

THE FRIENDS OF GUY'S HOSPITAL

Registered Charity Number : 264150

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

THE FRIENDS OF GUY'S HOSPITAL

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**WILKINS KENNEDY
CHARTERED ACCOUNTANTS
BRIDGE HOUSE
LONDON BRIDGE
LONDON SE1 9QR**

THE FRIENDS OF GUY'S HOSPITAL

REFERENCE AND ADMINISTRATIVE DETAILS

EXECUTIVE COMMITTEE

President:

Lord Harris of Peckham

Vice Presidents:

Mrs. K. Glendinning MBE

Lady Harris

The Hon. Mrs. J. McBeath

Mr. W. White

Mr. R. Franks

Chairman:

Dr. M. O'Brien

Vice Chairman:

Mr. O. Shaheen

Treasurer:

Mr. K.M. Jeremiah

Associate Members:

Mr. P. Hiscock

Mr. A.J. Roles

Mr. C. Saunders

Dr. D. Tong

Professor S. Challacombe

Professor B. Hicks

Dr. M. Skelly

Ms. K. Sorenson

Dr. M. Barnett

Principal Address

Level 2, Southwark Wing, Guy's Hospital, Great Maze Pond, London, SE1 9RT.

Independent Examiner

John Howard FCA, Wilkins Kennedy, Bridge House, London Bridge, London SE1 9QR.

Bankers

National Westminster Bank Plc, London Bridge Branch, 10 Southwark Street, London, SE1 1TT.

Charity Registration Number

264150

THE FRIENDS OF GUY'S HOSPITAL

REPORT OF THE EXECUTIVE COMMITTEE

The Executive Committee is pleased to present its report together with the financial statements of the Charity for the year ended 30th September 2010.

Reference and administrative details set out on page 1 form part of this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 and comply with the Charity's Articles of Constitution, and the Charities Act 1993.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Friends of Guy's Hospital is a registered Charity number 264150. The Charity was formed by an amalgamation of The Guild of Ex-Patient and Friends of Guy's Hospital, and Guy's Hospital Ladies Association, and traces its origin back to 1895. The Charity's governing document is its Articles of Constitution.

The Charity is currently in the process of amending the constitution to bring it into line with current Charity Commission best practice.

Organisational Structure

The Executive Committee which served during the year is set out in the Charity's Reference and Administrative Details. Associate members of the Committee are appointed by the Executive Committee. The Committee meets three times a year to administer the charity and at each annual general meeting one third of committee members retire from office and may be reappointed. A secretary, Mrs Pat Hutton, is appointed by the Committee to manage the day-to-day operations of the Charity.

No Committee members had any contract or arrangement of a material nature with the Charity during the year under review.

Induction and Training of Executive Committee Members

New trustees are members of the hospital staff or retired staff and therefore already have background knowledge of the charity. They are expected to learn by practical experience how the charity operates and are provided with the following key information as required:

- Mission Statement and Policy
- Key Contacts
- Role Description
- Duties and Responsibilities

Relationships with Affiliated Organisations

The Charity has a wholly owned subsidiary, The Friends of Guy's Trading Company Limited. The principal activity of the company is the sale of flowers, gifts, second hand clothes and sundries in order to raise funds for the Charity.

Risk Management

The Executive Committee actively review the major risks to which the Charity is exposed on a regular basis and confirm that systems have been established to mitigate those risks. A high proportion of income arises from fundraising and the Executive Committee regularly monitor the progress of fundraising through the year.

Objectives and activities

The Charity provides amenities for patients and staff. Substantial grants are made for works of improvement which benefit patients, staff and visiting relatives. The Charity is able, from time to time, to purchase items which Guy's Hospital is not able to buy from its own budget.

Main objectives for the year

The main objectives for the year were to continue to make grants for medical equipment and amenities to benefit patients, staff and visiting relatives and research. A list of grants made is shown in note 4 of the financial statements.

Changes have been made to the way funds are granted for the purposes of medical and dental research and the provision of medical equipment in order to comply with recent legislative restrictions.

THE FRIENDS OF GUY'S HOSPITAL

REPORT OF THE EXECUTIVE COMMITTEE (continued)

Strategies for achieving objectives

The strategy of maintaining a high profile for the Friends within the hospital and therefore to maximise incoming resources was achieved by various fundraising activities during the year, including the Christmas Fair and raffle, hiring out the Galleria and encouraging the renewal of subscriptions.

Review of activities

The main fundraising activities of the Charity during the year were the hire of the galleria to outside traders, running stalls at the Christmas Fair and other events at the hospital. Income from these activities was maintained during the year compared to 2009, and the Christmas Fair and in particular the Christmas raffle continued to be very successful.

The financial statements for the year ended 30th September 2010 show net outgoing resources of £18,929 (2009: net incoming resources of £7,859). The Executive Committee closely monitors the financial position of the Charity throughout the year.

Subscriptions and donations amounted to £13,792 (2009: £17,446). £nil (2009: £3,000) was donated from the Charity's subsidiary.

Legacies receivable for the year were £nil (2009: £15,656) and investment and deposit account interest £4,059 (2009: £9,871).

Reserves policy

The Friends of Guys Hospital has a reserve policy of holding £400,000 because of the uncertain timing of its income and expenditure. A large part of the income comes from legacies and donations which by their nature are irregular and uncertain. Conversely the Charity is obliged to manage the uncertain nature of grant applications as additional specific contributions can sometimes be obtained from wealthy benefactors provided the Friends themselves are in a position to match the donors funds. Holding a substantial reserve ensures the Friends are always in a position to maximize the benefit it is able to provide to the Hospital and the Medical and Dental Faculty of the embedded University. The Executive Committee is conscious of the fact that the Charity's unrestricted funds at the year end are at the much higher level of £785,684 and they are currently considering how these funds should be utilized in the future including purchase of income generating investments to generate a permanent and increasing stream of income. In the meantime, the funds are being held mainly on cash deposit pending investment.

Investment powers

Under the Articles of Constitution, the Charity has the power to make any investment which the Executive Committee sees fit.

Plans for future periods

The Friends are planning to continue to award grants for the general benefit of the patients, staff and the activities of Guys Hospital in accordance with their objects as set out in the constitution.

The charity is now receiving a share of the rental income generated from the use of the former Friends shop as a coffee shop. This income stream is expected to cover a ten year period. Trading activities of the Charity's subsidiary were discontinued after the year end as the new site was becoming increasingly impractical to run and was generating insufficient returns for the resources required to operate it.

Responsibilities of members of the Executive Committee

The Articles of Constitution requires the members of the Executive Committee to prepare an annual report and financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements the members of the Executive Committee are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

THE FRIENDS OF GUY'S HOSPITAL

REPORT OF THE EXECUTIVE COMMITTEE (continued)

Responsibilities of members of the Executive Committee - continued

The members of the Executive Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice : 'Accounting and Reporting by Charities' (SORP 2005).

Approved by the Executive Committee on 24 March 2011 and signed on their behalf by:

Dr. M. O'Brien MD FRCP
Chairman
The Friends of Guy's Hospital,
Great Maze Pond,
London, SE1 9RT.

THE FRIENDS OF GUY'S HOSPITAL

INDEPENDENT EXAMINER'S REPORT TO THE MEMBERS

I report on the accounts of the charity for the year ended 30 September 2010 which are set out on pages 6 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 41 of the 1993 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act.

have not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

John Howard FCA
Chartered Accountant
Wilkins Kennedy
Bridge House
London Bridge
London
SE1 9QR

.....
Date:

THE FRIENDS OF GUY'S HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

	Note	Unrestricted funds 2010	Unrestricted funds 2009
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income		13,828	33,102
Rental income		23,521	3,750
Activities for generating funds		25,071	24,875
Investment income and interest		4,059	12,871
		<hr/>	<hr/>
Total Incoming Resources	(2)	66,479	74,598
		<hr/>	<hr/>
RESOURCES EXPENDED			
Cost of generating funds			
		49,665	39,367
Charitable activities		35,993	19,140
Governance costs		9,556	11,107
		<hr/>	<hr/>
Total resources expended	(3)	95,214	69,614
		<hr/>	<hr/>
Net (outgoing) / incoming resources before other recognised gains and losses		(28,735)	4,984
Other recognised gains and losses			
- unrealised gain on investment		9,806	4,526
- realised loss on investment		-	(1,651)
		<hr/>	<hr/>
NET MOVEMENT IN FUNDS	(6)	(18,929)	7,859
Fund balances brought forward 1st October 2009		804,613	796,754
		<hr/>	<hr/>
FUND BALANCES CARRIED FORWARD 30TH SEPTEMBER 2010		£785,684	£804,613
		<hr/>	<hr/>

The notes on pages 8 to 15 form part of these financial statements.

THE FRIENDS OF GUY'S HOSPITAL

BALANCE SHEET

AS AT 30TH SEPTEMBER 2010

	Note	2010	2009
Fixed assets			
Tangible assets	(7)	66,920	74,336
Investment in subsidiary	(8)	2	2
		<hr/>	<hr/>
		66,922	74,338
		<hr/>	<hr/>
Current assets			
Investments	(10)	255,326	29,526
Debtors	(11)	8,635	16,884
Cash on deposit		496,927	660,927
Cash at bank and in hand		10,187	57,184
		<hr/>	<hr/>
		771,075	764,521
		<hr/>	<hr/>
Creditors: amounts falling due within one year	(12)	(52,313)	(34,246)
		<hr/>	<hr/>
Net current assets		718,762	730,275
		<hr/>	<hr/>
Net assets		785,684	804,613
		<hr/>	<hr/>
Represented by:			
Unrestricted funds	(13)	£785,684	£804,613
		<hr/>	<hr/>

The financial statements were approved by the Executive Committee on 24 March 2011 and signed on their behalf by:

.....

Dr. M. O'Brien - Chairman

.....

K.M. Jeremiah - Treasurer

The notes on pages 8 to 15 form part of these financial statements.

THE FRIENDS OF GUY'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

1. Accounting policies

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention except that investments are carried at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

(b) Basis of consolidation

The Charity has taken advantage of the exemption provided by the Statement of Recommended Practice "Accounting and Reporting by Charities" not to prepare group financial statements as the gross income, after consolidation adjustments of the group in the accounting period is no more than the threshold for a statutory charity audit. The financial statements present information about the Charity as an individual undertaking and not about its group.

(c) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income including subscriptions, donations and legacies is included in full in the Statement of Financial Activities when receivable. In accordance with this policy, legacies are recognised when advice is received from a representative of an estate that a payment will be made and the amount involved can be quantified. Legacies of uncertain timing or amount that have been advised at the year end are not recognised, but disclosed in a note to the accounts.
- Rental income is accounted for on an accruals basis in the period in which the rent is due.
- Activities for generating funds are accounted for on an accruals basis in the period in which the related event takes place.
- Investment income and interest is included when receivable.

(d) Charitable expenditure

Expenditure is accounted for on an accruals basis.

- Costs of generating funds are those costs incurred in attracting voluntary income.
- Charitable expenditure comprises grants made to facilitate the purchase of medical and surgical equipment by Guy's Hospital, and for works of improvement which benefit patients, staff and visiting relatives.
- Governance costs include those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

(e) Tangible fixed assets

Tangible assets are stated at cost.

Depreciation is provided on tangible assets to write down their value over their estimated useful life. The following rates have been applied:

Land and buildings	- 10% straight line
Office equipment	- 20% straight line
Plant and machinery	- 20% straight line

THE FRIENDS OF GUY'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

(f) Investments

Investments are shown at market value. Unrealised gains and losses are recorded in the statement of financial activities as they arise.

(g) Funds accounting

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Executive Committee.

(h) Cash flow statement

The Charity has taken advantage of the exemption in Financial Reporting Standard 1 from producing a cash flow statement on the grounds that it is a small charity.

2. Incoming Resources	2010	2009
2.1 Voluntary Income		
Subscriptions and donations	13,828	17,446
Legacies	-	15,656
	<hr/> £13,828	<hr/> £33,102
2.2 Rental Income		
Coffee shop rental income	23,521	3,750
	<hr/> £23,521	<hr/> £3,750
2.2 Activities for generating funds		
- Hire of galleria	12,685	12,373
- Other income	2,038	2,493
- Christmas and other stalls income	10,348	10,009
	<hr/> £25,071	<hr/> £24,875
Other income is made up of:		
- Income from automaton	2,038	2,293
- Advertising income (annual report)	-	200
	<hr/> £2,038	<hr/> £2,493
2.3 Investment income		
Income from listed investments	4,232	3,971
Interest on deposit account	(173)	5,900
Income from subsidiary	-	3,000
	<hr/> £4,059	<hr/> £12,871
Total Incoming Resources	<hr/> £64,479	<hr/> £74,598

THE FRIENDS OF GUY'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

3.	Resources Expended	Direct Costs	Staff Costs	Support Costs	Total 2010	Total 2009
3.1	Cost of generating funds:					
	Staff costs	-	29,878	-	29,878	29,226
	Depreciation of tangible fixed assets	-	-	7,646	7,646	1,396
	Other support costs	-	-	12,141	12,141	8,745
		-	29,878	19,787	49,665	39,367
3.2	Charitable activities:					
	Grants and donations payable	35,993	-	-	35,993	19,140
3.3	Governance costs:					
	Staff costs	-	3,320	-	3,320	3,247
	Audit and accountancy	-	-	6,236	6,236	7,860
		-	3,320	6,236	9,556	11,107
	Total Resources Expended	£35,993	£33,198	£26,023	£95,214	£69,614

All costs are allocated between the expenditure categories noted above on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, for example, time spent by staff on those activities.

THE FRIENDS OF GUY'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

4. Grants and donations payable	Total funds 2010	Total funds 2009
Research grants	-	13,400
Medical equipment	(190)	330
Amenities grants	34,183	3,643
Christmas grants	2,000	1,767
	<hr/>	<hr/>
	£35,993	£19,140
	<hr/>	<hr/>

Individual research, medical equipment and amenities grants committed/(unutilised/recovered) for the year ended 30th September 2010 are as follows:-

	2010
Medical grants	
- Old grants written off	(190)
	<hr/>
	£(190)
	<hr/>
Amenities grants	
- Chapel Flowers	6,000
- Television for ENT outpatients department	660
- Television for chest clinic outpatients department	800
- Blood sampling chair for cardiac outpatients department	1,635
- Refurbishment of chest department staff coffee room	400
- Refurbishment of bereavement centre	13,660
- Thomas Guy Club – two treadmills	6,910
- Radio/CD player for McNair Centre	120
- Phlebotomy chair for surgical admission lounge	1,370
- Two armchairs for breast imaging unit recovery room	2,250
- Aerial for ENT department television	450
- Less old grants written off	(72)
	<hr/>
	£34,183
	<hr/>
Christmas grants	
- Christmas vouchers	2,000
	<hr/>
	£2,000
	<hr/>

The old grants written off are grants that are over 2 years old and not expected to be claimed.

THE FRIENDS OF GUY'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

4. Grants and donations payable - (continued)

Reconciliation of grants payable	2010	2009
Commitments at beginning of year	12,583	54,811
Commitments made in the year	36,255	17,350
Commitments re-established in year	-	13,400
Grants recovered or not requested by grantee	(262)	(11,610)
	<hr/>	<hr/>
Grants payable for the year	35,993	19,140
Grants paid during the year	(15,680)	(61,368)
	<hr/>	<hr/>
Commitments at end of year	£32,896	£12,583
	<hr/>	<hr/>

5. Staff costs	2010	2009
Wages and salaries	30,078	29,421
Social Security costs	3,120	3,052
	<hr/>	<hr/>
	£33,198	£32,473
	<hr/>	<hr/>

The average number of people, excluding members of the Executive Committee, employed by the charity during the year was

1	1
<hr/>	<hr/>

None of the employees received remuneration exceeding £60,000 in the year (2009: none).

Members of the Executive Committee received no remuneration or reimbursed expenses in either year.

6. Net movement in funds	2010	2009
Net movement in funds is arrived at after charging:-		
Depreciation	7,646	1,396
Amounts paid to auditors - for audit	-	6,860
- for independent examination	5,236	-
- for other services	1,000	1,000
	<hr/>	<hr/>

THE FRIENDS OF GUY'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

7. Tangible fixed assets	Land and Buildings	Plant and Machinery	Office equipment	Total
Cost				
At beginning of year	75,000	16,900	6,979	98,879
Additions	-	-	652	652
Disposals	-	-	(702)	(702)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	75,000	16,900	6,929	98,829
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	1,250	16,900	6,393	24,543
Charge for the year	7,500	-	146	7,646
Disposals	-	-	(280)	(280)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	8,750	16,900	6,259	31,909
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30th September 2010	£66,250	£-	£670	£66,920
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 th September 2009	73,750	-	586	74,336
	<hr/>	<hr/>	<hr/>	<hr/>

8. Fixed asset investments	Subsidiary undertaking
At beginning and end of year	£2
	<hr/>

Subsidiary undertaking

Subsidiary undertakings and the proportions of share capital held by The Friends of Guy's Hospital are as follows:-

	2010	2009
The Friends of Guy's Trading Company Limited	100%	100%

The above subsidiary undertaking is incorporated in Great Britain and registered in England and Wales.

The principal activity of the company is the sale of flowers, gifts, second hand goods and sundries. Trading activities were discontinued after the year end.

THE FRIENDS OF GUY'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2010

9. Profit and loss account of subsidiary undertaking	2010	2009
Turnover	22,832	28,924
Cost of sales	(3,233)	(4,062)
	-----	-----
Gross profit	19,599	24,862
Administrative expenses	(20,747)	(25,965)
Other operating income	-	1,201
Donation to The Friends of Guy's Hospital	-	(3,000)
	-----	-----
Loss on ordinary activities before taxation	(1,148)	(2,902)
Tax on loss on ordinary activities	-	48
	-----	-----
Loss for the year retained in subsidiary	£(1,148)	£(2,854)
	-----	-----

At 30th September 2010, the aggregate of the share capital and reserves of The Friends of Guy's Trading Company Limited amounted to £2,269 (2009: £3,417).

10. Current asset investments	2010	2009
Market value at beginning of year	29,526	43,650
Additions in the year	215,994	25,000
Gain in the year	9,806	4,526
Investments disposed in year	-	(42,000)
Realised loss on sale of investments	-	(1,650)
	-----	-----
Market value at end of year	£255,326	£29,526
	-----	-----
Investments at market value comprise:		
M&G Securities Limited	31,420	29,526
Invesco Perpetual	50,281	-
Franklin Templeton	51,775	-
Standard Life AAA	52,794	-
Pimco Funds	39,665	-
Standard Life Bond	29,391	-
	-----	-----
Market value at end of year	£255,326	£29,526
	-----	-----
Historical cost	£240,994	£25,000
	-----	-----

