Pension Scheme. For the year ended 31 March 2024, the rates of employer contribution for the Defined Contribution Scheme were 10% for SMT and 8% for other staff (unchanged from the year ended 31 March 2023). Employee contributions are voluntary.

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2. Income

2.1. Income from donations and legacies

Year ended 31 March 2024	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2024 Total income £'000
Donations	483	1,609	-	2,092
Legacies	1,483	687	-	2,170
Government grants	-	771	-	771
Total 2024	1,966	3,067	-	5,033

Government grants received during the year relates to income received from the Medical Research Council in support of our Fellowship Programme. All conditions of the grants have been fulfilled. The income has been fully spent in the year.

In addition to the legacy income recognised above, Barts Charity is aware of legacies totalling approximately £405k which do not meet the SORP recognition criteria at the year end, but are expected to become receivable in future years.

Year ended 31 March 2023	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2023 Total income £'000
Donations	433	777	-	1,210
Legacies	631	876	-	1,507
Total 2023	1,064	1,653	-	2,717

2.2. Income from investments

Year ended 31 March 2024	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2024 Total income £'000
Investment properties	3,220	-	-	3,220
Investments listed on stock exchanges	2,976	-	-	2,976
Private investments	2,521	-	-	2,521
Interest on cash held as part of the investment portfolio	251	-	-	251
Total 2024	8,968	-	-	8,968

Year ended 31 March 2023	Unrestricted income £'000	Restricted income £'000	Endowment income £'000	2023 Total income £'000
Investment properties	3,602	-	-	3,602
Investments listed on stock exchanges	4,146	-	-	4,146
Private investments	1,273	-	-	1,273
Interest on cash held as part of the investment portfolio	161	-	-	161
Total 2023	9,182	-	-	9,182

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3. Expenditure

3.1. Total expenditure

	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2024 Total expenditure £'000
Direct expenditure				
Grants – Research	-	13,116	-	13,116
Grants – Service delivery	-	20,845	-	20,845
Grants written back – Research	-	(294)	-	(294)
Non-grant charitable expenditure	-	(7)	-	(7)
Costs of generating income				
Financial and property investment	4,905	-	-	4,905
Fundraising	300	-	-	300
Total direct expenditure	5,205	33,660	-	38,865
Staff and support costs				
Salaries, social security and pension costs	920	699	1,225	2,844
Other staff and related costs	36	4	177	217
Marketing and communications	-	-	191	191
Legal, accounting and IT	-	-	421	421
Office costs	-	-	554	554
Grant administration	-	60	-	60
Loss on disposal of operational fixed assets	-	-	-	-
Loss on disposal of heritage assets	-	1,057	-	1,057
Irrecoverable VAT	345	-	-	345
Subtotal staff and other costs	1,301	1,820	2,568	5,689
Allocation of staff and overheads	1,572	996	(2,568)	-
Total	8,078	36,476	-	44,554

	Unrestricted expenditure £'000	Restricted expenditure £'000	Endowment expenditure £'000	2024 Total expenditure £'000
Costs of raising funds	8,078	-	-	8,078
Charitable expenditure	29,876	5,543	1,057	36,476
Total 2024	37,954	5,543	1,057	44,554

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	Costs of raising funds £'000	Charitable expenditure £'000	Support costs £'000	2023 Total expenditure £'000
Direct expenditure				
Grants – Research	-	31,124	-	31,124
Grants – Service delivery	-	11,581	-	11,581
Grants written back – Research	-	(303)	-	(303)
Non-grant charitable activity	-	1,206	-	1,206
Costs of generating income				
Financial and property investment	4,196	-	-	4,196
Fundraising	369	-	-	369
Total direct expenditure	4,565	43,608	-	48,173
Staff and support costs				
Salaries, social security and pension costs	770	630	1,138	2,538
Other staff and related costs	35	3	264	302
Marketing and communications	-	-	210	210
Legal, accounting and IT	-	-	498	498
Office costs	-	-	571	571
Grant administration	-	20	-	20
Loss on disposal of operational fixed assets	-	-	19	19
Irrecoverable VAT	218	-	-	218
Subtotal staff and other costs	1,023	653	2,700	4,376
Allocation of staff and overheads	1,568	1,132	(2,700)	-
Total	7,156	45,393	-	52,549
2023 Total expenditure by fund type				
	Unrestricted expenditure £'000	Restricted expenditure £'000	Endowment expenditure £'000	2023 Total expenditure £'000
Costs of raising funds	7,156	-	-	7,156
Charitable expenditure	27,340	18,053	-	45,393
Total 2023	34,496	18,053	-	52,549

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

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3.2. Direct charitable expenditure by institution

	2024 Total £'000	2023 Total £'000
Barts Health NHS Trust	21,218	32,190
Faculty of Medicine & Dentistry at Queen Mary University London	11,404	9,340
School of Health and Psychological Sciences at City, University of London	478	335
Grant funded activity	33,100	41,865
Direct other spending	560	1,743
Total grants awarded	33,660	43,608

4. Employees

4.1. Analysis of staff costs

	2024 Total £'000	2023 Total £'000
Salaries and wages	2,362	2,105
Social security costs	274	261
Other pension costs	208	172
Total	2,844	2,538
Average monthly number of full-time equivalents	42	37
Average head count	43	38

Staff costs include termination payments of £Nil to zero employees (£28,523 to two employees in 2022/23). Of the above, termination payments to key management personnel totalled £Nil to zero employees in 2023/24 (£21,328 to one employee in 2022/23).

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4.2. Higher paid employees

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

	2024	2023	2024 £'000	2023 £'000	2024	2023
	Number of employees		Value of pension contributions		Number of staff in receipt of pension contributions	
£60,000 to £70,000	5	4	24	21	5	4
£70,001 to £80,000	1	-	6	-	1	-
£80,001 to £90,000	1	1	6	11	1	1
£90,001 to £100,000	-	1	-	14	-	1
£100,001 to £110,000	2	2	30	21	2	2
£110,001 to £120,000	2	-	23	-	2	-
£170,001 to £180,000	-	1	-	17	-	1
£180,001 to £190,000	1	-	19	-	1	-

Key management personnel (the senior management team of the charity) received aggregate employee benefits of £777,922 in 2023/24 (£841,454 in 2022/23).

5. Operational fixed assets

5a. Tangible operational fixed assets

At Cost	Office equipment £'000
As at 1 April 2023	166
Additions	-
Disposals	-
Balance at 31 March 2024	166

Depreciation:

As at 1 April 2023	23
Charge for the year	44
Disposals in the year	-
Balance at 31 March 2024	67

Net book value at:

31 March 2024	99
31 March 2023	143

5b. Intangible operational fixed assets

At Cost	Software £'000
As at 1 April 2023	214
Additions	-
Disposals	-
Balance at 31 March 2024	214

Amortisation:

As at 1 April 2023	156
Charge for the year	58
Disposals in the year	-
Balance at 31 March 2024	214

Net book value at:

31 March 2024	-
31 March 2023	58

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6. Heritage assets

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Valuation at start of the year	16,600	16,600	16,600	16,600	16,600
Additions – purchases	-	-	-	-	-
Additions – donations	-	-	-	-	-
Disposals	(1,057)	-	-	-	-
Impairment	-	-	-	-	-
Revaluation	1,770	-	-	-	-
Valuation at end of year	17,313	16,600	16,600	16,600	16,600

Type of heritage assets:

Antique furniture	796	1,253	1,253	1,253	1,253
Paintings, prints and drawings	10,840	8,792	8,792	8,792	8,792
Books and manuscripts	2,669	3,003	3,003	3,003	3,003
Other	3,008	3,552	3,552	3,552	3,552
Total	17,313	16,600	16,600	16,600	16,600

Paintings, prints and drawings include two William Hogarth paintings which have been valued at £4m and £3.5m respectively (£3m and £2.6m in 2022/23). Other heritage assets include clocks, barometers, works of art, sculptures, ceramics, glass, silver and gold. Heritage Assets are not depreciated but are revalued every five years with the last valuation completed by Gurr Johns, auctioneers and valuers, in January 2024.

All heritage assets at 31 March 2024 are included within the endowment fund (31 March 2023: all heritage assets are included within the endowment fund).

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7. Investments

7.1. Analysis of fixed asset investments

	Property £'000	Financial £'000	2024 Total £'000	2023 As Reclassified Total £'000
Fixed asset investments				
Market value at 1 April 2023	71,560	429,129	500,689	522,607
Less: Disposals proceeds	(1,610)	(42,736)	(44,346)	(178,900)
Add: Acquisitions at cost	-	41,223	41,223	177,367
Net (loss)/gain on investments	(7,050)	26,854	19,804	(17,795)
Net receipts into/(withdrawals from) investments	-	2,559	2,559	(2,590)
Total	62,900	457,029	519,929	500,689

	2024 Total £'000	2023 As Reclassified Total £'000
Market value at 31 March:		
Investment properties	62,900	71,560
Investments listed on stock exchanges	362,894	344,943
Private investments	87,201	79,917
Short term investments	6,934	4,269
Total	519,929	496,746

Short term investments are held within the investment portfolio, predominantly to fund private investment capital calls and are shown separately in the table above, to distinguish from other investments.

Financial investments held at 31 March 2024 include 16 unit trust funds, representing 81% of the total value, and 39 separate private investments (in 2022/23 16 unit trust funds representing 81% and 35 separate private investments).

At the year end, Barts Charity had undrawn commitments to private equity funds of £80.3m, which are expected to be called at various future dates, whilst the current investments in private equity funds will be expected to be realised by a return of capital. The carrying value of the private equity investments of £87.2m reported above represents the valuations of the funds at 31 March 2024, as provided by relevant fund managers and/or as computed by our global custodian. However, it is not possible for the Trustees to liquidate these investments prior to the future return of capital.

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

Year ended 31 March 2024	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Total £'000	2024 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	3,195	-	42,123	45,318
(Losses)/Gains on revaluation and disposal of property investments	(442)	-	(5,818)	(6,260)
Subtotal: gains and losses	2,753	-	36,305	39,058
Other currency gains	-	-	-	-
Total	2,753	-	36,305	39,058

Year ended 31 March 2023	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Total £'000	2024 Total £'000
(Losses)/Gains on revaluation and disposal of financial investments	(474)	-	(2,596)	(3,070)
(Losses)/Gains on revaluation and disposal of property investments	(705)	-	(3,860)	(4,565)
Subtotal: gains and losses	(1,179)	-	(6,456)	(7,635)
Other currency gains	37	-	204	241
Total	(1,142)	-	(6,252)	(7,394)

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

8. Current assets

8.1. Analysis of debtors

	2024 £'000	2023 £'000
Trade debtors	444	1,204
Prepayments	205	63
Accrued income	1,036	1,035
Other debtors	11	39
Total	1,696	2,341

All debtors at 31 March 2024 relate to unrestricted funds (31 March 2023: all debtors relate to unrestricted funds).

Accrued income largely relates to income on financial investments and amortisation of a rent free period for related leases (see Note 1, Section E).

Included within accrued income is an amount of £0.3m which relates to rent amortisation due to be released after more than one year (31 March 2023: £0.7m).

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8.2. Cash at the bank and in hand

	2024 £'000	2023 As Reclassified £'000
Cash in UK clearing bank accounts	77	504

9. Creditors due in one year

	2024 £'000	2023 As Reclassified £'000
Amounts falling due within one year as at 31 March:		
Trade creditors	67	35
Other creditors	115	210
Taxation and social security	108	101
Grant accruals	126,321	116,189
Accruals and deferred income	904	2,476
Total	127,515	119,011

As our grant awards do not give us an unconditional right to defer disbursements, all grant creditors are shown as due within one year. However, based on past experience, the grants are active for longer than one year.

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

	2024 £'000	2023 £'000
Deferred income brought forward	670	578
Released	(2,867)	(2,777)
Deferred	2,738	2,869
Deferred income at 31 March	541	670

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10. Funds

10.1. Funds – Year ended 31 March 2024

	Balance as at 1 April 2023 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (losses) £'000	Balance as at 31 March 2024 £'000
Endowment funds						
Aylwen Bursaries	3,175	-	-	-	322	3,497
Edward Hewlett	2,607	-	-	-	265	2,872
Hannington	1,027	-	-	-	105	1,132
Hamblen Thomas	320	-	-	-	33	353
MacCredady Mann	315	-	-	-	33	348
Levy Family	273	-	-	-	27	300
MAEL Jones	253	-	-	-	26	279
Funds < £200k	512	-	-	-	52	564
Expendable endowments	349,527	-	(1,057)	-	37,212	385,682
Total endowment funds	358,009	-	(1,057)	-	38,075	395,027
Restricted funds						
Cardiac	2,117	96	(1,869)	-	-	344
Margaret Centre	993	14	(56)	-	-	951
Gastroenterology	645	-	-	-	-	645
IBD Research	821	-	84	-	-	905
St Barts Hospital	574	251	(500)	-	-	325
Funds <£500k	10,617	2,706	(3,202)	(686)	-	9,435
Total restricted funds	15,767	3,067	(5,543)	(686)	-	12,605
Unrestricted funds						
Designated funds						
Cardiac funds	122	-	-	-	-	122
Funds < £100k	244	-	(210)	(34)	-	-
Total designated funds	366	-	(210)	(34)	-	122
General funds	27,182	10,934	(37,744)	720	2,753	3,845
Total unrestricted funds	27,548	10,934	(37,954)	686	2,753	3,967
Total funds	401,324	14,001	(44,554)	-	40,828	411,599

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10.2 Funds – Year ended 31 March 2023

	Balance as at 1 April 2022 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains and (losses) £'000	Balance as at 31 March 2023 £'000
Endowment funds						
Aylwen Bursaries	3,230	-	-	-	(55)	3,175
Edward Hewlett	2,653	-	-	-	(46)	2,607
Hannington	1,045	-	-	-	(18)	1,027
Hamblen Thomas	326	-	-	-	(6)	320
MacCredady Mann	321	-	-	-	(6)	315
Levy Family	278	-	-	-	(5)	273
MAEL Jones	257	-	-	-	(4)	253
Funds < £200k	521	-	-	-	(9)	512
Expendable endowments	355,630	-	-	-	(6,103)	349,527
Total endowment funds	364,261	-	-	-	(6,252)	358,009
Restricted funds						
Cardiac	2,358	170	(411)	-	-	2,117
Margaret Centre	1,044	17	(68)	-	-	993
Covid-19 response	586	-	(586)	-	-	-
Gastroenterology	645	-	-	-	-	645
East London Foundation Trust General Fund	1,012	23	(1,035)	-	-	-
IBD Research	1,123	-	(302)	-	-	821
Trauma	733	58	-	(350)	-	441
Funds <£500k	8,629	1,385	(15,651)	16,387	-	10,750
Total restricted funds	16,130	1,653	(18,053)	16,037	-	15,767
Unrestricted funds						
Designated funds						
Cardiac funds	122	-	-	-	-	122
Whipps Cross General fund	128	-	(49)	-	-	79
Funds < £100k	184	-	(19)	-	-	165
Total designated funds	434	-	(68)	-	-	366
General funds	68,543	10,246	(34,428)	(16,037)	(1,142)	27,182
Total unrestricted funds	68,977	10,246	(34,496)	(16,037)	(1,142)	27,548
Total funds	449,368	11,899	(52,549)	-	(7,394)	401,324

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10.3 Funds (additional)

Endowment funds

Note 1, Section D provides further details of the endowment fund structure. There were no other income, expenditure or transfers in 2023/24. Expenses have not been charged to the endowment funds. Due to the historic nature of these, there is no certainty that the terms of the trust of the endowed gift would allow this. In conjunction with ongoing works to consider the provenance of these funds, we continue to review this methodology.

Restricted funds

Note 1, Section D provides further details of the restricted fund structure. There was no allocation of investment income or expenses to the funds in 2023/24, given that they are funded from readily available cash. The Charity is continuing a review of its restricted funds at hospital sites. The target is to consolidate these into fewer funds with more flexible purposes at each site in order to promote more effective expenditure. This work is ongoing.

Details of significant funds

Name of fund	Nature and purpose of fund
Cardiac	Treatment of and research into cardiac disease
Margaret Centre	Provision of palliative care at the Margaret Centre (Whipps Cross Hospital)
St Barts Hospital	Any purposes within St Bartholomew's Hospital
Gastroenterology	Gastroenterology unit (Whipps Cross Hospital)
IBD Research	Research into Crohns' disease

Transfers between funds

Transfers between funds represent:

- transfers from general funds to restricted funds to cover overspends on restricted funds; and
- the reversal of prior year transfers of general funds to restricted funds to cover overspends on restricted funds where subsequent restricted income has been received.

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10.4 Prior year distribution of net assets

	Unrestricted funds As Reclassified £'000	Restricted funds £'000	Endowment funds £'000	2023 Total funds As Reclassified £'000
Tangible assets	143	-	-	143
Intangible assets	58	-	-	58
Heritage assets	-	-	16,600	16,600
Investments	143,513	15,767	341,409	500,689
Total fixed assets	143,714	15,767	358,009	517,490
Debtors	2,341	-	-	2,341
Cash at bank and in hand	504	-	-	504
Total current assets	2,845	-	-	2,845
Creditors: amounts falling due within one year	(119,011)	-	-	(119,011)
Net current liabilities	(116,166)	-	-	(116,166)
Total net assets	27,548	15,767	358,009	401,324

11. Notes to the cash flow statement

11.1 Net cash used in operating activities

	2024 £'000	2023 £'000
Net (expenditure) / income for the year	8,505	(48,044)
Adjustments for:		
Losses/(Gains) on revaluation and disposal of investment assets	(19,804)	17,795
Investment income	(8,968)	(9,182)
Depreciation charges	102	106
Loss on disposal of fixed assets	-	19
Loss on disposal of heritage assets	1,057	-
Change in debtors	645	829
Change in creditors	8,504	24,851
Cash outflow from operating activities	(9,959)	(13,626)

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11.2 Analysis of changes in cash and cash equivalents

	2023 As Reclassified £'000	Movement £'000	2024 £'000
Cash in hand and at the bank	504	(427)	77

12. Trustee transactions

	2024		2023 As Restated	
	£	No	£	No
Trustee travel, subsistence and hospitality expenses	5,656	11	4,434	14

Premiums for Trustee indemnity insurance were paid by the Charity on the part of Trustees totalling £11,194 (2022/23: £9,017).

13. Related party donations

The total amount of related party donations made, without conditions, was £7,260 (2022/23: £4,680).

The total amount of related party donations made with conditions was £2,356 (2022/23: £Nil).

During the year Barts Charity made revenue and capital grants to Barts Health NHS Trust of £21.2m (2022/23: £32.2m).

14. Operating leases

14.1 Operating lease income

Barts Charity generate income from leasing out space within its investment properties. The future minimum lease payments receivable under non-cancellable operating leases are:

	2024 £'000	2023 £'000
Not later than one year	2,010	3,204
Later than one year and not later than five years	1,696	3,903
Later than five years	24	413
Total	3,730	7,520

14.2 Operating lease commitments

Barts Charity was committed to making the following payments under non-cancellable operating leases:

	2024 £'000	2023 £'000
Not later than one year	245	244
Later than one year and not later than five years	367	123
Total	612	367

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for the year ended 31 March 2024

Notes to the accounts

15. Net (expenditure) / income for the year

	2024 £'000	2023 £'000
This is stated after charging:		
Auditors' remuneration – audit fees	71	58
Auditors' remuneration – non-audit fees	-	4
Amortisation	58	63
Depreciation	44	43
Loss on disposal of fixed assets	-	29
Operating lease payments	244	244

16. Prior year reclassifications

The following reclassifications have been made in the statements relating to the year ended 31 March 2023:

- All grant creditors are now shown as due in less than one year. Previously the grant creditors were split between those due in less than one year and those due in more than one year. The individual categories within creditors have been reclassified as appropriate.
- The short term investments held with our global custodian have been included within investments. They were previously classified as cash.
- Trustees expenses have been restated to exclude expenses relating to non-trustee panel members and advisors.

There has been no impact on the net assets or the surplus / deficit for the year as a result of the above changes.

Reconciliation of Balance Sheet and Reserves at 31 March 2023

	Note	2023 As previously stated £'000	Prior year adjustment £'000	2023 As restated £'000
Tangible assets	5a	143	-	143
Intangible assets	5b	58	-	58
Heritage assets	6	16,600	-	16,600
Investments	7	496,746	3,943	500,689
Total fixed assets		513,547	3,943	517,490
Debtors	8.1	2,341	-	2,341
Cash at bank and in hand	8.2	4,447	(3,943)	504
Total current assets		6,788	-	2,845
Creditors: amounts falling due within one year	9	(26,387)	(92,624)	(119,011)
Net current liabilities		(19,599)	-	(116,166)
Creditors: amounts falling due in more than one year		(92,624)	92,624	-
Total net assets		401,324	-	401,324

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