



**b+tlc** BARTS AND  
THE LONDON  
CHARITY

TRUSTEES' ANNUAL  
REPORT 2008

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# support giving

## Our vision

To be a leading charity promoting excellence in healthcare.

## Our mission

To raise, invest and grant funds for innovation and improvement in patient care, medical research and education.

## Our beneficiaries

We fund projects at

- Barts and The London NHS Trust – Barts, The Royal London Hospital and The London Chest Hospital
- Barts and The London School of Medicine and Dentistry (the Medical School)
- St Bartholomew School of Nursing and Midwifery at City University.

We also assist Tower Hamlets Primary Care Trust (including Mile End Hospital), Newham Primary Care Trust, City and Hackney Primary Care Trust and East London NHS Foundation Trust with the management of their charitable funds.

## Our grants strategy

We award grants to support innovative healthcare and medical research at Barts and The London. Our grants programme encompasses four key themes:

1. Strategic research – to facilitate partnerships between basic and clinical researchers in support of the proposed Academic Health Sciences Centre.

2. Enhancement in service delivery – to provide equipment and/or fund a particular initiative that will result in step change in a clinical area.
3. Innovative training and development – to enable staff development and in turn enhance professional skills and boost morale.
4. Patient and community engagement – to encourage initiatives that link with local communities and patient groups to inform and raise awareness about specific health issues.

We liaise closely with the Hospital Trust and Medical School to ensure that grants are awarded in areas of strategic importance. We also gain independent opinions on grant applications, to ensure that projects are worthwhile and offer good value for money.

## The hospitals

Barts is the UK's oldest hospital, founded in 1123 by Rahere, a courtier of Henry I. In 1546, Henry VIII granted the hospital to the City of London.

The Royal London was conceived in 1740, and was set up by its benefactors to aid the sick poor among 'the merchant seaman and manufacturing classes' of the East End.

The origins of The London Chest Hospital go back to 1848, when a group of philanthropic bankers and merchants set out to tackle the scourge of tuberculosis.

“ We need to make sure our local communities know what a positive impact we have on healthcare.”

Michael Smith, Trustee



## Our financial strategy

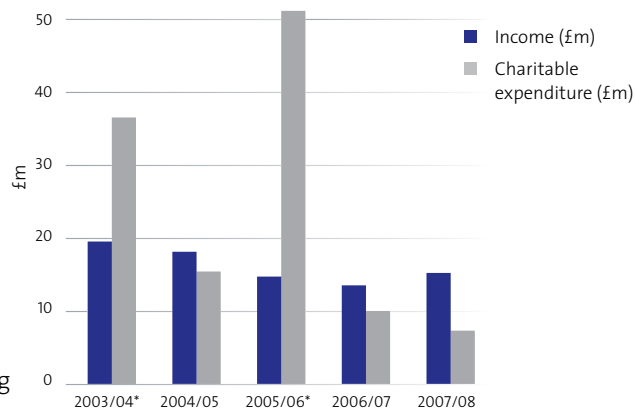
The Charity plans to exist in perpetuity, a principle that guides our investment and grant-giving strategies. Our investments are managed with a long-term perspective, generating income to support an annual grant-giving programme while also growing our asset base. Our reserves policy (see page 27) provides a framework for the annual recurring grant-giving programme as well as for one-off exceptional large grants. After making such exceptional grants, The Charity aims to rebuild the levels of its reserves and then its grant-giving capacity.

Our investments are widely diversified by asset type (such as property and equities), geographically and by fund manager.

## Our fundraising strategy

Our principal focus is on securing ‘major gifts’ (between £10,000 and £1 million) from individuals, corporate bodies and charitable trusts, in addition to developing a legacy campaign. Events are organised to support this activity. The strategy is founded on a highly knowledgeable, effective and well-regarded team of fundraising staff.

A key aspect of our fundraising is the fact that, because endowment income covers all administrative costs, 100% of every donation supports charitable activities.



Income and charitable expenditure 2003/04–2007/08. Large exceptional one-off grants were made in 2003/04 and 2005/06

## Support The Charity

There are many ways in which you can help, either as an individual or organisation:

- Commit to making a regular annual donation
- Make a one-off donation
- Sponsor an event
- Select us as your Charity of the Year
- Introduce us to contacts who could help support our work
- Encourage staff to volunteer time to fundraise
- Organise or take part in a fundraising event (perhaps with friends or colleagues)
- Leave a gift in your will

For further information about how you can get involved and support our beneficiaries, contact our fundraising team on 020 7618 1720 or go to [www.bartsandthelondoncharity.org.uk](http://www.bartsandthelondoncharity.org.uk).

# Chairman's foreword

A year focused on long-term planning anticipates a time when the new hospital buildings will be open at Barts and The London hospitals.

At long last I am able to report that we can see the new buildings taking shape on The Royal London and Barts sites. From my office in Spitalfields the forest of cranes at Whitechapel is clearly visible, dwarfing all other construction projects in the immediate vicinity and from the 11th floor of The Charity's property adjacent to Barts we can peer into the structure which has risen phoenix-like from the hole in the ground of last year. It is a great thrill to see this progress, finally, and we take great pride in the role that The Charity has to date played in these developments.

But this is not a time for complacency, and this year has seen several exciting changes at Barts and The London Charity. One of the most obvious has been the introduction of a new visual identity, apparent in this new-look Annual Report. The new identity is an outward sign of an evolving programme of change within The Charity, which gained considerable momentum during the year and has established a firm foundation for our work in the coming years.

Of particular significance was the arrival of a new Chief Executive, Andrew Douglas. Andrew brings a wealth of management experience, and has led a wide-ranging and far-reaching review of Charity strategy, encompassing grant-making, fundraising and communications.

The fundraising strand of work is being led by Caroline Lane, who joined us in 2007 from Addenbrooke's Hospital in Cambridge. Fundraising is a relatively new area of activity for The Charity but one we see as being increasingly important. Modern fundraising is highly competitive, with many worthy causes seeking to acquire funds from benefactors. Our ambition is to forge closer ties with institutions on our doorstep, in the City of London, drawing upon the long history of links between Barts and the City. An important aspect of this strategy will be to raise the profile of The Charity, to highlight the impact our funding has had.

With Andrew and Caroline joining the senior management group, I am confident that we have an excellent executive team able to deliver the new strategy. I would again like to record my personal thanks to Donna Foxwell, Chief Operating Officer, who, until Andrew's arrival, steered The Charity with a steady and determined hand. Thanks are also due to Geoff Peters, Estates Manager, who retired in April after 20 years' service to The Charity, and to Richard Cotton, senior partner at Cluttons, who for many years has provided excellent advice on property matters.

We welcomed several new Trustees onto the Board this year. Nicholas Woolf has been a valued Adviser to The Charity for several years. Katherine Payne, Head of Charity Services at the Mercers'



Company, and Michael Smith formerly Managing Director of BUPA Health Services are new to The Charity and bring extensive experience of the charity sector and healthcare. We have also been joined by Dr Keith Palmer who is Chairman of Barts and The London NHS Trust, providing an important link to our beneficiaries. Two new Advisers have been appointed: Eileen Hammond, who has more than 25 years' experience of fundraising within the voluntary sector, and Sarabjit Ubhey, a management development consultant with a strong background in audit.

Another important change last year was the arrival of two key individuals at the Trust – Dr Keith Palmer as Chairman and Julian Nettel as Chief Executive. Keith and Julian have already done much to drive forward the Trust's strategy. The Trust has made progress towards its aim of being awarded foundation trust status. This will bring a considerable degree of additional autonomy and promote community involvement. The Trust is continuing to develop its plans, in partnership with the Medical School, to become an Academic Health Sciences Centre.

These changes have helped us establish ways in which The Charity can best support the long-term planning of the Trust. In particular, we can look forward to a time when there is no longer a need for large-scale infrastructure investment from The Charity, which is reflected in our new grants strategy.

## Imaging the future

Although the design of our Annual Report reflects The Charity's new visual identity, its purpose remains unchanged – to highlight ways in which we have been able to make a difference to the quality of healthcare delivered at the hospitals and to support the ground-breaking research in the Medical School.

This year, a major focus has been on the East Wing of Barts. Preserving architectural heritage – the building is grade I listed – while also ensuring that staff can deliver first-class healthcare has been a major challenge, but one that has been overcome with great success. Particularly impressive is the PET Centre, one of the most advanced facilities of its type in the country. The impact of new technology is also apparent in other areas, including the new cardiac MRI facility at The London Chest Hospital and image-guided radiotherapy equipment at Barts.

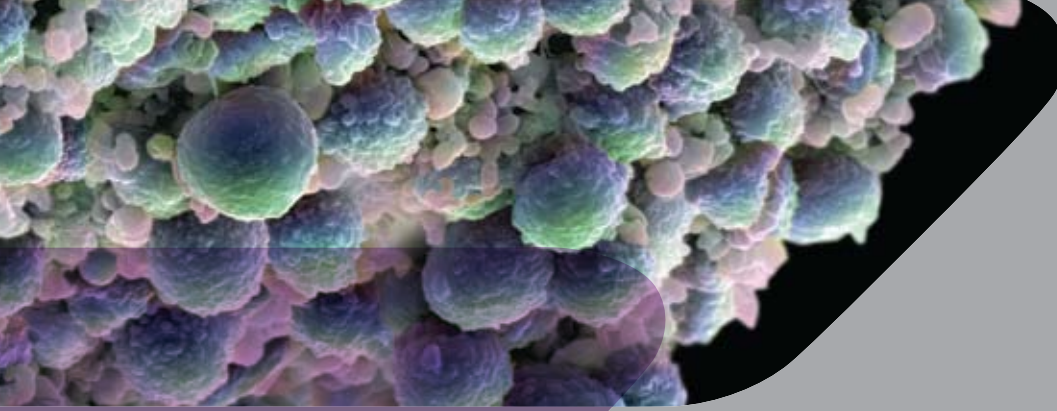
The latter example illustrates how remarkably sophisticated medical technologies have become. Nevertheless, patients may be less aware of the technical advances that underpin their treatment than of practicalities, which, whilst trivial in comparison with the quality of the technology, have a profound impact on morale. A good example is the 'mould room', where patients have personalised masks made for their course of therapy. We were

able to respond rapidly and award a small grant to enable the space to be improved, making a significant difference to the patient experience.

Finally, in the fundraising section, we highlight one of the first events organised to raise the profile of our work – the reception at the Mansion House. Several such events will be organised each year. We have also included inspiring examples of how organisations and individuals can get involved in fundraising and help us make a difference to patient care at Barts, The Royal London and The London Chest Hospital.

Chairman, Barts and The London Charity.

Above: Clare Maurice.



## Grants

### Barts and The London Charity supports innovative projects that enhance healthcare delivery, patient care and medical research at Barts and The London.

During the year The Charity developed a new grants strategy, to ensure that its funding is being used most effectively. The emphasis will continue to be one of building on excellence and investing in areas of strategic importance.

Grants are now awarded in four themed areas:

- Large-scale strategic research
- Enhancement in service delivery
- Innovative training and development
- Patient and community engagement

Within these themes, two types of grant are now available: small project grants (up to £20,000) and project grants (up to £500,000). Total funding is likely to be around £7–8 million a year.

The Charity aims to maintain a distinct niche in its grant-giving, supporting applications that add significant additional value rather than plugging gaps. The support provided is intended to 'pump prime' initiatives, with a view that they will become self-sustaining and thus well placed to secure additional funding from other sources.

A key theme from this year's features is the growing power of non-invasive imaging to see inside the living body. Magnetic resonance imaging, for example, is providing high-resolution dynamic views of heart function (p. 10). Optical coherence tomography, by contrast, enables different cell layers of the retina to be visualised, at almost cellular resolution (p. 7).

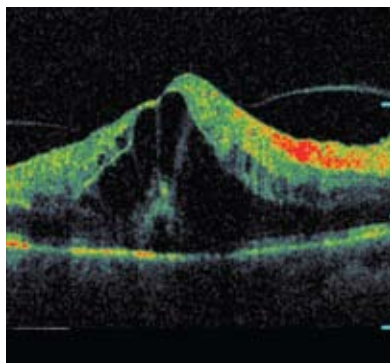
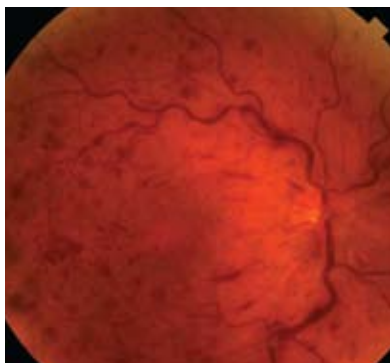
Computerised tomography (CT) has a long history of medical usage, but new technology pairing it with radiotherapy equipment is enabling treatment to be carried out with exquisite precision (p. 12).

As well as structural information, it is now also possible to assess metabolic activity, using positron emission tomography (PET). This is particularly valuable in cancer diagnosis, as levels of metabolic activity can distinguish a malignant tumour from a benign growth. The functional information provided by the PET facility is also interesting cardiac doctors (p. 9).

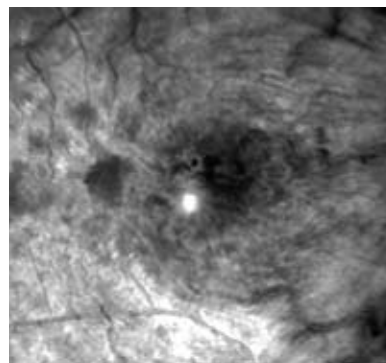
The principal use of imaging tools is in diagnosis and guiding treatment. The research highlighted this year is geared towards new therapeutics, in heart disease and cancer. The Charity has, over the years, made a range of strategically important awards that have underpinned highly successful cardiovascular research programmes (p. 11). It has also made a key contribution to the development of innovative new gene therapy tools for prostate cancer (p. 15) – raising the prospect of new treatments for particularly difficult cases.

For further details of the grants programme see [www.bartsandthelondon.nhs.uk/charity/themed\\_grants\\_programme.asp](http://www.bartsandthelondon.nhs.uk/charity/themed_grants_programme.asp).

Above: Prostate cancer cells.



Below: Central retinal vein occlusion (a blood clot in the retinal vein) imaged by an ophthalmoscope (left) and OCT (centre) and SLO (right) systems.



## Eye spy

### A new imaging device provides astoundingly detailed views of the retina.

A young graphic designer turns up at the eye clinic at Barts and The London. His vision is deteriorating, affecting his work. Given his medical history, an inflammatory condition seems the most likely explanation and a course of steroids the most suitable treatment. But he is assessed with a new eye-imaging device and a different picture emerges: he has a characteristic thickening around the fovea, the most sensitive region of the retina. Crucially, this is known to be self-limiting without treatment, which would avoid the potential side-effects of steroid treatment. The patient is sent on his way and, sure enough, his condition improves of its own accord.

Sight is our most important sense and impairments to vision can seriously reduce quality of life. Unfortunately, a wide range of conditions can affect the eye, from macular degeneration to retinal damage in diabetes. Diagnosis and monitoring is critical, and will be radically enhanced by a new

imaging tool purchased with funds from Barts and The London Charity.

The Spectral OCT SLO Combination Imaging System is a cutting-edge tool for visualising the eye in unprecedented detail. As its name suggests, it combines two imaging technologies. The first, scanning laser ophthalmoscopy (SLO), provides a high-level view of the surface of the retina, revealing the area of damage. Then, the second system, optical coherence tomography (OCT), provides a high-resolution view through the depths of the affected tissue. In effect, entirely non-invasively it provides a cross-sectional view of the retina – a kind of ‘living biopsy’. The system simultaneously produces the SLO and OCT images, so surface anatomy can be correlated with the OCT images.

Patients may wonder what the fuss is about. They simply have to look into the device’s eyepiece for around a minute. Usually, they do not even need eyedrops to dilate their pupils. In addition, the machine will reduce the number of retinal angiograms that have to be performed, an invasive and potentially risky procedure in which dye is injected intravenously and pictures taken as this passes through the blood vessels in the retina. This procedure cannot be performed in

children, during pregnancy and in severe kidney disease, unlike the non-invasive OCT.

The views obtained of the cell layers in the retina can reveal clearly what kind of damage has been suffered and hence what kind of treatment should be given. Common conditions such as diabetic retinopathy and macular degeneration show characteristic changes to the retina, and early signs of glaucoma are also much easier to pick up. The exact nature of less common disorders can quickly be assessed – particularly, which cell layers in the retina are affected.

As well as diagnosis, the device has other significant benefits. As tests are quick and convenient, patients’ progress during treatment can be easily assessed. And since it provides a quantitative readout of results directly from the retina, it is a more reliable indicator of healing than other eye tests or photographs. This powerful analytical capability also makes it a valuable research tool and there are plans to use the new device in various projects, such as clinical trials of promising new treatments for macular degeneration – the most common form of blindness in later life.

\* Spectral OCT SLO Combination Imaging System was funded by a £50,000 grant from Barts and The London Charity.



## Behind the façade

The East Wing may look much the same from the outside, but inside it has been transformed.

The original Barts hospital dates back to the 12th century. While this history provides a wonderful sense of tradition, it can create challenges when it comes to providing 21st century healthcare – as the refurbishment of the East Wing illustrates.

The East Wing is a grade I listed building; any alterations have to be carried out in close consultation with English Heritage and the City of London. The last few years have presented hospital planners with significant headaches. Yet, although painful at the time, the various strands of the refurbishment have ultimately knitted together very advantageously.

The problems began with preparations for refurbishment of the first floor. A survey revealed that the flooring of the building, which dates to the 18th century,

was inadequate even for domestic use, let alone hospital purposes. Structural surveys confirmed that all floors needed substantial strengthening.

Although patients and staff had to be hurriedly accommodated elsewhere, it provided a chance to look at the building's use more strategically. Removal of partitions on the third floor, for example, opened up the potential for improved use of that area. Moreover, it offered the chance to unite all the hospital's haematological oncology services.

The upshot was that the third floor became an expanded cancer services day unit, while the first floor, which benefits from a HEPA filtration system (see below), houses 14 beds for patients with leukaemia or other blood disorders at the most vulnerable stages of their treatment –

when their immune system has been suppressed or disabled.

Upstairs on the third floor, the Bodley Scott Day Unit provides a much-improved area for patients receiving chemotherapy or other treatments for haematological malignancies. It also provides a relaxing waiting area and pleasant spaces for people donating stem cells. The pristine facilities would grace any new hospital building, with just the occasional classical feature providing a reminder of the building's venerable origins.

\* The East Wing redevelopment received £700,000 funding (including a £200,000 donation) from Barts and The London Charity.

Above (from left to right): the façade of the East Wing; inside the Bodley Scott Day Unit and the PET-CT scanner.

### Fine filter

Hidden from view, a new HEPA filtration system is helping keep patients healthy.

HEPA filters originated during the war – they were used in the Manhattan Project to capture tiny radioactive particles. Now, among many uses, they are a valuable way of protecting

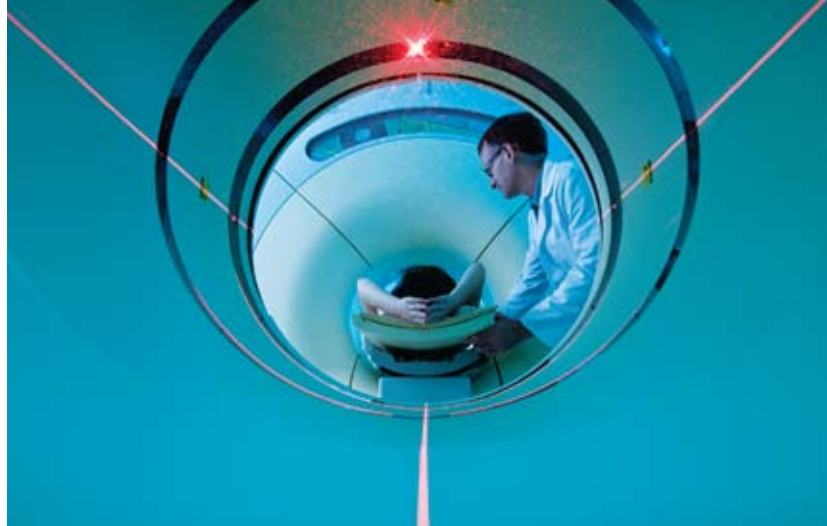
vulnerable patients whose immune system is impaired.

The HEPA filtration system is based on a dense network of fibres that can filter out particles as small as 0.3 millionths of a metre. It is so effective that it removes airborne bacteria and virus particles.

Thanks to the HEPA filters, there are now far fewer infections. In addition, the use of antifungal drugs

has dropped substantially – a major cost saving for the hospital. Hidden behind panels in the ceiling, with the main pumps out on the roof, the HEPA system is an invisible but crucial component of the care of highly vulnerable patients.

\* The HEPA filtration system was funded by a £3.3m grant from Barts and The London Charity.



## A clearer view

A powerful combination of whole-body imaging techniques is revealing cancer's hidden secrets.

For centuries, doctors were hamstrung by the fact that they could never see inside the living body. Only with the arrival of techniques such as X-rays and ultrasound could this be achieved. Now, though, as well as structures, the activities of living bodies can be visualised.

This is the premise behind a new combined PET-CT scanner installed in the basement of the East Wing. PET (positron emission tomography) provides insight into biological function, by measuring metabolic activity – which is typically very high in dividing tissues such as tumours. The CT (computerised tomography) adds a high-resolution structural dimension to the functional images.

PET and CT images can be precisely superimposed, so the metabolic activity of suspect-looking structures can be instantly assessed. The PET Centre at Barts and The London is one of the most advanced in the country, housing the UK's first 64-slice time-of-flight PET-CT scanner – a system providing superior sensitivity and higher resolution images.

This has several advantages. For a start, malignant tumours can easily be distinguished from benign

growths. In addition, the most metabolically active part of tumours can be identified, providing valuable information for surgeons planning operations. The technique can also be used to spot signs of recurrence or metastatic spread. In one recent case, a PET scan revealed a nascent metastasis in a rectal cancer patient – a growth that would not have been picked up by conventional radiology at this early stage.

The PET-CT approach can also be used to track the effectiveness of treatment. After one or two sessions of treatment, PET can indicate much earlier whether the tumour is affected. If patients are not responding, alternative treatments can be tried or patients spared further gruelling (and expensive) sessions of chemotherapy.

The technology has also attracted the attention of other specialities. Cardiac doctors, for example, are keen to use the metabolic imaging in conjunction with high-resolution CT to assess heart function.

\* The PET-CT facility was funded by a grant of £3.1m from Barts and The London Charity, with additional contributions from Barts and The London NHS Trust.

## Light fantastic

Sophisticated 'mood lighting' can make for a calmer patient experience.

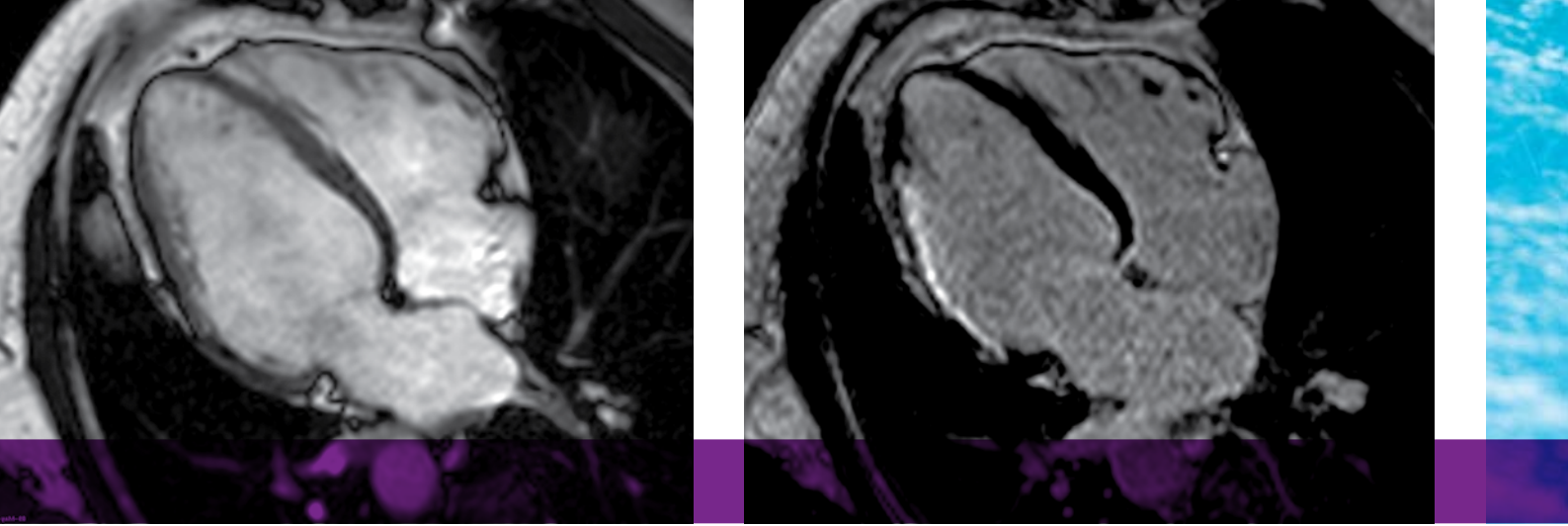
The new PET-CT scanner facility has been designed with patient comfort in mind. This consideration even extends to the lighting of the scanner room, which has had special LED 'Ambiscene' lighting installed, thanks to a grant from Barts and The London Charity.

Ambiscene lighting gives patients the chance to choose their own lighting effects – perhaps a calming violet glow, or a warm orange, or even a relaxing sequence of colours gradually changing over time.

The result is a calmer environment, and calmer patients. Clinical staff also appreciate the more pleasant working environment, as well as more relaxed patients.

Sadly, though, it is for medical use only – parties are not permitted.

\* The Ambiscene lighting system was funded by a £23,000 grant awarded by Barts and The London Charity.



## The big chill

Detailed images of the beating heart are providing doctors with valuable diagnostic information.

During an average lifetime, a human heart beats around 3 billion times. Day in day out, it pumps blood around the body, largely unnoticed. Preserving heart function is therefore crucial, and a new cardiac magnetic resonance imaging facility recently opened at The London Chest Hospital in Bethnal Green is helping to ensure that heart patients get exactly the treatment they need.

Typically, a heart patient may experience either chest pains, indicative of a heart attack, or breathlessness, a sign that the heart is struggling to deliver oxygen to the body's tissues (heart failure). But there are other causes of heart problems, and the exact nature of heart malfunction is an important pointer to treatment.

To gain a clearer picture, a cardiac doctor can call upon an ECG (electrocardiogram) or echocardiogram, a form of ultrasound. Recently, though, a new technique – cardiac magnetic resonance imaging (MRI) – has come on in leaps and bounds.

Cardiac MRI provides highly detailed and dynamic views of the living heart, non-invasively and without use of radiation. As well as monitoring cardiac function under normal conditions, cardiologists can stress the heart, to see how pumping is affected at higher heart rates. In addition, a pulse of contrast agent can be injected to give a clearer view of perfusion of heart tissue.

Thanks to the high resolution of cardiac MRI, it is possible to tell whether a patient has had a heart attack, which areas of the heart have been affected and whether the tissue could be revived or is past saving. Such information can help doctors decide whether treatment is needed to improve the blood supply to the heart and, if it is, how it should be carried out (e.g. a bypass operation or stent insertion).

Cardiac MRI can also be used to spot problems with heart valve function and to diagnose excessive growth of heart muscle – an inherited condition seen in the surrounding area. As the condition increases the risk of sudden cardiac arrest, it is important to diagnose early so a patient can have a potentially life-saving defibrillator fitted.

\* The cardiac MRI facility was funded through a £2.4m grant from Barts and The London Charity.

# a daily dose of beetroot juice can significantly reduce blood pressure

Left: A normal heart visualised by MRI. Centre: a heart after a heart attack; the thin white stripe indicates damaged tissue.

## Beating heart disease

New treatments and better preventive measures are the goals of a highly successful cardiovascular research programme.

Cardiovascular disease is the UK's biggest killer. The good news is that deaths are beginning to fall. But there is still much that needs to be done. Over the past decade Barts and The London Charity funding has supported a number of strategically important investments at Barts and The London School of Medicine and Dentistry, enabling it to make significant contributions to cardiovascular research and medicine.

A Clinical Research Facility, for example, played a key role in the ASCOT trials of the late 1990s, which showed that cholesterol-lowering statin drugs not only lowered blood pressure but also significantly reduced the incidence of heart disease and strokes. The trial involved more than 1,000 members of the local community of the East End, which is badly affected by cardiovascular conditions.

More recently, the Genome Centre (funded by a £3.1m grant from The Charity) has supported work on numerous projects, including the landmark multicentre British Genetics of Hypertension Study which seeks the genes for this common condition and the Wellcome Trust Case Control Consortium. The Consortium's 20 world-leading groups, including researchers at the Medical School, identified a slew of genes predisposing people to common conditions such as coronary heart disease and diabetes.

While this genetics research provides leads to possible future treatments, other projects promise earlier returns. Professor Amrita Ahluwalia, for example, has been exploring the possible protective effects of a highly unusual 'medicine': beetroot juice. In a clinical trial using the Clinical Research Facility, Professor Ahluwalia found that a daily dose of 500ml of beetroot juice can significantly reduce blood pressure. Beetroot juice is not everyone's cup of tea, so efforts are now being made to create a more palatable concoction (provisionally named 'Heartbeet').

Most recently, Charity funding has enabled the strategic recruitment of Professor Ken Suzuki (see right). The research of Professor Suzuki complements the stem cell therapy trial led by Dr Anthony Mathur, which has received significant support from The Charity. This support helped secure a £1.2m grant from the UK Stem Cell Foundation.

Building on these successes, the research programme continues to look forward – developing plans to move into the new £24.2m heart research centre being built in Charterhouse Square, which will drive forward the development of innovative new therapeutics.

\* Professor Suzuki's recruitment was supported by a grant of £1.3m from Barts and The London Charity.

## Running repairs

"It is exciting," agrees Professor Ken Suzuki, when asked about stem cell therapy. But, he adds, "We need more laboratory research – there are many issues to be clarified."

In stem cell therapy cells are extracted from a patient, grown in culture, then returned, where – in theory – they replace and repair damaged tissue. So far, clinical results have been mixed.

The way forward, many believe, is to understand stem cells better – a key goal of Professor Suzuki's research. Trained as a heart surgeon in Japan, Professor Suzuki moved to the UK to work with the renowned heart surgeon Sir Magdi Yacoub. In 2003, he was awarded an MRC Senior Clinical Fellowship. In 2007 he moved to the Medical School: "Europe's largest stem cell trial had already begun at Barts and The London and I could see how my research could be translated into clinical practice." Funding from The Charity enabled him to establish his laboratory and recruit new staff.

By working to optimise the treatment in experimental models, he hopes to identify the factors that would enhance therapy for chronic heart disease – such as which type of stem cell to use. In addition, Professor Suzuki and colleagues in Japan have developed an innovative system for growing sheets of stem cells in culture. These stem cells are easier to collect and healthier.

## Seeing is believing

New imaging systems are enabling radiotherapy to be carried out with almost unimaginable accuracy.

Thanks to the pioneering work of Wilhelm Roentgen, Marie Curie and others, radiotherapy has been used since the early 1900s. Despite this long history, radiotherapy remains a mainstay of cancer treatment – and recent technological advances have led to extraordinarily sophisticated treatments for patients.

Radiotherapy specifically targets a tumour mass and is typically given in a number of sessions over several days or weeks. Targeting is achieved by the use of multiple beams of radiation which enter the body from different directions and intersect at the site of the tumour. Computerised tomography (CT) or other forms of imaging provide a view of the tumour mass and how it is positioned with respect to body organs, so the radiation beams can be focused precisely.

A major challenge is to eliminate tumours while sparing healthy tissue – particularly vital organs such as the spinal cord. Unfortunately, tumours are typically highly irregular in form, and often lie close to organs. While in the past radiotherapy would trace out relatively simple box shapes, with a new technology known as intensity-modulated radiotherapy, complex three-dimensional shapes can be mapped out. Remarkably, tumours can be targeted even if they wrap round a key organ such as the spinal cord.



In addition, tissues such as the salivary glands can be shielded from high-dose radiation. In the past, these were often damaged when head and neck tumours were treated, leaving patients unable to produce saliva.

Thanks to this technique, procedures can be carried out with millimetre precision. But there is one major caveat: this level of precision needs to be matched with a highly detailed view of the inside of the patient. An image-guided radiotherapy system, provided by Barts and The London Charity, adds this missing link. This system uses CT to provide detailed images – crucially, of soft tissues as well as bone. Clinical oncologists can then map out a treatment plan, identifying precisely which regions of the body need to be irradiated.

When patients come for treatment, they need to be positioned precisely, so that the

volume of tissue irradiated exactly matches that in the treatment plan. To achieve this, personalised moulds are used to immobilise patients (see opposite) and imaging systems are built into the treatment machine. If this image does not match the one taken to plan treatment, the treatment plan can be tweaked to ensure good alignment or a new plan put together.

As Marie Curie discovered to her cost, radiation has the power both to kill and to cure. The key is to control its power, and these new tools are using and managing radiation with a precision that would have amazed – and delighted – those early pioneers.

\* The image-guided radiotherapy system was funded by a £480,000 grant from Barts and The London Charity.

Above: Preparing a patient for image-guided radiotherapy.

## Head and shoulders

A refurbished 'mould room' offers a more pleasant environment for patients about to undergo radiotherapy.



The mould room is the first port of call for patients undergoing a course of radiotherapy. It is here that they will have a personalised 'mask' created, to ensure they do not move during treatment.

The procedure can be unnerving, says Acting Manager Nuala Close. Patients lie prone while a plastic mesh is placed over their face or entire head and shoulders, depending on where their tumour is located. The mesh is heated to 65°C so that it is pliable. When the plastic cools, it sets, creating an exact replica of the patients' physical form.

With a recent refurbishment funded by Barts and The London Charity the mould room, with new flooring, sink units and other enhancements, is more appropriate to a leading cancer treatment centre.

The moulds are used for each session of radiotherapy, often 20 or 30 over several weeks. At the end, says Nuala, although some patients

cannot wait to throw them away, others are more attached to their plastic doppelgangers and take them home.

\* Refurbishment of the mould room was funded by a £6,993 grant from Barts and The London Charity.

Above: Making a mould in the refurbished mould room.



## Young stars

An appealing mix of film and animation is helping to prepare children for their hospital visit.

"They help make you better," insists Shah, 8, in solemn but reassuring tones while a mischievous hypodermic syringe pulls a face in the background. The animated characters are featured in a new website produced for children about to visit Barts and The London Children's Hospital.

Although the hospital had patient leaflets for children, a website provided an opportunity to create a more engaging experience. Staff in the Communications Department and the hospital's play specialists enlisted the help of the hospital's Young People's Forum, asking them what they would like to see on the website.

Following a competitive tendering process, local agency Bold Creative was engaged to develop concepts and designs. 'Junior focus groups' at the hospital advised on possible characters for animations. In the final versions, animations are skillfully mixed with films of the children walking through various stages of a hospital visit – including what it is like to stay on a ward, how it feels to have an operation and what happens in A&E.

\* The website was funded by a grant of £33,300 from Barts and The London Charity. The new website can be seen at [www.bartsandthelondonkids.nhs.uk](http://www.bartsandthelondonkids.nhs.uk).

Left: The home page of the children's website.



“If you get it right you can have a huge impact on relatives, those left behind”

Anna Lynch

## Anna Lynch

### Everyone has the right to a comfortable death, suggests Anna Lynch.

One Sunday afternoon, Anna Lynch remembers an elderly patient admitted to her ward having had a serious stroke, in obvious pain and distress. It was, Anna recalls, a difficult situation, and one she felt ill-prepared to deal with. Death, she suggests, is seen as medical failure, and is neglected in medical training. She became convinced that there was a better way to take care of people during their final hours. When The Charity provided funding for a nurse to roll out the Liverpool Care Pathway, she leapt at the chance to get involved.

“I always thought that this was part of nursing that was rewarding, you can make a difference. If you get it right you can have a huge impact on relatives, those left behind.” Although areas such as cancer have traditionally emphasised palliative care, this was much less the case in other disciplines, and there has been little practical guidance for staff.

Having spent the last 18 months introducing clinical teams to the Pathway, she has been pleased by their response. “I found people very receptive.

Nurses now know what they have to do. But it’s also been a massive culture change – people have opened up to talking about dying. Staff feel they can have honest conversations, and concentrate on comfort.”

Families too benefit from these ‘difficult conversations’, she suggests. “It prepares them, lets them make plans, all based on an honest dialogue.” The hospitals’ Patient–Public Forum was also very positive about the pathway.

As the only full-time coordinator of the Liverpool Care Pathway, Anna is grateful for The Charity’s support in enabling her to devote herself full-time to its implementation. Palliative care, she suggests, draws on a crucial part of a nurse’s role: “In nursing you use all your practical skills but you also provide emotional support. The greatest impact can be in the little things. Relatives and patients do remember the nurses that say hello and make them a cup of tea. Sometimes people just want to have their hands held.”

## A better end

### A special programme is being introduced to care for patients during their final days.

Even with the best possible care, some patients simply cannot be saved. There comes a point where further aggressive treatment is not going to prolong a patient’s life to any meaningful degree and the best course of action is to make his or her final hours as comfortable as possible. How to achieve this has been documented in the Liverpool Care Pathway and a specialist nurse supported by funds from Barts and The London Charity is helping to ensure that the Pathway is rolled out effectively across all Barts and The London hospitals.

Doctors will do all they can to prolong life. Heroic attempts might be made to eke out extra hours or days, but when patients are sick and frail the value of such intensive treatments is questionable.

Hospices have traditionally cared for patients in the final stages of life, and have become well-versed in caring for the dying patient and comforting their families. This good practice has been captured in an approach known as the Liverpool Care Pathway, which emphasises how the entire clinical team can ease the transition from intensive treatment to palliative care.

Perhaps most importantly, it provides an active, managed process. For terminally ill patients, further aggressive treatment might not be justified, but just stopping

“Our new strategy will enable us to focus our grant-giving, and really make a difference.”

Katherine Payne, Trustee



## An inside job

treatment is clearly not a satisfactory alternative.

Instead, the Pathway enables the clinical team to focus on the wishes and comfort of dying patients. Arrangements can be made for them to die at home, if that is what they would prefer. The Pathway also covers how families should be informed and involved in final care.

The Charity's funding has enabled the hospitals to recruit a nurse, Anna Lynch, to coordinate the rollout of the Pathway. Her mission has been to work through all the hospitals' clinical areas, showing staff directly how it should be implemented.

With external funding, Anna is liaising with local primary care trusts, to enable more patients to be transferred home for their final hours.

\* Rollout of the Liverpool Care Pathway was supported by a grant of £24,800 made by Barts and The London Charity.

**Below: Medical staff can make a big impact in palliative care.**  
**Bottom right: Prostate cancer tissue.**



## Using viruses to deliver genes to tumours may herald new treatments for prostate cancer.

Prostate cancer affects around 35,000 men a year, killing 10,000 of them. Although various forms of therapy are available – including surgery, radiotherapy and hormone treatment – they are not always effective and tumours often develop resistance. New treatments are needed, particularly for tumours that have become independent of growth-stimulating signals provided by male hormones. At Barts and The London School of Medicine and Dentistry, Professor Nick Lemoine and Dr Gunnel Hallden have been pioneering an approach based on engineered viruses, which deliver lethal genes directly to cancer cells.

The approach is based on similarities between virus replication and cancer. A key change in cancer cells is the loss of proteins, known as tumour suppressors, that normally keep cell division in check. Viruses achieve something similar by disabling tumour suppressors – so cells are kept alive to make more viruses.

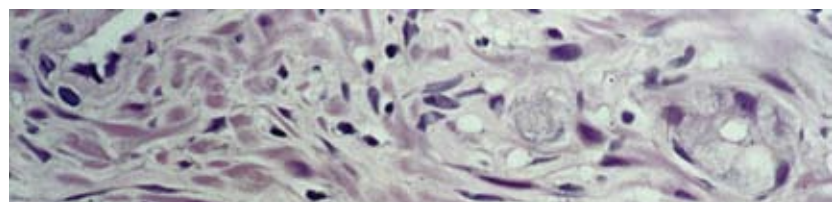
Cleverly, the engineered viruses cannot produce these disabling proteins, so they can only reproduce in cells already lacking tumour suppressors – cancer cells.

The second trick is that the viruses are engineered so that they also make a protein that blocks cell replication. Eventually, an infected cancer cell will die, releasing new virus particles that can infect surrounding cancer cells but cannot reproduce in normal tissues.

This general approach is known to work. But early versions, while very safe, were not particularly powerful. With funding from The Charity, Dr Hallden set about creating a range of more potent viruses. After exhaustive testing on cancer cells grown in culture, the most promising candidates are now being tested further in the lab and on fresh biopsy material, thanks to a collaboration with surgeons from Barts and The London hospitals.

So far, results have been encouraging – the therapy is having an effect on tumour growth in experimental models. One promising approach is to combine gene therapy and conventional chemotherapy, so lower doses of debilitating chemotherapy can be used.

\* This research was supported by a grant of £600,000 made by Barts and The London Charity.





## Fundraising

During 2007, The Charity's Fundraising Department underwent a major reorganisation. The focus of activity will be to raise awareness of The Charity and in particular the important part that donations play in enhancing the work of the three hospitals – Barts, The Royal London and The London Chest Hospital – and the Medical School.

As part of this new strategy, there will be a greater emphasis on developing long-term relationships with individuals, companies and grant-giving trusts, and less emphasis on fundraising events. A series of receptions will be organised, such as the Mansion House reception (see page 17), which enable The Charity, supported by hospital staff, to present to groups of potential donors such as City-based organisations.

A close working relationship with the grants team has already been established, to ensure that, where possible, donations support approved projects.

The introduction of a legacy campaign is intended to increase the value of donations received through this route. In addition, volunteer groups of fundraisers remain important to the overall strategy (see page 19), and will continue to be supported by the team, although fundraising volunteers will have to be responsible for organising their particular activity.

New team members have been recruited from different backgrounds and bring an attractive range of skills, experience and enthusiasm, which combined will provide an effective and knowledgeable fundraising activity (see page 18).

Building on the new, professional image generated for The Charity, specific marketing literature will be developed to support fundraising activities. In addition, a dedicated website for The Charity enabling online donations will be designed.

**Above: Cells stained red under the microscope.**

## Mansion House

A special event at the Mansion House provided an opportunity for The Charity to make contact with near neighbours.

A central strand of Barts and The London Charity's new fundraising strategy is to work closely with companies and other organisations within the 'catchment area' of the hospitals. As part of an awareness-raising programme, The Charity's fundraising team organised a Reception in March 2008, held at the Mansion House in the City of London.

The event was attended by the Lord Mayor of London, Alderman David Lewis, and featured presentations by Professor Martin Rothman on cardiac stem cell trials, Mr Rob Carpenter on breast cancer treatment and Clare Maurice, the Chairman of The Charity, on its work and objectives.

Some 130 senior business figures attended, providing an opportunity for fundraising staff to begin forging new relationships with key people. It is, says Caroline Lane, Director of Fundraising, the beginning of a long-term programme of events aimed at raising the profile of The Charity so that key individuals are aware of the vital role it plays in ensuring that Barts and The London hospitals remain at the leading edge of healthcare in the UK.

## Keep on running

The annual 10k race, which raises funds for the London Chest Hospital, continues to grow in popularity.

Each summer, a collection of hardy souls – some keen amateur athletes, others of more sedentary persuasion – turn out for the annual London Chest Hospital 10k race. Taking place in Victoria Park, Hackney, the day also includes 3k and 1k junior fun runs, as well as other attractions such as a barbecue.

In 2007, a new record was set with more than 900 participants, raising more than £12,000, and the fundraising team is confident that even more will be hitting the track in 2008.

The athletics day is one of a series of regular events organised by the London Chest Hospital team. A summer fair, held in the grounds of The London Chest Hospital, always attracts a large crowd. Staff from the hospital set up stalls, ensuring everyone has a good time – and more much needed funds are raised for the hospital.



Above: Participants in the London Marathon raising funds for Barts and The London Charity.

Right: Deborah and Rob Horgan.

## Swim for life

On 14 February 2005, despite the unstinting efforts of doctors and staff in the neonatal intensive care unit, Deborah and Robert Horgan's newborn baby, Tess, lost her fight for life.

In recognition of their efforts, Deborah and Rob have been raising funds for Constance Green Ward, the neonatal intensive care unit in Barts and The London Children's Hospital.

On 14 February 2008 (what would have been Tess's third birthday) Deborah, supported by her husband, 2-year-old daughter Connie, family and friends, undertook a sponsored swim – a particular challenge as she was eight months' pregnant at the time. She went on to raise more than £2,500 and later gave birth to a healthy baby boy, Max.



## Building the team

A new team has been put together to deliver the fundraising strategy.



Arriving from Addenbrooke's Hospital in 2007, Director of Fundraising Caroline Lane has spent the year developing a new fundraising strategy and recruiting an almost completely new team – as well as running all The Charity's existing fundraising activities.

The new strategy has been central to the recruitment drive. With the heavy emphasis on major donations, the team will be dedicated to developing relationships with companies, charitable trusts and other organisations primarily within the 'square mile'. Indeed, this focus echoes the long history of Barts Hospital, which has always had close links with the City of London.

Complementing this strand of work is a group focusing on individual and community fundraising. Pat Gray, a community fundraiser at the London Chest Hospital, remains an important part of the team, while two other fundraising managers will be offering advice to individuals and organisations raising money for the hospitals or particular appeals.

A key objective is to raise the profile of The Charity and how it supports its benefactors. One of its most powerful messages, Caroline suggests, is its ability to use 100% of every donation to support charitable activities – all The Charity's running

costs are covered by its endowment.

The immediate challenge for the team is to hit the year's financial targets. But with the new strategy very much based on building long-term relationships, the year will be more about laying the foundations for many more successful fundraising years in the future.

**Above: The fundraising team, led by Caroline Lane (centre).**

## Beauty spot

Cancer patients at Barts can look forward to therapeutic beauty treatments at the bedside, thanks to the generosity of House of Fraser in the City.

One of the ways in which companies can support Barts and The London Charity is by providing products or services without charge. House of Fraser in the City had the imaginative idea of involving their beauty staff to provide special pampering services for patients at Barts.

The Charity approached the Hospital Trust, which responded enthusiastically.

In March 2008, a launch event was held, giving clinical staff the chance to try out the treatments on offer and to make suggestions about how it would work on the wards. The feedback was very positive and the first patient session was organised for 10 June 2008. The service is now due to start in earnest with monthly visits to the wards, offering all cancer patients the chance to benefit from these luxury treatments. Small companies or branches of large organisations make an important contribution to The Charity's fundraising. Branches of Tesco, for example, have donated food and wine for several fundraising events.

Often, companies 'adopt' The Charity, so the proceeds from any charitable events automatically go to Barts and The London Charity. Companies benefit too, using fundraising as part of a teambuilding strategy. Royal London Asset Management, for example, has been fundraising to support the Children's Hospital, through events and the efforts of two members of staff who competed in the Flora London Marathon.



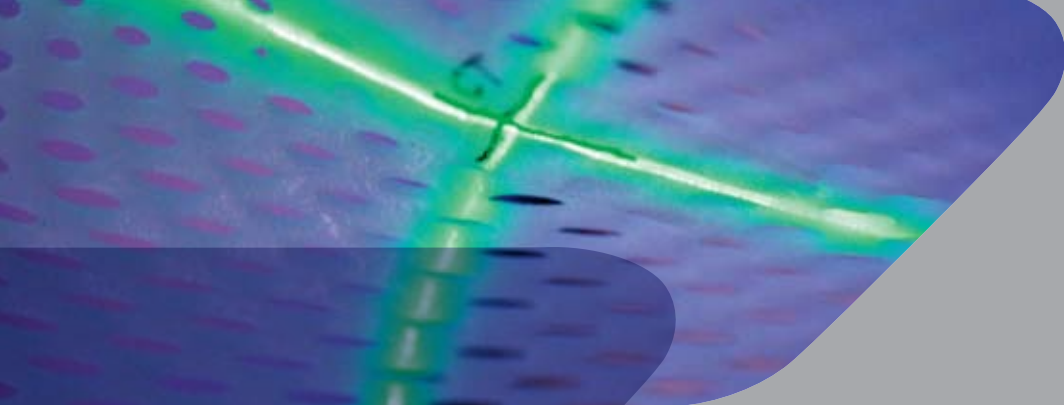
Above: The launch event for the House of Fraser project.

## Every pound counts

Every year, hundreds of volunteers raise money for Barts and The London Charity. We can only mention a few, but we are grateful to everyone who has contributed this year, whatever the size of their donation.

- Catherine Darby and her family raised £4,600 by organising or taking part in a number of events in memory of her mother Jean Watson, who died aged 72: the events included a 72K run, a 72-arrow 'archery challenge' and a 72-length sponsored swim.
- Anya Classick, with her brother Nick Classick and four friends, raised £4,214 by cycling from John O'Groats to Land's End in memory of her mother Maria Classick.
- Mulberry Heart Association, a group of 20 former patients which has been raising funds for 27 years, raised £6,000, mainly through supermarket collection days and a summer fair.
- Marie Hammond raised £3,727 by organising an annual fun run, now in its tenth year, in her local park in memory of her daughter Sarah.

For more information about how to get involved in fundraising, see [www.bartsandthelondoncharity.org.uk](http://www.bartsandthelondoncharity.org.uk).



Above: Detail of head mould used in radiotherapy.

### Wider networks

The Charity is one of over 400 NHS-linked charities in England, the largest of which are eligible to join the Association of NHS Charities. As a member, The Charity has the opportunity to discuss matters of common concern, exchange information and experiences, and participate in conferences and seminars that offer support and education for its staff and Trustees.

## Governance

The Charity is governed by a Scheme of the Charity Commission dated 31 May 2005, which deals with the various charities that comprise The Charity.

These charities are:

1. St Bartholomew’s and The Royal London General Charitable Fund;
2. the Section 11 Trustees’ General Charity; and
3. the Special Purpose Charities.

The St Bartholomew’s and The Royal London Common Investment Fund is also governed by the Scheme.

The Trustees of each of the above charities are those persons appointed as Trustees for Barts and The London NHS Trust or such other Trustee or Trustees as may be appointed by virtue of any other legislation in force.

The purposes for which the assets contained within the St Bartholomew’s and The Royal London General Charitable fund are held relate to hospital services (including research), or to any other part of the health service associated with any hospital as the Trustees think fit.

Assets contained within the Section 11 Trustees’ General Charity are held for the general or any specific purposes of the NHS Trust or for all or any purposes relating to the health service.

The funds held by The Charity also include funds in respect of Barts

and The London NHS Trust, Tower Hamlets, City and Hackney, and Newham Primary Care Trusts and East London NHS Foundation Trust.

The purposes of the Special Purpose Charities (of which there are currently 17) are set out in their respective governing documents. However, they are largely connected with the provision of health services and medical research.

St Bartholomew’s and The Royal London Common Investment Fund enables assets of the charities that form part of The Charity to be pooled for investment purposes.

## Trustees’ responsibilities

As charity trustees, the Trustees have a number of fiduciary and administrative duties under common law and statute. They have dual responsibility to the Charity Commission and to the Secretary of State for Health. The Trustees have a responsibility to encourage new initiatives and enhance quality. They also have a responsibility to assist with the improvements to facilities for patients, improve the working conditions and amenities for staff and support clinical research for the longer-term benefit of patients.

The Trustees fully realise that funds available are relatively modest when compared with the overall funding of healthcare needs and wherever possible grants are made available which enable funds from elsewhere to be accessed. To achieve success, the Trustees rely on the generosity of people who wish to support the work of the hospitals by donations. Many of these funds have been invested over a period that enables a continuous level of support.

“We aim to work closely with the Hospital Trust and Medical School, while maintaining our independence.”

Professor John Monson, Adviser to the Board of Trustees



## Recruitment

Each Trustee is appointed by the Secretary of State for Health (whose powers of appointment are delegated to the Appointments Commission under Section 11(1) of the NHS and Community Care Act 1990). NHS bodies within the area of NHS London nominate up to three Trustees and the remaining Trustees are recruited by way of a public advertisement. All potential Trustees must be interviewed and recommended by a panel consisting of at least two existing Trustees of The Charity and one external assessor. Candidates must show a knowledge of, and an interest in, The Charity and the community it serves and be willing to give the time necessary to carry out the role. Trustees are selected to give The Charity a range of appropriate experience, such as finance, investment and fundraising, as well as those with a medical background. All Trustees are appointed for a fixed term of not more than four years (renewable to a maximum of ten years in total).

There are also individuals, with expertise in various fields, who are appointed as advisers for two-year terms to assist the Trustees; they are known as Board Advisers.

## Induction

New Trustees are provided with an induction pack consisting of the governing documents, previous years' Annual Reports and Accounts, and policies and procedures of The Charity. They are also given a tour of the hospitals. Appropriate training courses are offered in charity law and administration and the roles and responsibilities of Trustees. The

Charity's auditors and solicitors provide much useful material, and the Association of NHS Charities runs regular conferences and symposia for Trustees. The Board Advisers have the same facilities.

## Organisation

During the financial year under review, there were changes to the composition of Trustees and Board Advisers. The Charity now has seven Trustees and five Board Advisers, who make up the Board and meet together at least six times in a year. Day-to-day management is delegated to the Chief Executive and the management team, who are responsible for carrying out the decisions of Trustees and for working with the professional advisers and with the representatives of Barts and The London NHS Trust, Barts and the London School of Medicine and Dentistry and the St Bartholomew School of Nursing and Midwifery at City University.

The Trustees have established a series of committees to make appropriate recommendations to the Board for their areas of responsibility and to provide oversight (see page 23).

The Audit Committee meets at least three times a year to ensure the financial probity of The Charity. This is mainly achieved through the work of appointed internal and external auditors; the agreement of the auditors' terms of reference and annual work programmes; the evaluation of the auditors' recommendations; and the monitoring of the implementation and outcome of the auditors' recommendations. This work provides the basis for the annual review of the effectiveness of the

systems of internal controls by the Board of Trustees.

During the financial year under review, the internal audit compliance work was consolidated within the work of the external auditors, KPMG. The Charity is currently reviewing the framework for the internal audit function to ensure the related activities address the key risk areas within The Charity and are delivered cost-effectively.

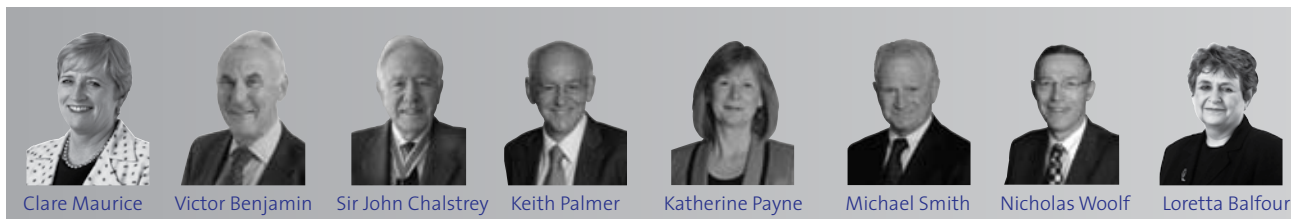
KPMG also provided tax advice on specific transactions during the year.

## Stakeholders

The Charity works closely with, and provides the majority of its grants to, Barts and The London NHS Trust. It also awards grants to Barts and The London School of Medicine and Dentistry and to St Bartholomew School of Nursing and Midwifery at City University.

Although the Trustees are careful to consult with representatives of these organisations through their committee meetings and other less formal contacts, they retain their independence to act in the best interest of The Charity and the communities it serves.

The Charity Commission recently issued guidance on reporting of public benefit. The Charity is currently considering how best to report on public benefit in future Annual Reports.



## The Trustees

The Trustees have been appointed by the Secretary of State for Health under Section 11(1) and (2) of the National Health Service and Community Care Act 1990 and have dual responsibility to the Charity Commission and the Secretary of State.

### Clare Maurice, Chairman

Partner, Allen & Overy, Solicitors; Director of a range of companies; Trustee of several charitable trusts and foundations.

### Sir John Ashworth

*(until September 2007)*

Former Chairman of Barts and The London NHS Trust and former Deputy Chairman of Institute of Cancer Research.

### Victor Benjamin

Solicitor and businessman; former Deputy Chairman of Tesco.

### J Ann Burdus

*(until May 2007)*

Former Non-executive Director of Next plc and of Prudential plc.

### Sir John Chalstrey

Emeritus Surgeon, Barts and The London NHS Trust; former Consultant Surgeon and Senior Lecturer in Surgery at St Bartholomew's Hospital and President of Barts and The London School of Medicine and Dentistry.

### Keith Palmer

*(from November 2007)*

Chairman, Barts and The London NHS Trust; former Non-executive Director of Guy's and St Thomas' NHS Foundation Trust; former Executive Vice-Chairman of N M Rothschild & Sons.

### Katherine Payne

*(from May 2007)*

Solicitor, Head of Charities at the Mercers' Company.

### Michael Smith

*(from May 2007)*

Adviser in healthcare strategy; Chairman/Director of numerous companies, NHS trusts and charitable foundations; former managing director of BUPA.

### Nicholas Woolf

*(from May 2007, previously a Board Adviser)*

Chartered Accountant, chartered tax adviser; former partner, Arthur Andersen; Non-executive Director for Westminster PCT. Trustee of several charities.

### Advisers

Advisers to the Board are appointed for their expertise in various fields.

### Loretta Balfour

Business consultant; former Senior Vice-President/Regional Director Europe, Estée Lauder International, Inc.

### Eileen Hammond

Partner in Hammond Associates, fundraising consultants; former Regional Manager for Save the Children, UK. Regional Director for Motability and Appeals Director for the Shaftesbury Society.

**Below: Head moulds used during radiotherapy.**





Eileen Hammond



Martin Landau



Professor John Monson



Sarabjit Ubhey



Andrew Douglas



Donna Foxwell



Caroline Lane



Veronica McCabe

## Martin Landau

Chartered Accountant, formerly merchant banker; director of UK publicly quoted companies; governor of Ben Gurion University, Israel; Trustee of the Technology Colleges Trust.

## Professor John Monson

Emeritus Professor of Clinical Endocrinology at Barts and The London School of Medicine and Dentistry, and Consultant Physician at the London Clinic Centre for Endocrinology.

## Sarabjit Ubhey

Freelance management development consultant; former Head of Operational Control at BUPA, Group Finance.

## Senior Management

Andrew Douglas  
Chief Executive  
(from 1 May 2007)

Donna Foxwell  
Chief Operating Officer

Caroline Lane  
Director of Fundraising  
(from 25 June 2007)

Veronica McCabe  
Director of Grants

## Audit Committee

- Nicholas Woolf (Chairman)
- Sir John Ashworth  
(until September 2007)
- J Ann Burdus (until May 2007)
- Keith Palmer  
(from November 2007)
- Michael Smith (from May 2007)
- Sarabjit Ubhey (from May 2007)
- Clare Maurice (in attendance)

## Investment Committee

- Victor Benjamin (Chairman)
- Loretta Balfour
- J Ann Burdus (until May 2007)
- Martin Landau
- Katherine Payne (from May 2007)
- Michael Smith (from May 2007)
- Nicholas Woolf

## Grants Committee

- Clare Maurice (Chairman)
- Sir John Ashworth  
(until September 2007)
- Loretta Balfour
- Sir John Chalstre
- Martin Landau
- Professor John Monson
- Keith Palmer  
(from November 2007)
- Katherine Payne (from May 2007)

## Research Grants Committee

- Professor Ian Sanderson  
(Chairman)
- Professor Neil Barnes
- Professor Rosamunde Bryer
- Professor Finbarr Cotter
- Dr William Drake
- Dr Dinah Gould
- Professor Ian Hart
- Professor John Monson
- Dr Chloe Orkin
- Professor Chris Thiermann

The Research Grants Committee is the successor to the Research Advisory Board.

## Fundraising Advisory Committee

- Sir John Chalstre (Chairman)
- Loretta Balfour
- Eileen Hammond
- Susan Cunnington-King  
(Hospital Trust)
- Charles Gutteridge  
(Hospital Trust)
- Margaret Lane (School of Nursing)
- Roger Tester (Hospital Trust)
- Sir Nicholas Wright  
(Medical School)



## Finance

The Charity derives the bulk of its income from its investments, currently valued at £237.5 million. Following several years of exceptional growth, The Charity's income-generating assets fell slightly in value during the year, in line with the challenging market conditions (Figures 1, 2). Nevertheless, annual income increased by more than £1.5 million over 2006/07 (Figure 3). While some adjustments have been made to short-term spending plans, The Charity's overall financial situation and long-term grant-making ability remain healthy.

- Total gross asset base: £250.2m
- Net assets: £203.5m
- Grants expenditure 2007/08: £7.3m

*Figures as at 31 March 2008.*

*Above: Water droplets from the water bath used to heat plastic head moulds for use in radiotherapy.*

## Financial review for the year ended 31 March 2008

Financial year 2007/08 was a year of transition for The Charity's annual grants programme. A new strategy was adopted in September 2007 which continues to support The Charity's key beneficiaries and now provides for twice-yearly grant awards, in September and March, instead of a single round of awards in March. Fewer large grants will be awarded, but the number of smaller grants awarded is likely to increase. The new strategy is being implemented for 2008/09, so the sums awarded in 2007/08 were smaller than normal – £7.3 million compared with a historical annual figure of around £10 million.

A high proportion of awards, £5.6 million in total, were for research-related grants (mainly relating to prior years' allocation of designated funds for the Research Advisory Board). A further £4.1 million was awarded for other healthcare-related projects. This expenditure was offset by a £2.4 million reversal of grants awarded in previous years (Figure 4), mainly relating to an award for refurbishment of a clinical building which was not needed as the works were included in the private finance initiative development at Barts and The London NHS Trust.

The Charity's asset base was adversely affected by the generally difficult market conditions during the last six months of the financial year. Net assets decreased during the year by £10.6 million (5.0%) to £203.5 million, as a result of a net decrease of £20.6 million in market value of both property and financial assets.

These falls were offset by a gain on sale of assets of £5.3 million and an operating surplus of £4.7 million (Figure 5).

Total holdings in investment properties and fixed assets generated a net yield of £5.9 million or 4.4% (4.8% in FY 06/07), offset by a net decrease in market value of £8.6 million or 6.4% (increase of 7% in FY 06/07). Total net annual return after property sales was -2% (increase of 12.6% in FY 06/07), which compares favourably with the general market fall of approximately 15%.

Total gross yield on financial investments was 3.5% (3.1% in FY 06/07), offset by a drop in market value of £12.0 million, which contributed to a total net annual return of -4.1% (increase of 7.9% in FY 06/07). This was marginally below the blended benchmark.

The level of cash held at 31 March 2008, £14.8 million, reflected a decision to retain cash as a defensive position against possible market corrections and to ensure cash would be available to fund current liabilities of £19.0 million. The net usage of cash, £2.2 million, in financial year 2007/08 is mainly related to the operating surplus of £4.7 million and £7.7 million net reduction of grant commitments.

## Current focus and future plans

The change management programme launched in 2006/07 continued into 2007/08, with the Trustees agreeing a clear strategic direction for The Charity, along with new strategies for the grants programme and fundraising. The aim of the new strategic direction is to provide improved support for key beneficiaries, particularly by increasing the income received from donors. As part of these changes, The Charity has begun to develop its external communications, beginning with a refreshing of its visual identity.

Fundraising activities were restructured and re-launched during the year, with the aim of stimulating a proactive cause-related fundraising programme and increasing voluntary income, which generated £3.4 million in 2007/08 (£2.6 million in 2006/07). The Charity expects fundraising activities to be a key activity in future years, providing additional funding for the annual grant programme.

The £25 million grant commitment for state-of-the-art equipment linked to the redevelopment of Barts and The London NHS Trust (£12 million of which falls due late in 2009), combined with the forecast volatility within economic markets,

has led The Charity to adopt a new financial strategy to support the current reserve policy. The new financial strategy provides a two- to three-year framework that will help ensure The Charity's endowment exists into perpetuity while providing funding for the existing grant commitments and future grant programmes. To achieve this aim, the future annual grant programme has been planned at £7-8 million. Once the special £25 million grant is fully funded (final payment is due in 2012), the financial strategy will be reviewed and updated. Total grant commitments stood at £42 million at year-end.

Along with the new financial strategy, financial reporting was improved with the reclassification of certain fixed assets to property investments, to reflect properties let on a commercial lease and valued as an investment. The way in which overheads are allocated to different Charity activities was also changed, so reported governance costs are more consistent with SORP 2005 guidelines.

The many changes implemented in financial year 2007/08 are all designed to enhance The Charity's standing as a respected and recognised professional charitable organisation.

Figure 1: Income-generating assets

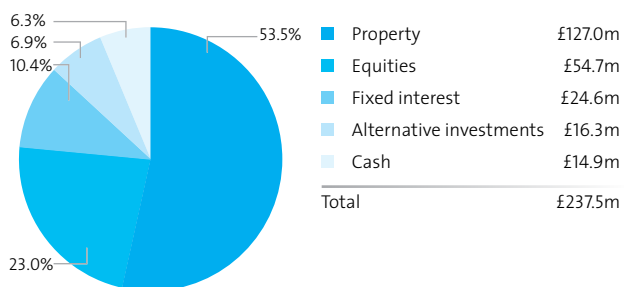


Figure 2: Growth of funds 2003/04 to 2007/08

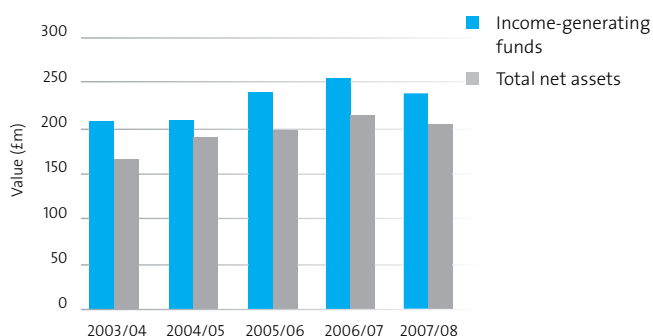


Figure 3: Income

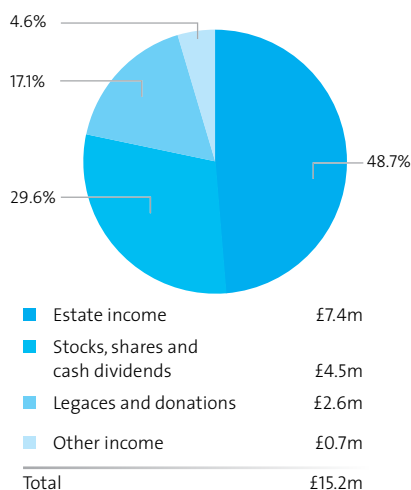
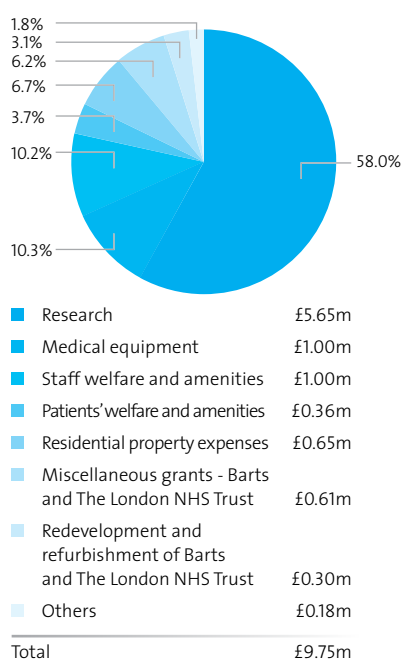
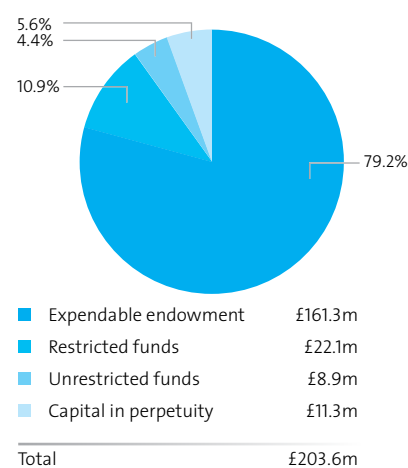


Figure 4: Grants expenditure



In 2007/08, £2.43 million in prior years' grant awards were reversed, so total grant expenditure for the year was £7.32m.

Figure 5: Net assets



**Expendable endowment:** These funds arise from donations received by the hospitals of Barts and The London NHS Trust before the NHS was established. Income and capital may be used to support charitable activities.

**Restricted funds:** Funds donated for specific purposes.

**Unrestricted (general purpose) funds:** Funds that can be used at the discretion of Trustees in support of the general charitable objectives.

**Capital in perpetuity:** By request of the donor, the capital element of these funds must be held in perpetuity; only the income may be used for charitable purposes.

## Legacies and donations

### Legacies over £5,000

Bernard John Leeder Aitken	FY 07/08 (£)
Elma Astin	10,090
Ellen Amy Graham Bunting	57,024
Dennis Neligan Cole	295,000
Joan Lavinia Cooksley	61,584
Beatrice Florence Downing	75,000
Rose Jane Etherden	17,092
Loretta Mary Forbes	75,000
Agnes Mary French	8,596
Eva Hart	120,000
Dennis Laurence Langford	150,000
Vera Kathleen Lynes	15,000
Grace Hilda Pullham	7,157
Sheila Daphne Reeve	20,000
Lorna Lipscomb Smyth	87,500
Rosemary Edith Stennett	5,500
Amy Ada Elizabeth Sugg	23,429
Vivienne Shirley Tennant	56,266
Florence Isabel Walker	5,330
William Wise Will Trust	123,710
	8,042

Total 1,221,321

### Legacies under £5,000

	29,337
<b>Total legacies</b>	<b>1,250,658</b>

### Donations over £100,000

Joyce Southgate 200,000

### Donations (£50,000–£100,000)

Boston Scientific 50,000

### Donations (£5,000–£50,000)

from organisations 184,610

### Donations (£5,000–£50,000)

from individuals 91,500

### Donations under £5,000

859,321

**Total donations** 1,385,431

## Reserves and Risks

### Reserves policy

The reserves policy established by the Trustees of The Charity is as follows:

- The value of reserves should be maintained at a level adequate to produce, along with donations and legacies, the resources needed to fund the charitable activities of The Charity;
- The grants made fall within defined criteria and continue to be subject to annual review by the Grants and Investment Committees;
- From time to time, exceptional grants beyond the normal annual level are made and this may cause an unusual reduction in the level of reserves, and hence of future grants. After making such grants, The Charity aims to rebuild the levels of its reserves and then its grant-making capacity; and
- The reserves policy is reviewed periodically and is supported by The Charity's financial strategy.

### The management of risk

The Trustees' policy on the management of risk is based on a review of the major risks to which The Charity is exposed. A formal risk register has been developed and is reviewed and updated annually. Where appropriate, systems and procedures have been established to mitigate risks and these are also reviewed to ensure that they continue to meet the needs of The Charity. The major risks include future levels of income, a fall in

investment values and returns and unforeseen changes in the operation of the NHS. The Trustees believe these risks are mitigated by active management and review of investments and regular liaison with our beneficiaries – Barts and The London NHS Trust, Barts and The London School of Medicine and Dentistry and the St Bartholomew School of Nursing and Midwifery at City University.

### Investments

The Trustees' powers of investment and their obligations are derived from the Trustee Act 2000. These powers are wide, allowing the Trustees to make any kind of investment that they consider to be appropriate, including an investment in land. However, in exercising these powers, the Trustees must act in accordance with their statutory duty of care and have regard to the standards of investment criteria.

The overall financial and investment objectives are to provide funding in support of The Charity's general aims and objectives. The investment portfolio is intended to be permanent and is accordingly managed so as to exist in perpetuity. Hence the investment policy provides an asset allocation that reflects the balance of The Charity's need for liquidity, preservation of purchasing power and risk tolerance. Investment guidelines are in place that prevent any of The Charity's investment managers from direct investment in tobacco-related securities and from engaging in 'soft commission' arrangements.

Investment performance is monitored by the Investment Committee for Finance and Property, which receives regular reports from the investment managers.

Cambridge Associates are retained to provide advice and monitoring services for the financial portfolio, while Cluttons and DTZ provide advice and management services for the property portfolio.

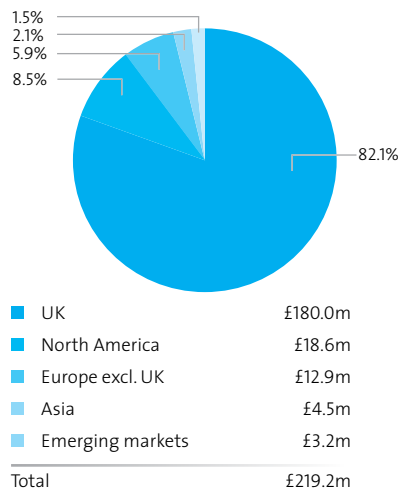
Investments in the property portfolio are held directly, located mainly in central and east London and are managed with support from outside property advisers. The residential properties, classified as long-term tangible assets, are located next to The Royal London Hospital in Whitechapel and provide 186 units to hospital staff members at key worker rates. While the investment and residential properties have benefited from exceptional market appreciation over the past two years, the value of investments fell by 6.4% during the year, owing to generally poor market conditions. As a result, the Trustees have adopted a very cautious outlook for the next few years.

The Charity has a diversified financial investment portfolio, managed by specialist asset managers. By diversifying into different asset classes and global markets, The Charity aims to increase the long-term returns from the portfolio while also reducing its overall risk level. The portfolio is fully invested and is diversified both by asset class and geography (Figures 6–8). As with property investments, previous years generated strong returns, but with the current poor market conditions and in light of the negative total return of 4.1% in the current year, The Charity is mindful of the possibility that future returns will be lower and has adopted a cautious outlook.



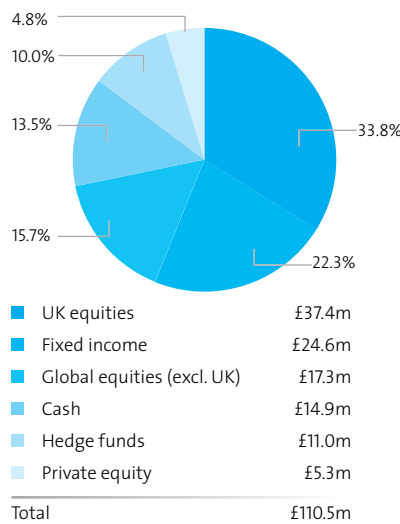
Above left: Disposable syringes; above right: close-up of head mould used in radiotherapy.

**Figure 6: Geographical exposure of investments**

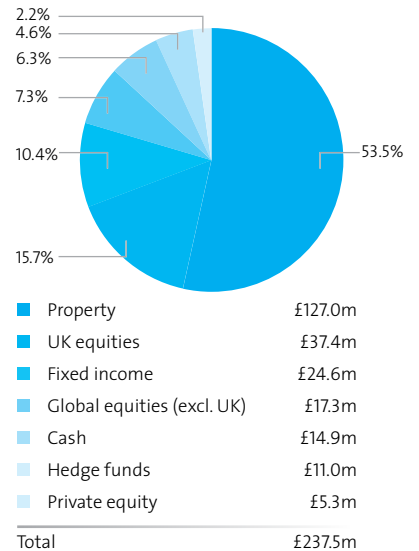


*Residential properties valued at £18.3m are not included in this chart.*

**Figure 7: Allocation of income-generating assets (excluding property)**



**Figure 8: Allocation of income-generating assets (including property)**



## Statement of Trustees' responsibilities

The Trustees are responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the funds held on trust and to enable them to ensure that the accounts comply with requirements in the Charities Act 1993;
- establishing and monitoring a system of internal control; and
- establishing arrangements for the prevention and detection of fraud and corruption.

The Trustees are required under the Charities Act 1993 to prepare accounts for each financial year so as to give a true and fair view of the financial position of the funds held on trust, in accordance with the Charities Act 1993. In preparing those accounts, the Trustees are required to:

- apply on a consistent basis accounting policies laid down by the Charity Commission;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Trustees confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 31–43 attached have been compiled from and are in accordance with the financial records maintained by The Charity.



By Order of the Trustees

Chairman  
August 2008

Trustee

Above: Water droplets from the water bath used to heat plastic head moulds for use in radiotherapy.



## Independent auditors' report to the Trustees of Barts and The London Charity funds held on trust

### Opinion on the financial statements

We have audited the financial statements of Barts and The London Charity for the year ended 31 March 2008 under the Audit Commission Act 1998. These comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the Statement of Recommended Practice 2005: Accounting and Reporting by Charities.

This report is made solely to the Trustees of Barts and The London Charity, as a body, in accordance with Section 2 of the Audit Commission Act 1998 and Section 43 of the Charities Act 1993, and regulations made under Section 44 of that Act. Our audit work has been undertaken so that we might state to the Trustees of Barts and The London Charity those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barts and The London Charity and the Trustees of Barts and The London Charity, as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditors

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with Statement of

Recommended Practice 2005: Accounting and Reporting by Charities and directions issued by the Secretary of State. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). In accordance with regulations made under section 44 of the Charities Act 1993, The Charity has been granted a dispensation under section 9(2)(A) of the Charities (Accounts and Reports) Regulations 1995, permitting the audit to be carried out by the auditor appointed by the Audit Commission.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you, if, in our opinion, the Trustees' report is not consistent with the financial statements, if The Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the information contained within the Operating and Financial Review in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with the Audit Commission Act 1998, the Charities

Act 1993, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to Barts and The London Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the Barts and The London Charity's state of affairs as at 31 March 2008 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993.



KPMG LLP London, July 2008

## Statement of Financial Activities for the year ended 31 March 2008

	Notes	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2008 Total funds £000	2007 Total funds restated £000
<b>Incoming resources</b>						
Incoming resources from generated funds						
Voluntary income:						
Donations		21	1,363	0	1,384	1,308
Legacies		521	730	0	1,251	589
Grants and other voluntary income		67	687	0	754	671
Total voluntary income		609	2,780	0	3,389	2,568
Investment income	7.3	9,880	1,209	0	11,089	10,194
Total income from generated funds		10,489	3,989	0	14,478	12,762
Incoming resources from charitable activities						
Functional property rents		767	0	0	767	758
Total income from charitable activities		767	0	0	767	758
<b>Total incoming resources</b>		11,256	3,989	0	15,245	13,520
<b>Resources expended</b>						
Costs of generating funds						
Costs of generating voluntary income		287	57	0	344	141
Investment management costs		1,157	0	0	1,157	1,032
Investment property management costs		1,447	0	0	1,447	806
Total cost of generating funds		2,891	57	0	2,948	1,979
Charitable activities	2	3,515	3,809	0	7,324	10,073
Governance costs		321	0	0	321	995
<b>Total resources expended</b>		6,727	3,866	0	10,593	13,047
Net incoming/(outgoing) resources before transfers						
Gross transfer between funds	10.7	4,529	123	0	4,652	473
		0	(69)	69	0	0
<b>Net incoming/(outgoing) resources</b>		4,529	54	69	4,652	473
Gains/(losses) on revaluation of own fixed assets		835	0	0	835	293
Gains/(losses) on revaluation and disposal of investment assets		(11,496)	(1,294)	(3,322)	(16,112)	14,993
<b>Net movement in funds</b>		(6,132)	(1,240)	(3,253)	(10,625)	15,759
Fund balances brought forward at 31 March 2007		15,024	23,314	175,825	214,163	198,404
<b>Fund balances carried forward at 31 March 2008</b>		8,892	22,074	172,572	203,538	214,163

During the year, no operations have been either discontinued or acquired by The Charity. The notes at pages 34–43 form part of these accounts.

## Balance Sheet as at 31 March 2008

	Notes	Unrestricted funds £000	2008 Restricted funds £000	2007 Endowment funds £000	Total funds £000	2007 Total funds restated £000
<b>Fixed assets</b>						
Intangible and tangible assets	6	117	0	18,228	18,345	17,235
Heritage assets		0	0	10,232	10,232	10,232
Investments	7	38,725	21,487	144,112	204,324	221,052
<b>Total fixed assets</b>		38,842	21,487	172,572	232,901	248,519
<b>Current assets</b>						
Debtors	8	2,447	0	0	2,447	2,699
Short-term investments and deposits		13,142	1,560	0	14,702	15,724
Cash at bank and in hand		157	0	0	157	1,361
<b>Total current assets</b>		15,746	1,560	0	17,306	19,784
Creditors: amounts falling due within one year	9.1	18,438	557	0	18,995	23,646
<b>Net current assets/(liabilities)</b>		(2,692)	1,003	0	(1,689)	(3,862)
<b>Total assets less current liabilities</b>		36,150	22,490	172,572	231,212	244,657
Creditors: amounts falling due after more than one year	9.2	27,258	416	0	27,674	30,494
<b>Total net assets</b>		8,892	22,074	172,572	203,538	214,163
<b>Funds of The Charity</b>						
Capital funds:						
Endowment funds	10.1	0	0	172,572	172,572	175,825
Income funds:						
Restricted	10.3	0	22,074	0	22,074	23,314
Unrestricted	10.5	8,892	0	0	8,892	15,024
<b>Total funds</b>		8,892	22,074	172,572	203,538	214,163

The notes at pages 34 to 43 form part of these accounts.

Chairman  
August 2008

Trustee

## Cash Flow Statement for the year ended 31 March 2008

	Notes	2008 £000	2007 restated £000
<b>Cash inflow/(outflow) from operating activities</b>	11	(13,748)	(9,549)
<b>Returns on investments and servicing of finance</b>			
Investment income		11,208	10,194
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		11,208	10,194
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(303)	(99)
Receipts from sales of tangible fixed assets		0	3,166
Payments to acquire investment assets		(31,269)	(28,479)
Receipts from sales of investment assets		31,886	32,723
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>		314	7,311
<b>Increase/(decrease) in cash and liquid resources</b>	12	(2,226)	7,956

The notes on pages 34–43 form part of these accounts.

## Notes to the accounts

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements have been prepared under the historic cost convention, with the exception of investments and fixed asset properties, which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice by Charities (SORP 2005) issued in March 2005 and applicable UK Accounting Standards and the Charities Act 1993.

#### 1.2 Fund structure

- a. Restricted funds are funds for which a legal restriction exists over their use.
- b. Endowment funds include the following:
  - i) Permanent endowment funds: capital is held in perpetuity but the related income may be used for unrestricted or restricted purposes as specified by the donor.
  - ii) Expendable endowment: donations received by the hospitals of Barts and The London NHS Trust before 5 July 1948 (the date on which the NHS was established). The income and capital are available for such expenditure related to section 93 (2) to section 93 (3) of the National Health Service Act 1977.
- c. Unrestricted (general purpose) funds are available for use at the discretion of the Trustees for general charitable purposes relating to the following:

- i) Section 93 (2) to 93 (3) of the National Health Service Act 1977:  
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) Section 11 (1) of the National Health Service and Community Care Act 1990:  
To accept, hold and administer the property on trust for the general or any specific purposes of the Barts and The London NHS Trust (including the purpose of any specific hospital or other establishment or facility at or from which services are provided by The Charity) or for all or any purposes relating to the health service.
- d. Designated funds are not legally restricted but the Trustees have chosen to earmark them for a special purpose within the guidelines noted above for unrestricted (general purpose) funds. There is one such fund for use by The Charity's Research Advisory Board (see note 10.5).

#### 1.3 Incoming resources

Income is allocated as appropriate to one of the three types of funds: unrestricted (Sec 93 and 11), restricted or endowment.

Income related to expendable endowment, certain permanent endowment and general funds is unrestricted. All other income generated from restricted funds and certain other permanent endowment funds is restricted to

the purpose of the funds as set out in notes 10.1–10.4.

Residential property rental income relates to properties occupied by tenants in furtherance of The Charity's objects, for example, nurses' accommodation.

Donations, gifts and legacies are brought into account when they are received as unrestricted Section 11 income or restricted income depending upon the specifics of the donation.

#### 1.4 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing The Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

#### 1.5 Allocation of overhead and support costs

Overhead and support costs have been allocated between charitable activities, governance costs and cost of generating funds. Staff costs are considered on a person by person basis and allocated on the basis of an estimate of time spent on activities in each area.

Where appropriate, certain non-salary overhead costs are allocated directly to the appropriate area of activity to which they relate. The remaining overhead costs are allocated in the same proportions used to allocate staff salaries.

#### 1.6 Fixed assets

- a. Capitalisation  
Tangible and intangible assets, which are capable of being used

for more than one year and have a cost equal to or greater than £5,000, are capitalised. All works of art are capitalised.

b. Valuation

Tangible and investment assets are stated at market value as at the balance sheet date with the exception of non-property tangible fixed assets, which are valued on a historical basis. Valuations for property and marketable investments are carried out on an annual basis.

Freehold land and buildings are revalued annually by an external chartered surveyor, Cluttons, on 1 April. The revaluations are carried out in accordance with the practice statements and guidance notes set out in RICS Appraisal and Valuation Standards, 5th Edition.

c. Heritage assets

Heritage assets include works of art and historical archives and are stated at market value. Those assets relating to St Bartholomew's Hospital were valued in 2003 and those associated with The Royal London Hospital were valued in 2005. Both valuations were completed by Gurr Johns, auctioneers and valuers. The next valuation is scheduled for autumn 2008 and valuations will be carried out every five years thereafter.

d. Depreciation

Land, buildings and heritage assets are not depreciated. Fixtures, fittings, equipment and intangible assets (software licences) are depreciated over a life of five years. The Statement of Financial Activities includes

the net gains and losses arising on revaluation and disposal throughout the year.

### 1.7 Realised and unrealised gains and losses

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

### 1.8 Pensions contributions

The cost of employer contributions to the NHS Pension Scheme, to which employees of The Charity belong, is charged to the Statement of Financial Activities.

For both 2007/8 and 2006/7 the rates of employee and employer contributions, respectively, were 6% and 14%.

The Trustees are unable to confirm The Charity's share of the underlying assets and liabilities of the scheme and, therefore, the scheme is accounted for as a defined contribution plan with the costs equal to the contributions made for the accounting period.

### 1.9 Pooling scheme

An official pooling scheme for all funds formerly held either by the Special Trustees for St Bartholomew's Hospital, or by The Royal London Hospital Special Trustees, is contained in a scheme registered by the Charity Commission on 31 May 2005.

**Details of  
resources  
expended –  
charitable activities  
by funding source**

2

	Grant- funded activity £000	Activities undertaken directly* £000	Staff and support costs £000	Total 2008 funds £000	Total 2007 funds restated £000
Patients' welfare and amenities	248	84	32	364	772
Staff welfare and amenities	408	502	87	997	1,524
Research	4,309	850	492	5,651	2,830
Redevelopment and refurbishment					
of Barts and The London NHS Trust	274	0	26	300	351
Medical equipment	100	816	87	1,003	1,946
Residential properties expenses	0	508	146	654	388
Others: Barts and The London NHS Trust	274	278	53	605	537
Queen Mary, University of London	10	0	1	11	1,335
School of Nursing †	151	0	14	165	151
St Joseph's Hospice	0	0	0	0	58
Others	0	0	0	0	181
Reversal of prior year grant ‡	(2,426)	0	0	(2,426)	0
<b>Total funds</b>	<b>3,348</b>	<b>3,038</b>	<b>938</b>	<b>7,324</b>	<b>10,073</b>

\* Expenditure relating to the use of restricted funds and running costs of The Charity's residential properties, which are let at keyworker rates to hospital staff at Barts and The London NHS Trust.

† St Bartholomew School of Nursing and Midwifery.

‡ In financial year 2007/08, The Charity reversed £2.426 million in grant awards made in previous years. The reversal of a £2 million award related to refurbishment of a clinical building which did not take place because the works were included in the large PFI programme at Barts and The London NHS Trust. The remaining grant award reversals relate to general underspend across various programmes.

**Grants made  
to institutions**

3.1

	Aggregate amount paid £000
Barts and The London NHS Trust	3,111
Queen Mary, University of London	12
St Bartholomew School of Nursing and Midwifery	25
Sick Children's Trust	200
<b>Total</b>	<b>3,348</b>

Grants made to institutions are part of the total grants programme as noted in note 2. A detailed list of grants paid to institutions during the year can be obtained on application to The Charity's office at 12 Cock Lane, London EC1A 9BU.

**Grants paid  
to individuals**

3.2

No grants were paid to individuals in 2007/8 or in 2006/7.

**Auditor's  
remuneration**

4.1

The auditor's remuneration comprises £41,000 in respect of the statutory audit and £5,000 in respect of compliance.

Support costs	4.2	Cost of generating funds				Total £000
		Fundraising	Property management	Charitable activity	Governance	
		£000	£000	£000	£000	
Salary costs		167	73	625	142	<b>1,007</b>
Contract/temporary staff		69	0	65	0	<b>134</b>
Audit fees		0	0	0	46	<b>46</b>
Internal audit		0	0	0	6	<b>6</b>
Insurance		0	0	0	47	<b>47</b>
Annual Report		0	0	0	20	<b>20</b>
Professional fees		0	0	0	30	<b>30</b>
Apportionment of other overheads		50	15	248	30	<b>343</b>
<b>Grand total</b>		<b>286</b>	<b>88</b>	<b>938</b>	<b>321</b>	<b>1,633</b>

Where costs can be directly allocated to one of the above categories, this has been done. Such costs account for 79% of the total overheads. The remainder, relating to general office costs, has been allocated on the basis of staff time

Analysis of staff costs	5.1	Total 2008	Total 2007
		£000	£000
Salaries and wages		852	736
Social security costs		83	63
Other pension costs		72	62
<b>Total</b>		<b>1,007</b>	<b>861</b>
Average monthly number of full-time equivalents in the year:		20	15

Pension contributions for senior employees	5.2	The following pension contributions were made for senior employees within the following ranges:		
		Value of contributions £000	Number of staff receiving contributions	
		£50,001 to £60,000	15	2
		£60,001 to £70,000	18	2
		£80,001 to £90,000	13	1

Senior employees	5.3	The following number of senior employees received emoluments falling within the following ranges:		
		2008	2007	
		£50,000 to £60,000	2	1
		£60,001 to £70,000	2	0
		£70,001 to £80,000	0	1
		£80,001 to £90,000	1	1
		£90,001 to £100,000	0	1
		£110,001 to £120,000	1	0

Fixed assets	6 Fixed asset: intangible and tangible	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Intangible assets £000	Total £000
	Tangible and intangible fixed assets:				
	Balance at 31 March 2007 restated	17,131	105	22	17,258
	Additions	256	14	33	303
	Revaluations	835	0	0	835
	Disposals	0	0	0	0
	Balance at 31 March 2008	18,222	119	55	18,396
	Accumulated depreciation:				
	Balance at 31 March 2007	0	21	2	23
	Charge for the year	0	20	8	28
	Balance at 31 March 2008	0	41	10	51
	<b>Net book value at:</b>				
	31 March 2008	<b>18,222</b>	<b>78</b>	<b>45</b>	<b>18,345</b>
	Net book value at:				
	31 March 2007	89,584	84	20	89,688
	Reclassification	(72,453)	0	0	(72,453)
	31 March 2007 restated	17,131	84	20	17,235

Freehold land and buildings relate to the residential properties let at keyworker rates to hospital staff at Barts and The London NHS Trust.

The £72.453 million reclassified to investment properties is related to properties that are valued as investments and are let on an arms-length market basis. The related income, £4.365m, and cost, £0.341m, have also been reclassified from charitable activities to investment income and cost respectively.

The Trustees are not aware of any material changes in the value of fixed assets since the latest revaluation.

Analysis of fixed asset investments	7 7.1 Fixed asset investments	Property investments £000	Stock exchange investments £000	2008 Total £000	2007 Total restated £000
	Market value at 1 April 2007 restated*	118,784	102,268	221,052	146,925
	Less: Disposals at carrying value	(1,027)	(25,522)	(26,549)	(26,663)
	Add: Acquisitions at cost	373	30,895	31,268	28,479
	Add: Reclassified property	0	0	0	72,453
	Net gain/(loss) on revaluation	(9,437)	(12,010)	(21,447)	(142)
	<b>Market value at 31 March 2008</b>	<b>108,693</b>	<b>95,631</b>	<b>204,324</b>	<b>221,052</b>

\*The £72.453 million reclassification of tangible fixed assets to investment properties is related to properties valued as investments and let on an arms length market basis. The related income, £4.365m, and cost, £0.341m, have also been reclassified from charitable activities to investment income and cost respectively.

Investments	7.2	Market value at 31 March 2008:	Held	Held	2008	2007
			in UK	outside UK	Total	Total
			£000	£000	£000	restated £000
		Investment properties	108,693	0	<b>108,693</b>	118,784
		Investments listed on stock exchange	51,678	25,919	<b>77,597</b>	87,157
		Cash held as part of the investment portfolio	1,741	0	<b>1,741</b>	2,316
		Alternative investments	2,983	13,310	<b>16,293</b>	12,795
		<b>Total</b>	<b>165,095</b>	<b>39,229</b>	<b>204,324</b>	<b>221,052</b>

Analysis of gross income from investments	7.3	Total gross income	Held	Held	2008	2007
			in UK	outside UK	Total	Total
			£000	£000	£000	restated £000
		Investment properties	6,624	0	<b>6,624</b>	6,516
		Investments listed on stock exchange	1,414	1,998	<b>3,412</b>	2,962
		Interest on cash held as part of the investment portfolio and short-term deposit	1,053	0	<b>1,053</b>	716
		<b>Total</b>	<b>9,091</b>	<b>1,998</b>	<b>11,089</b>	<b>10,194</b>

Interest received on short-term deposits is included in the above figures although the deposits are shown separately in the balance sheet.

Analysis of debtors	8	8.1	Amounts falling due within one year:	31 March	31 March
				2008	2007
				£000	£000
			Trade debtors	1,709	1,903
			Prepayments	32	0
			Accrued income	666	724
			Other debtors	40	72
			<b>Total</b>	<b>2,447</b>	<b>2,699</b>

Analysis of creditors	9	9.1	Amounts falling due within one year:	31 March	31 March
				2008	2007
				£000	restated £000
			Trade creditors	2,170	926
			Other creditors	854	1,672
			Grant accruals	14,661	19,606
			Deferred income	1,310	1,442
			<b>Total</b>	<b>18,995</b>	<b>23,646</b>
		9.2	<b>Total creditors falling due after more than one year:</b>		
			Grant accruals	<b>27,674</b>	30,494

**Commitments, liabilities and provisions** 9.3 There are no grants payable whose values require subjective estimation and therefore no provisions have been included in this set of accounts.

9.4 **Deferred income:**

	<b>£000</b>
Balance as at 1 April 2007	1,442
Transferred to incoming resources	(1,442)
Provided for during the year	1,310
<b>Balance as at 31 March 2008</b>	<b>1,310</b>

Investment property rent billed to the tenants in March 2008 but related to the first quarter of the following financial year.

<b>Analysis of funds</b>	<b>10.1</b>	<b>Endowment funds</b>	<b>Balance</b>	<b>Incoming</b>	<b>Resources</b>	<b>Transfers</b>	<b>Gains</b>	<b>Balance</b>
			<b>31 March</b>	<b>resources</b>	<b>expended</b>		<b>and</b>	<b>31 March</b>
			<b>2007</b>				<b>losses</b>	<b>2008</b>
			<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
		Expendable endowments	163,818	0	0	0	(2,524)	<b>161,294</b>
		H F Bailey	4,736	0	0	0	(281)	<b>4,455</b>
		Aylwen Bursaries	1,717	0	0	0	(102)	<b>1,615</b>
		Edward Hewlett	1,411	0	0	0	(84)	<b>1,327</b>
		G P Shuter Nurses	1,163	0	0	0	(69)	<b>1,094</b>
		Hannington	555	0	0	0	(33)	<b>522</b>
		David Hughes	413	0	0	0	(25)	<b>388</b>
		Cancer Research	358	0	0	0	(21)	<b>337</b>
		Bed Endowments	311	0	0	0	(18)	<b>293</b>
		14 Funds each under £200,000	1,343	0	0	0	(96)	<b>1,247</b>
		<b>Total</b>	<b>175,825</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,253)</b>	<b>172,572</b>

Note 1.2 on page 34 describes accounting policy on treatment of endowment funds.

**Details of material funds – endowment funds** 10.2

<b>Name of fund</b>	<b>Nature and purpose of each fund</b>
Expendable endowment	To apply for purposes relating to NHS hospitals
H F Bailey	To generate income for children's services
Aylwen Bursaries	Funding of research bursaries
Edward Hewlett	General purposes
G P Shuter Nurses	Holidays, convalescence and prizes for nurses
Hannington	General purposes
David Hughes	General purposes
Cancer Research	Research into causes and treatment of cancer
Bed Endowments	Provision of beds and similar equipment for patients

<b>10.3 Restricted funds</b>	Balance 31 March 2007 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Balance 31 March 2008 £000
<b>Material funds</b>						
Doris Macklin Legacy	2,156	77	(73)	0	106	<b>2,266</b>
Leukaemia/Lymphoma Research	929	68	0	0	47	<b>1,044</b>
Tallerman Research Fund Legacy	874	33	(33)	0	43	<b>917</b>
Cancer Research	624	27	0	0	31	<b>682</b>
Research	70	455	0	0	9	<b>534</b>
Funds £400–500,000 (2)	1,152	219	(16)	0	56	<b>1,411</b>
Funds £300–400,000 (4)	3,322	315	(761)	0	142	<b>3,018</b>
Funds £200–300,000 (16)	3,578	742	(949)	0	165	<b>3,536</b>
Funds £100–200,000 (21)	2,516	809	(694)	0	129	<b>2,760</b>
Others	8,093	1,244	(1,340)	(69)	(2,022)	<b>5,906</b>
<b>Total</b>	<b>23,314</b>	<b>3,989</b>	<b>(3,866)</b>	<b>(69)</b>	<b>(1,294)</b>	<b>22,074</b>

In the current year only realised gains and losses are allocated to individual restricted funds with balances over £50,000. Unrealised gains/(losses) that are not allocated to individual funds are included in 'others'.

**Details of material funds – restricted funds**

<b>10.4 Name of fund</b>	<b>Nature and purpose of each fund</b>
Doris Macklin Legacy	Research into nephritis
Leukaemia and Lymphoma Research	Research into leukaemia and lymphoma
Tallerman Research Fund Legacy	Facilitates research into children's diseases
Cancer Research	Investigation of causes, prevention, treatment, cure and defeat of cancer
Research	General research fund

**Details of material funds – designated funds**

<b>10.5 Name of fund</b>	<b>Nature and purpose of the fund</b>
Research Advisory Board	This is a designation of the unrestricted fund, for use by The Charity's Research Advisory Board

	Balance 31 March 2007 £000	Adjustment £000	Resources expended £000	Balance 31 March 2008 £000
<b>Total</b>	4,753	(1,548)	(3,098)	<b>107</b>

In April 2008, The Charity's Research Advisory Board was replaced with the Research Grant Committee which will follow similar procedures to the main Grant Committee. This will then eliminate the need for a designated fund in the future.

**Details of Section 11 funds**

<b>10.6</b>	Balance 31 March 2007 £000	Allocated resources £000	Resources expended £000	Balance 31 March 2008 £000
<b>Total</b>	15	245	0	<b>260</b>

The section 11 of the National Health Service Community Care Act 1990 general fund reserve is calculated by applying the ratio of voluntary income and total income to the net incoming resources for the year.

<b>Details of transfers between funds</b>	<b>10.7</b>		Unrestricted £000	Restricted £000	Endowment £000
		Reclassification	0	(69)	69
		<b>Total</b>	<b>0</b>	<b>(69)</b>	<b>69</b>

The transfer relates to funds received in 2002 and corrects the legal classification of the funds.

<b>Notes to the Cash Flow Statement</b>	<b>11</b>	<b>Reconciliation of cash flows from operating activities to net incoming/(outgoing) resources</b>		
			<b>2008</b> <b>£000</b>	<b>2007</b> <b>restated</b> <b>£000</b>
		Net incoming/(outgoing) resources	4,652	473
		Non-operating cash flows eliminated:		
		Investment income	(11,089)	(10,194)
		Depreciation charges	28	3
		(Increase)/decrease in debtors	132	(1,452)
		Increase/(decrease) in creditors	(7,471)	1,621
		<b>Cash inflow/(outflow) from operating activities</b>	<b>(13,748)</b>	<b>(9,549)</b>

<b>Notes to the Cash Flow Statement</b>	<b>12</b>	<b>Analysis of changes in cash and short-term investments and deposits</b>		
		<b>Balance</b> <b>2007</b> <b>£000</b>	<b>Movements</b> <b>£000</b>	<b>Balance</b> <b>2008</b> <b>£000</b>
		Short-term investments and deposits	15,724	(1,022)
		Cash in hand and at bank	1,361	(1,204)
		<b>Change in cash and liquid resources in the year</b>	<b>17,085</b>	<b>(2,226)</b>

**Contingencies** 13 The Charity does not have any contingent assets nor any contingent liabilities to disclose.

**Trustee and connected persons transactions** 14

**14.1 Trustee expenses reimbursed**

No Trustee expenses were reimbursed in either 2007/08 or 2006/07.

**14.2 Trustee remuneration**

No Trustee received remuneration in either 2007/08 or 2006/07.

**14.3 Details of transactions with Trustees or connected persons**

There were no transactions with Trustees or connected persons in either 2007/08 or 2006/07.

**14.4 Trustee indemnity insurance**

		<b>Year ended</b> <b>31 March</b> <b>2008</b> <b>£</b>	<b>Year ended</b> <b>31 March</b> <b>2007</b> <b>£</b>
	<b>Premiums paid for Trustee indemnity</b>	<b>1,256</b>	<b>1,386</b>

**Loans or guarantees secured against assets**

**15** There were no such loans or guarantees in 2007/08 or in 2006/07.

**Connected organisations**

**16** There were no connected organisations of The Charity in either 2007/08 or 2006/07.

**Related party transactions**

**17** During the year, no Trustees or members of the key management staff or parties related to them undertook any material transactions with The Charity.

The Charity in March 2008 made revenue and capital grants totalling £3.111 million to Barts and The London NHS Trust. From November 2007, Keith Palmer was a Trustee of The Charity and Chairman of Barts and The London NHS Trust. In addition, Sir John Chalstrey was a Trustee of The Charity and was also a remunerated member of the New Hospitals Project Team.

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#### **Front cover photograph:**

The cover montage is based on a head-and-shoulders 'mask', used to immobilise patients during radiotherapy. Individualised masks are made in the 'mould room', recently refurbished thanks to a grant from Barts and The London Charity (see page 13). Patients need to be kept still so that radiotherapy is targeted precisely to tumour tissue – a procedure facilitated by image-guided radiotherapy equipment funded by The Charity (see page 12).

#### **Other photography:**

Cover, pages 5, 9, 11, 12, 13, 14, 18, 20, 21, 22, 23, 24, 28, 29: Dave Sayer; pages 6, 15 (right): Wellcome Images; page 7: Spectrum; pages 3, 8, 15, 23: Theo Wood; page 10: Ceri Davies; page 16: iStockphoto image 'life under the microscope' 4725121.

#### **Text and project management:**

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