



**Report and Accounts for the year  
2009-2010**

## **Association of NHS Charities**

The *King's College Hospital Charity* is one of 294 NHS-linked Charities in England and Wales. The *Charity* was a founder Member Charity of the *Association of NHS Charities* (registered charity number 1125687), details of which may be found on the Association's website [www.assoc-nhs-charities.org.uk](http://www.assoc-nhs-charities.org.uk). The *Charity* is pleased to be a Member of the Association, an organisation seeking to enhance the standing and work of all NHS Charities.



**Report and Accounts for the year  
2009-2010**

**Trustees of the King's College Hospital Charity  
and Other Related Charities**

**Registered Charity 230729**

**Copies of this Report and Accounts  
for 2009/2010 may be obtained from:**

**Director**

**King's College Hospital Charity**

**Denmark Hill**

**London SE5 9RS**

**or viewed on the Charity Commission's website:**

**[www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)**

# Chairman's Message

We have decided this year to amalgamate our Report & Accounts into a single document and to publish a separate, and more readable, Impact Report. We hope this will demonstrate some of our activities in a more attractive way to our growing number of supporters.

Prospects of recovery from the serious financial downturn during the previous year were encouraging and enabled the *Charity* to maintain a wide ranging programme of support to the Hospital, its patients, and its staff.

The Trustees were very pleased to learn that *King's* had received accreditation as one of London's designated centres for Major Trauma and Stroke Services. The Trustees felt this to be of such importance for the Hospital that they agreed to make a grant of £1m immediately available to purchase ward monitoring equipment and a CT Scanner for the Emergency Department. This will help ensure that these services are of world class standard.

The Trustees also decided to fund a grant of £0.5m for the final phase of the Variety Children's Hospital Modernisation Programme. It is worth recalling that it was the *Charity's* initiative back in 2002/03 that established the Fundraising Department, with a proposal that its first task should be to raise £4.5m towards this major project. Over the years this rose to a figure of nearer twice this amount. Thanks to very many generous donors we now have a modern Children's Hospital that is one of the leading centres in this country for the hospital care of children.

The Trustees believe it is right that their support for the Hospital should be spread as widely as possible, and they were pleased to be able to fund a £0.420m Small Grants Programme. While not all bids were appropriate for funding by the *Charity*, one of the spin-offs of this exercise was that the Fundraising Department was able to help a substantial number of the applicants to apply to other grant making sources.

We were very sorry that Derek Prentice's ten year term as a Trustee came to an end in the autumn. This was the culmination of thirty-five years' service by Derek as a member of various governing bodies of the Hospital. His advocacy and support for *King's* services to our local community has been second to none. We will miss his contribution to our deliberations. It was a pleasure to welcome Linda Smith as a new Trustee. Linda is highly regarded in local NHS circles and joins us with considerable previous experience as a charity trustee.

It is with great sadness that I record the sudden and unexpected death of our Assistant Accountant, Donna Kelly. The shock for the *Charity's* staff was helped by being able to share the celebration of her young athletic life with her family at a service in Bromley Parish Church.

Following the end of the financial year Patrick Vincent, our Accountant, decided to leave us for pastures new. We were sorry to lose his conscientious expertise. Kerry Jessiman succeeded Patrick and was immediately plunged into preparing the Accounts, which form part of this Report, and to carry forward the good work of her predecessor.

All my Trustee colleagues have been unwavering in their support for the work of the *Charity* – for which I am personally very grateful. Our thanks go also to the Director and his small team of colleagues, as well as our Fund Advisers and our Fundraising colleagues, for their work during the year.

Anthony Merifield  
Chairman  
September 2010



# Trustees

## **Sir Anthony Merifield**

### **KCVO CB**

appointed from 1 October 2004 to  
30 September 2012

Former Civil Servant in the  
Department of Health (& Social  
Security) and the Cabinet Office

Former Member of the  
NHS Management Board

Chairman of Centre 70 Lambeth

## **Mr Vivian Bazalgette MA**

appointed from 1 October 2000 to  
30 September 2010

Former Chief Investment Officer  
of M&G Ltd

Non-Executive Director of  
of Brunner Investment Trust plc

Non-Executive Director  
of Henderson High Income Trust PLC

Non-Executor Director  
of Perpetual Income and Growth  
Investment Trust PLC

Trustee of the Dulwich Estate

Governor of Dulwich College

Adviser to BAE Systems  
Pension Fund

Adviser to the Nuffield Foundation

Member of the Advisory Board  
of Greenwich Hospital

## **Ms Heather Gilmour MA**

appointed from 1 October 2004 to  
30 September 2012

Former Non-Executive Director  
and Vice Chairman of King's  
College Hospital NHS Trust

## **Ms Caroline Hewitt**

appointed from 1 January 2008  
to 31 December 2011

Chair of Lambeth Primary Care  
Trust

Former Non-Executive Director  
and Vice-Chairman of King's  
College Hospital NHS  
Foundation Trust

## **Mr Derek Prentice**

appointed from 1 October 1999 to  
30 September 2009

Managing Director of The  
Customer First Consultancy Ltd

Member of the General Dental  
Council

Trustee of the General Dental  
Council Pension Fund

## **Ms Linda Smith**

from 8 January 2010 to  
7 January 2014

Director, Change-fx Consulting

Former Chair of the South East  
London Strategic Health Authority

Former Trustee of Guy's & St Thomas' Charity

Independent Chair of Southwark & Lambeth  
NHS Transformation Partnership Board

# Committees

## **Investment Sub-Committee**

Mr Vivian Bazalgette  
**Chairman from 1 October 2004**

Ms Caroline Hewitt  
from 1 October 2009

Sir Anthony Merifield

Mr Derek Prentice  
to 30 September 2009

## Professional Advisers

### Bankers

**Lloyds Bank plc**  
25 Camberwell Green  
London SE5 7AB

### Legal Advisers

**Withers LLP**  
16 Old Bailey  
London EC4M 7EG

### Investment Managers

**Cazenove Capital Management Ltd**  
12 Moorgate  
London EC2R 6DA  
**Legal & General Investment Management Ltd**  
One Coleman Street  
London EC2R 5AA

### Financial Advisers

**WM Performance Services**  
World Markets House  
Crewe Toll  
Edinburgh EH4 2PY

### Auditors

**Audit Commission**  
Millbank Tower (1st Floor)  
London SW1P 4QP  
**Thames Audit**  
until 31 December 2009  
Royal Brompton Hospital  
Sydney Street  
London SW3 6NP  
**Mazars LLP**  
from 1 January 2010  
45 Church Street  
Birmingham B3 2RT

### Chartered Surveyors

**Nigel Carter & Co**  
40 Westwood Park  
Forest Hill  
London SE23 3QH

## Staff

### Director

**Mr John Collinson FKC MA**

### Personal Assistant to Director

**Mrs Joan Lawford**

### Treasurer

**Mr Keith Ford OBE CPFA**

### Accountant

**Mr Patrick Vincent ACMA ACIS**  
until 30 April 2010  
**Miss Kerry Jessiman ACCA**  
from 1 May 2010

### Assistant Accountant

**Ms Donna Kelly**  
until 13 January 2010

### Offices at King's College Hospital

3 Binfield Court  
111 Coldharbour Lane  
London SE5 9NT

## Telephone & Email Contact

### Director & Personal Assistant

020 3299 4058  
joan.lawford@kch.nhs.uk

### Treasurer

020 3299 4042  
keith.ford@nhs.net

### Accountant

020 3299 3128  
kerry.jessiman@nhs.net

### Facsimile Number

020 3299 3838

## Our Mission

- The *Charity's* mission is to assist and support the *King's College Hospital NHS Foundation Trust* – and, where considered appropriate, other bodies relating to the NHS in England – in order to enhance services and facilities for patients and the working environment for staff, and to support research for the ultimate benefit of patients.

## Our Strategic Aims

- For the *Charity* to be recognised throughout the Hospital as a supportive organisation whose grant giving makes a real difference.
- To continually improve the Trustees' knowledge of where the best and most effective contribution can be made to support the *King's College Hospital NHS Foundation Trust's* patients and the staff who care for them.
- To support and contribute positively to the plans for developing the *King's Health Partners Academic Health Sciences Centre* in south east London, particularly in relation to the future role of the associated charities.
- To continue the successful partnership with the *King's College Hospital NHS Foundation Trust* for increasing the level of charitable funds available to the *Charity* to support the patients of the Hospital – with a strong emphasis on building up the confidence of donors and potential donors – and to develop collaborative, imaginative fundraising with the various partners of the *Academic Health Sciences Centre*.
- To create an appropriate strategy that ensures that the designated funds are spent effectively and in a timely way.
- To be efficient in the management and administration of the *Charity*, and to be able to demonstrate that the Trustees are confident that the *Charity* has all the Hallmarks of an Effective Charity, as set out in the *Charity Commission's* guidance (CC10).

## Our Commitment to Patients

The Trustees have taken into account the *Charity Commission's* guidance on 'public benefit' in discharging their duties and in reviewing the *Charity's* strategic aims, objectives, and particularly their grant-giving policies. The Trustees have been mindful that the real beneficiaries from the work of the *Charity* must ultimately be the patients.

## Our Principal Objectives and Achievements for 2009/2010

### GRANT GIVING

- **To consider the policy and criteria for grant giving within the context of the current financial climate and income projections, together with the Trustees' policy to give £0.5m each year for small grants and their wish to consider the possibility of making grants for larger projects.**

In spite of the difficult financial and investment climate, the Trustees decided to make two large grants to the *King's College Hospital NHS Foundation Trust* of £0.5m for completion of the Variety Children's Hospital Modernisation Programme and £1m for a new CT Scanner for the Emergency Department, together with ward equipment in support of the programme for enhancing Major Trauma and Stroke Services. At the same time the Trustees approved £0.5m for another Small Grants Programme and £0.7m continuing support for the work of the Fundraising Department in 2010/11 and 2011/12.

### KING'S FUNDRAISING PARTNERSHIP

- **To continue to support the business plan and activities of the Fundraising Department in leading the work of the *King's Fundraising Partnership*.**

Funding of support for the two years, 2010/11 and 2011/12 for the work of the Fundraising Departments was agreed.

Implementation of the Credit Card and Direct Debit Schemes to attract increased donations was successfully completed. Plans for Direct Mail activities have been successfully prepared.

- ❑ **To continue with the *Foundation Trust* to develop collaborative arrangements for fundraising with the *King's Health Partners Academic Health Sciences Centre*.**

*King's Health Partners* commissioned a study by *Grenzebach Glier & Associates* into the possibility of bringing together the fundraising activities of the *Partners* and their associated Charities in order to enhance the opportunities for expanding philanthropic income. The *Partners* established a Working Group to take forward the *Partners* preferred option of building up a fundraising unit for the *King's Health Partners* linked with *King's College London's* Development Department. The *Charity* has been represented on the Working Party.

## INVESTMENTS

- ❑ **To monitor the performance of the *Charity's* investments on a regular basis through its Investment Sub-Committee.**

The Trustees have kept a close watch on the performance of their investments during the recent volatile financial period. A programme for the release of funds from investments was established in order to meet the commitments to expenditure in the following two years.

## DESIGNATED FUNDS

- ❑ **To review the status of all Designated Funds in the light of expected new guidance from the *Charity Commission*, and to complete the revision and updating of the *Operating Instructions for Designated Funds*.**

The *Charity Commission's* new guidance was published during the year. Work on the review of the *Operating Instructions for Designated Funds* has been ongoing.

## GOVERNANCE

- ❑ **To review the appointment of both External and Internal Auditors.**

New Internal Auditors have been appointed. Changes in Accounting staff resulted in the decision to defer the review of the appointment of External Auditor until 2010/11.

## OFFICE ACCOMMODATION

- **To consider options and agree with the *Foundation Trust* appropriate accommodation for the *Charity's* office as part of site clearance for the new Maurice Wohl Neurosciences Institute..**

Arrangements were agreed during the year for the *Charity's* Offices to move to Binfield Court in Coldharbour Lane and to share the ground floor with the Fundraising Department.

## ASSOCIATION OF NHS CHARITIES

- **To plan arrangements for the Trustees to host the Annual Business Meeting & Dinner of the *Association of NHS Charities* in June 2010.**

The Trustees approved a programme for them to host the *Association's* Annual Event to take place at Denmark Hill and the Strand and are particularly grateful to the Principal of *King's College London* and his staff for their generous support.

## SUCCESSION PLANNING

- **To arrange for the *Appointments Commission* to appoint a new Trustee in the autumn 2009 and to review the criteria for a new Trustee appointment in the autumn of 2010.**

A new Trustee, Linda Smith, took up her appointment in January 2010. The role, incorporating oversight of the Trustees' Investment Programme, of the new Trustee, to be recruited in the autumn of 2010, was agreed by the Trustees.

## Financial Overview

2009/2010 was another year of turmoil and uncertainty in the financial markets which impacted upon the market value of the investments of the *Charity*. The Trustees nevertheless decided to continue to pursue charitable objectives with a significant programme of grant making activities.

	2008/09	2009/10
<b>Summary</b>	£000	£000
Net assets at the start of the year (1 April)	21,033	15,960
Income for the year	3,178	3,178
Expenditure during the year		
- Grants	2,968	3,700
- Fundraising Costs	239	347
- Governance Costs	157	129
- Investment Management Costs	136	144
	(3,500)	(4,320)
Reduction in market value of investments	4,750	(4,810)
Net assets at year end (31 March )	<u>15,960</u>	<u>19,628</u>

## Income

Income of **£3,178,000** came to the *Charity* during 2009/2010, derived from donations and legacies, and dividends and interest from investments.

Summary of income	2008/09		2009/10	
	£000	%	£000	%
<b>Donations</b>	2,376	75	2,420	76
<b>Legacies</b>	219	7	29	1
<b>Investment Income</b>	583	18	729	23
<b>Total</b>	3,178	100	3,178	100

The Trustees acknowledge, with gratitude, the donations and legacies that the *Charity* has received during the year.

£1,690,735 was received from eighteen major donors who gave £10,000 or more.

£28,981 was received from thirteen legacies.

## Expenditure during the year

A total of **£4,320,000** expenditure during 2009/2010 was approved, of which the following were the principal categories.

<b>Grant Making</b>	<b>£000</b>
Individual grants were awarded for the following:	
CT Scanner for the Emergency Department (Major Trauma Services)	850
Variety Children's Hospital Modernisation Programme – Final Phase	500
Major Trauma and Stroke Service Equipment	151
King's Development Awards (2 years)	100
Small Grants Programme	420
Summary of other grants:	
Variety Children's Hospital Modernisation Programme – Earlier Phase	820
Medical Research	357
General Equipment	259
Staff Training and Development	252
Administrative Support for Research and Professional Activities	74
Staff Welfare and Motivation	89
Patient Welfare	38
Miscellaneous	35
Grants not taken up	
Cellular Therapy Unit	(300)
Others	(7)
Grant making support costs	62
	<hr/>
	3,700
<b>Joint Fundraising Partnership</b>	
Fundraising Department Costs	347
<b>Governance Costs</b>	129
<b>Investment Management Costs</b>	144
<b>Total Expenditure</b>	<hr/> <b><u>4,320</u></b>

# Our Plans for Next Year

The Trustees have agreed a number of objectives for next year which are summarised below.

## GRANT GIVING

- ❑ To consider whether the Small Grants Programme for the *Foundation Trust* can be continued in 2010/11 with a grant of £0.5m.
- ❑ To agree criteria for applications for the Small Grants Programme 2010 with the *King's College Hospital NHS Foundation Trust*.
- ❑ To consider in particular how best to support the next phase of development of Major Trauma and Stroke Services at King's College Hospital.
- ❑ To review grants for the benefit of staff of the *King's College Hospital NHS Foundation Trust*.

## FUNDRAISING

- ❑ To continue to support the business plan and activities of the Fundraising Department in leading the work of the King's Fundraising Partnership.
- ❑ To respond – particularly in conjunction with the *King's College Hospital NHS Foundation Trust* and the other two local NHS Charities – to proposals that emerge from the *King's Health Partners'* report outlining options for collaborative fundraising.
- ❑ To help develop the Fundraising Department's plans for substantially increasing the size of the Donor Base.

## INVESTMENTS

- ❑ To monitor the performance of and manage investments and cash flow, in order to support the *Charity's* operations, and particularly its grant giving commitments and plans.

## OPERATING INSTRUCTIONS FOR DESIGNATED FUNDS

- ❑ To complete the revision and updating of the *Operating Instructions for Designated Funds*.

## **GOVERNANCE**

- ❑ To conduct a recruitment exercise for appointing External Auditors in time for the 2010/11 Audit in the summer of 2011.

## **SUCCESSION PLANNING**

- ❑ To recruit a new Trustee with experience to oversee the management of the *Charity's* investments by September 2010.
- ❑ To consider succession plans for future Trustee appointments.
- ❑ To recruit a successor Director to take up the appointment in December 2010.
- ❑ To recruit a new Assistant Accountant.

## **RELATIONS WITH KING'S HEALTH PARTNERS**

- ❑ To keep under review relations not only with the *King's College Hospital NHS Foundation Trust*, but also other linking bodies, including the *Guy's & St Thomas' Charity* and the *South London & Maudsley NHS Foundation Trust Charitable Funds Committee*.

## **MOVE OF OFFICE ACCOMMODATION**

- ❑ To implement the planned move of the *Charity's* offices from 5 Cutcombe Road to Binfield Court after Easter 2010.

## **ASSOCIATION OF NHS CHARITIES**

- ❑ To complete plans and detailed arrangements for the Trustees to host the Annual Business Meeting & Dinner for the *Association* on 22 June 2010 at Denmark Hill and the *King's College Strand Campus*.

# Investment Policy

No changes were made to the Trustees' Investment Policy that was approved in March 2009 as follows:

## Unrestricted Funds

The Unrestricted Funds comprising the *General Fund* and *Designated Funds* will be backed by investments in

- an index-tracking fund (currently the *CAF UK Equitrack Fund*, accessed via *Legal & General Investment Management*)
- a hedge fund for charities (currently *The Absolute Return Trust for Charities (ARTC)* accessed via *Cazenove Capital Management*)
- cash as an investment (currently *BlackRock Cash Fund (BR Fund)* accessed via *Cazenove Capital Management*).

The proportions allocated to these will be determined from time to time by the Trustees in the light of market conditions, advised by the Investment Sub-Committee. There is one real property holding.

## Endowment Fund

The *D E Hughes Endowment Fund* will be held in the *CAF UK Equitrack Fund*.

## Restricted Funds

*Restricted Funds* will be held in cash.

## Investment Cash

Cash held as an investment will be in money market funds (*BR Fund*). Exposure to any single bank will be avoided. A cash balance will be maintained at *Lloyds TSB* for day to day liquidity, and any temporary excess will be transferred to the *BR Fund*.

## Total Returns from Investments

The total return from the investment of Unrestricted Funds will be calculated each year, and will be allocated between the balance of the *General Fund* and the *Designated Funds* in proportions to be agreed by the Trustees annually. These proportions will have regard to the desirability of the *Designated Funds* receiving a sum not less than average Bank Rate each year and to the size and timing of spending planned from the *General Fund*.

*Endowment* and *Restricted Funds* will be credited with the returns that their specific investments have earned.

## Costs

Costs of investment management will be allocated to funds in line with the costs incurred in achieving the specific return of each fund.

## Ethical Stance

The *Charity* will seek to avoid unethical investments by using vehicles specifically designed for Charities.

## Risk Management

The Trustees have established an Investment Sub-Committee of three Trustees who, with the Director and Treasurer, will meet not less than twice a year. At least one of these meetings will be attended by an Investment Adviser (currently *WM Performance Services*) who will provide independent advice on the investment performance and prospects.

The Investment Sub Committee will meet the Investment Managers not less than once each year to receive their views on performance and prospects.

No withdrawal from any investment fund (*CAF UK Equitrack*, *ARTC*, *BR Fund*) will be made by the Treasurer except with the specific authority of the Trustees. No investment will be made into any vehicle other than those agreed by the Trustees. No bank account will be opened except with the specific agreement of the Trustees.

## **Reserves for the Future**

The Trustees have reviewed their Reserve Policy and decided that a core balance of **£8m** should be currently held as a **strategic reserve** to ensure that the *Charity* remains in a position to help the *Hospital* in future years. This amount will be reviewed annually.

## **Management of risk**

The Trustees recognise that they are ultimately responsible for all the *Charity's* assets. During the year they have, with their senior staff, assessed the major risks to which the *Charity* is potentially exposed, in particular those relating to the operation and financial management of the charity. The Trustees are satisfied that systems are in place to mitigate their exposure to risk, which will be kept under continual review.

## **Accounts for 2009/2010**

The Trustees formally approved the Accounts for 2009/2010 at their meeting on 30 September 2010, following an audit conducted by the *Audit Commission*, who have confirmed, in an unqualified opinion, that the Accounts had been prepared in accordance with the *Charity Commission's* Statement of Recommended Practice 2005: Accounting and Reporting by Charities.

# Governance

## The Trustees

The Trustees are appointed as Trustees for the King's College Hospital NHS Foundation Trust under s51 of the National Health Service Act 2006 by the Appointments Commission, on behalf of the Secretary of State for Health, for a term of office not exceeding four years (but subject to renewal up to a maximum of ten years).

All five Trustees are appointed in accordance with the procedures applicable to public appointments, although two must come with a background associated with local NHS interests. All new Trustees are given appropriate induction into their responsibilities as a Trustee, as laid down in the Charity Commission's guidance. At the completion of this induction they are required to confirm formally that they understand and accept their responsibilities as a Trustee.

The Trustees elect their Chairman annually.

In January 2003, the Charity Commission granted a Certificate of Incorporation to the Trustees, in their capacity as trustees of the Charity and the other related charities for which they are responsible and which are all registered with the Charity Commission under the umbrella registration for the Charity: King's College Hospital Special Trust; Cancer Treatment & Research Special Trust; David E Hughes Special Trust; King's College Hospital Patients Special Trust.

## Constitution and Powers

The Trustees of the Charity are successors to the Special Trustees, who were established in 1974 by the National Health Service (Re-organisation) Act 1973 as a body of charity trustees, independent of the management of the Hospital, to administer the Hospital's endowment funds and properties and to receive new charitable funds. The Trustees' activities are principally governed by the Charities Acts of 1992 and 1993 and the Trustee Acts 1925 and 2000.

On 16 December 1998 the Charity Commission approved a Scheme for the Charity which sets out its formal constitution and the powers of the Trustees in relation to the Charity's assets (including the Trustees' power to appeal for funds). The Scheme enabled the Trustees to establish the title of the Charity, which was changed in 2007 from the King's College Hospital Charitable Trust to the King's College Hospital Charity.

## Purpose of the Charity

The Trustees hold the funds of the Charity on the trusts prescribed by s93 of the National Health Service Act 1977 (now s220 of the National Service Act 2006) – for purposes relating to services, including research, undertaken by King's College Hospital, and any other part of the National Health Service. The principal aim of the Trustees in fulfillment of these trusts is to invest and use their funds to the best possible effect, consistent with the Charity's charitable status, to assist and support King's College Hospital, and the National Health Service elsewhere, in enhancing services and facilities for patients and the working environment for staff, and supporting research for the ultimate benefit of patients.

King's College Hospital is managed by the King's College Hospital NHS Foundation Trust, with which the Trustees works in close association.