

Royal
Papworth
Charity



Annual Report and Accounts

2020/21

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Foreword from the Chairman

As we entered 2021 the UK faced the worst surge in the pandemic to date. As a specialist heart and lung Hospital Royal Papworth played a vital role in the national response to help some of the country's most critically ill patients with coronavirus. The country's key workers have guided us through this uncharted territory and the increasing demand for services placed an unparalleled pressure on frontline staff. Thanks to the generosity of our supporters, Royal Papworth Charity was able to stand together with the Hospital and support the staff and patients in their hour of need.

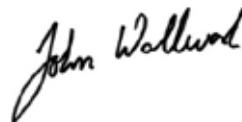
Although it has been a truly difficult year, we have been fortunate to witness a number of inspirational moments which has kept the staff going in their darkest days. This includes the messages sent in with kind words of hope and togetherness, as well as the outpouring of generosity with the gifts we received via the COVID-19 Appeal which made an awe-inspiring difference to everyone at Royal Papworth Hospital. The donations and gifts we received enabled the Charity to support the Hospital in a variety of ways from stocking rest and recharge areas to keep staff going on long shifts to funding specialist equipment to support the rehabilitation of ventilated patients.

The forecasted fundraising activity of the Charity was impacted hugely by the coronavirus pandemic, however, in the true spirit of Royal Papworth Hospital the Charity adapted and delivered a new programme of ways to raise vital funds. We were delighted to host our first virtual event and take part in the Big Give digital campaign in aid of the Heart and Lung Research Institute. Our incredible fundraisers relished the challenge to find new and innovative ways to raise money from Andy's incredible challenge to complete 30 marathons in 30 days to Freddie braving a lockdown haircut by his parents. We cannot thank our dedicated community of fundraisers enough for the wonderful and exciting ways they have raised money to support the Hospital, our staff and patients.

A momentous milestone was reached this year amidst the chaos of COVID-19 and after many years of careful planning and fundraising, Royal Papworth Charity achieved its ambitious target of raising £5 million towards the building of the Heart and Lung Research Institute (HLRI). This would not have been possible without the generosity of our donors and fundraisers who have passionately supported and promoted the importance of the HLRI and the impact it will have on future generations of patients with Heart and Lung disease.

From everyone here at Royal Papworth Charity, we are truly grateful for your tremendous support. If you have fundraised, donated online or responded to our appeals with generous gifts; your support continues to make a transformational difference for the patients and staff at Royal Papworth Hospital. You make all the difference.

Together, we are Royal Papworth.



Professor John Wallwork CBE
Chairman



1. Who we are

- 1.1 Royal Papworth Hospital Charity (Royal Papworth Charity) is registered with the Charity Commission under registered Charity number 1049224 in accordance with the Charities Act 2011.

The Charity is governed by a Declaration of Trust dated 10 July 1995 (amended by a supplemental deed dated 14 May 2008 and amended 16 January 2018).

The Charity object is set out in the governing document are "for any purpose or purposes relating to the National Health Service."

Royal Papworth Charity is governed by a Corporate Trustee, Royal Papworth Hospital NHS Foundation Trust (Royal Papworth Hospital). The Board of Directors of Royal Papworth Hospital act on behalf of the Corporate Trustee through a Trustee Board.

1.2 Our Vision

The Trustee Board decided that Royal Papworth Charity's vision and values were to be founded on ensuring that it puts patients and staff at the heart of everything we do.

Royal Papworth Charity is committed to raising vital funds to provide the very best for our patients, their families and our staff.

This report will provide you with information on what we do, what we have achieved and how we go about spending the money given to us. Please read on and learn about how your support now and in the future could change the way heart and lung disease is treated forever.



2. What we do: our objectives and activities

2.1 By raising new money and through the management of existing funds, Royal Papworth Charity provides funding to Royal Papworth Hospital for the benefit of patients and staff, specifically to:

- improve the Hospital environment;
- provide both state-of-the-art and additional equipment as required;
- develop new ways of treating cardiothoracic diseases;
- support and realise the potential in our Hospital's staff;
- develop and expand the Hospital's research capability.

This is accomplished by raising funds in a variety of ways including:

- supporting community fundraising activities and our own events;
- running fundraising campaigns for specific projects;
- encouraging grateful patient giving;
- developing close relationships with corporate partners and grant-making organisations;
- promoting legacies and in-memory giving;
- effectively managing the Charity funds and investing wisely.

2.2 The Corporate Trustee of Royal Papworth Charity via the Trustee Board, has complied with the duty in Section 17 of the Charities Act 2011 and has paid due regard to Charity Commission guidance on public benefit in deciding what activities the Charity should undertake.

2020/21 Highlights

Our primary objective for the year was to support the Hospital as it responded to the coronavirus pandemic. The Charity adapted and responded to the immediate needs of the Hospital providing grants to support the staff as they faced the unprecedented challenges coronavirus presented daily. The Charity received and distributed over a million pounds worth of physical gifts, donated by our community, across the Hospital to help keep staff going in their hour of need.

A number of Charity funded projects were implemented including: a suite of psychological wellbeing support, an equality, diversity and inclusion programme, hardship funds and working from home grants. Royal Papworth Charity also prepared for grant requests which would offer sustainable long-term support to the Hospital ensuring the Charity achieved its core objective of direct patient benefit.

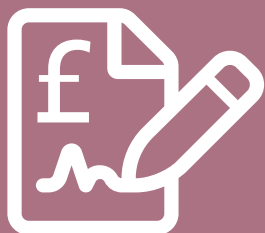
The Charity fundraising plan to support second wave coronavirus related activities and wider Hospital services focused on grants fundraising for specific projects to meet the public need and sustain healthy communities.

The commitment to raise £5 million towards the Heart and Lung Research Institute remained a priority for Royal Papworth Charity this year. It was an incredible achievement to successfully raise the ambitious target especially amidst a global pandemic. The HLRI will provide the vital facilities to carry out more research, integrate our discoveries and expedite the translational sciences for the benefit of our patients and patient families.

Royal Papworth Charity is proud to have funded 122 grants for a variety of projects across the Hospital in 2020/21 with a combined value of £2 million. Charitable funds are used in a variety of ways to benefit the Hospital, including investment in capital projects, purchase of medical equipment, providing amenities for patients and their families, training and education for staff and for ground-breaking research. This year many grants had a direct and immediate impact on our patients, their families and our staff.

3. How we fund our work, our achievements and performance

Our year together in numbers



Value of grants
made to the hospital:

£2,000,000



No. of grants received:

137



Funding provided to Staff
Appreciation Station:

£17,000



Salute the NHS Boxes
received:

£353,000



Value of 'Vit-Hit'
drinks received:

£10,500



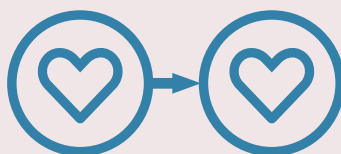
Funding provided for
medical equipment:

£82,000



Funding provided for
additional education:

£51,000



Royal Papworth DCD
transplants to date:

93



Funding provided to
DCD research to date:

£1,800,000



Gifts received from Wills:

34



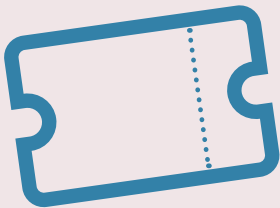
In-memory fundraising events:

41



Fundraising pages set up:

69



Lottery wins:

482



Diaries sold:

398



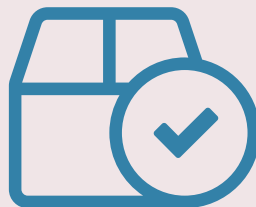
Packs of Christmas cards sold:

2,321



Papworth Sparkie
teddy bears sold:

123



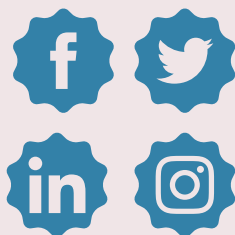
Fundraising packs sent out:

38



Postal retail orders:

712



New social media followers:

1,433



Virtual marathons completed:

35



Royal Papworth
Charity Virtual Events:

3



4. Risks

Royal Papworth Charity has 27 open risks. Seven risks have a Residual Risk Rating (RRR) of 'High' or above. Risks are reviewed by our Charitable Funds Committee quarterly to assess our plans to manage those risks and any factors which will affect the financial position of the Charity. All Charity risks are graded in line with the national risk framework detailed below and mapped against the six main Trustee duties.

NHS Risk Guide	Risk Count	Jan-21
15-25 Extreme Risk	15-25 Extreme Risk	1
8-12 High Risk	8-12 High Risk	6
4-6 Moderate Risk	4-6 Moderate Risk	11
1-3 Low Risk	1-3 Low Risk	9
Closed Risk	Closed Risk	0

Risk scoring = consequence x likelihood (C x L)

	Likelihood				
Likelihood score	1	2	3	4	5
	Rare	Unlikely	Possible	Likely	Almost certain
5 Catastrophic	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

The Essential Trustee - 6 Main Duties. Charity Commission CC3



4. Risks (continued)

Trustee Core Duty	Title	Description	Risk level
Accountable	Regulatory reporting requirements: Financial and other reporting requirements	"If" the charity is constituted according to certain regulations, "then" financial and other reporting requirements will be dependent on this and may vary according to funding arrangements. Failure to comply with regulations could result in regulatory action, reputational risk and there could be an impact on funding.	4
Best Interest	Competition from similar organisations	"If" there is severe competition from similar organisations "then" there is a risk of reduced fundraising potential, reduced public profile, loss of income from trading activities and a subsequent loss of service to beneficiaries.	20
Best Interest	High Staff Turnover	"If" there is a high staff turnover "then" this will result in a loss of experience and key technical skills, as well as a lack of succession planning. There will be increased recruitment and training costs and increased lead times for activities. There could be an impact on the morale of remaining staff and their productivity and service delivery.	9
Governing document and the law	Volunteers	"If" volunteers are not correctly recruited (with compliant vetting and reference procedures), trained, supported and recognised in their role "then" this will result in a lack of competences and engagement, a lack of adherence to volunteer guidelines and a poor service for beneficiaries. It may also result in a lack of legal compliance.	10
Governing document and the law	Health, Safety and Environment	"If" a responsible and compliant health and safety environment does not exist, "then" there could be injury to staff, beneficiaries and the public and a risk from products and services which could result in an inability to operate and legal implications resulting in loss of Trust income.	9
Public Benefit	Relationship with funders	"If" there is a deterioration in relationships with major funders "then" this may impact on funding and support available. Longer term this would mean reduced income and less funds to support the Trust.	6
Resources	Dependency on income sources	"If" there is a disproportionate dependency on one income source "then" cash flow and budget may be impacted if there is a loss of this income source.	12
Resources	Investment	"If" there is a failure to adhere to investment policies, "then" this could result in unforeseen severe adverse investment conditions, financial loss through inappropriate or speculative investment or lack of investment advice or diversity. Cash flow difficulties may arise from lack of liquidity.	12

Trustee Core Duty	Title	Description	Risk level
Resources	Funding of the HLRI £5million contribution	"If" the Charity cannot meet it's £5million contribution to the University for the HLRI project "Then" it will be in breach of contract resulting in contractual, operational and financial complications.	1
Accountable	Procedural and Systems Documentation	"If" procedures and systems are not in place and accurate "then" there could be a lack of operational and regulatory awareness and this may result in actions being taken without proper authority or legality.	4
Accountable	Reporting to Trustees (accuracy, timeliness and relevance)	"If" reporting to Trustee Board is not compliant, timely and comprehensive "then" inadequate information may result in poor quality decision making and the failure of Trustee Board to fulfil their control functions. This would lead to the Trustee body becoming remote and ill informed.	6
Governing document and the law	Conflicts of Interest	"If" there is a conflict of interest "then" the Charity may be unable to pursue its own interests and agenda because decisions may not be based on relevant considerations. "This" could impact the reputation of the charity and result in long term financial and private benefit.	6
Governing document and the law	Fraud or error	"If" fraud or erroneous activities are detected or committed "then" this may result in financial loss which could have an impact on funding and reputational risk and lead to regulatory action and/or loss of staff morale.	3
Governing document and the law	Government Policy	"If" there are variations in the availability of contract and grant funding, or if there is an impactful tax regime on voluntary giving or if general legislation or regulation impacts on charitable activities undertaken, "then" the role of the voluntary sector may change and income and funding activities will decrease.	4
Governing document and the law	Ethical Fundraising	"If" fundraising is not undertaken ethically, compliantly and legally or realises returns as a consequence of not being ethical, compliant or legal "then" there may be a legal and reputational risk from the campaign or method used. There may also be a risk from the actions of any agents or commercial fundraisers used who are not ethical or legally compliant. this may result in fines and loss of income.	6

4. Risks (continued)

Trustee Core Duty	Title	Description	Risk level
Governing document and the law	Compliance with donor imposed restrictions	"If" the charity does not comply with donor imposed restrictions for the use of funds, "then" funds applied outside restriction may result in the immediate repayment of the grant/income and the future relationship with donor and beneficiaries may be damaged. Regulatory action may also be taken against the charity.	3
Governing document and the law	Compliance with data legislation and charity regulations appropriate to the activities, size and structure of the charity	"If" there is a failure to comply with legislation and regulations appropriate to the activities, size and structure of the charity, "then" the charity could be subject to fines, penalties or censure from licensing or activity regulators. This could result in a loss of licence to undertake a particular activity (see operational risks) and possible employee or consumer action for negligence. This may also result in reputational risks. Failure to comply with data protection legislation - GDPR - could result in a fine of 4% of the charity's turnover or £2million.	4
Reasonable Care and Skill	Trustee body lacks relevant skills or commitment	"If" the Trustee Board of the Charity do not have the right skills or commitment then the charity may fail to achieve its purpose. This could lead to decisions being made which bypass the Trustee, resentment or apathy amongst staff and poor decision making reflected in poor value for money on service delivery for beneficiaries.	6
Reasonable Care and Skill	Working in a foreign country	"If" we are working overseas in a foreign country "then" there may be exposed to risk legally, security of staff, corruption, reputation and financial to the Trust.	3
Reasonable Care and Skill	Public Perception	"If" public perception of the Charity changes "then" this could impact on income which could in turn impact on use of services by beneficiaries and the ability to access grants or contract funding.	6
Reasonable Care and Skill	Security of Assets	"If" assets are not securely managed "then" there is a risk of loss, damage or theft including intellectual property right infringement. This may result in loss of income.	3
Reasonable Care and Skill	Direction, strategy and forward planning	"If" the Charity lacks direction, strategy and forward planning "then" it may drift with no clear objectives, priorities or plans. Issues may only be addressed on a piecemeal basis with no strategic reference and the needs of beneficiaries may not be fully addressed. This may also lead to long term loss of income, difficulties with financial management and loss of reputation.	3

Trustee Core Duty	Title	Description	Risk level
Resources	New Charity project or Service Development	"If" projects or services are developed which are not compatible to the objectives, plans, priorities and funding of the department or for which there is no funding "then" then the Charity could be exposed to financial and reputational risk.	2
Resources	Taxation	"If" there are financial penalties, interest and 'back duty'/assessments "then" there may be loss of income e.g. failure to utilise gift aid arrangements, loss of mandatory or discretionary rate relief and/or failure to utilise tax exemptions and reliefs.	2
Resources	Reserves Policies	"If" the reserves policy is not administered accurately, "then" this could result in a lack of funds or liquidity to respond to new needs or requirements and/or an inability to meet commitments or planned objectives. Conversely, it may result in an excess of funds which could then lead to mismanagement of funds.	6
Governing document and the law	Data Protection	"If" a third party company that is used by Royal Papworth Hospital Charity has a data breach "then" this could result in legal, reputational and significant financial damage to the Charity.	8
Reasonable Care and Skill	Food Hygiene	"If" the Charity accepts donations of food, "then" there is a risk that it doesn't meet food hygiene standards and could make consumers ill.	3

5. Behind the visor – COVID-19 support

Staff from across Royal Papworth Hospital have been working tirelessly to care for patients during the last year. Donations from the community and supporters have helped support the vital work of our staff throughout the pandemic. Vikki has been working in Critical Care, caring for patients that require the most intensive medical treatment and round-the-clock observation. During this time Vikki has also been supporting the Charity and her colleagues by helping facilitate wonderful donations. From bringing in huge bags of knitted crochet hearts to assisting a community donation of iPad holders which have enabled patients to video chat with their loved ones when they haven't got the strength or ability to hold up an iPad themselves.

Vikki said:

"Each and every donation has made a difference to our patients and staff throughout the pandemic. Thank you for your incredible support. I think COVID-19 has had a vast impact on all of us: nursing friends and colleagues, home schooling and reassuring others despite our own fears and anxieties. Knowing there was help spurred me on and led to making contact with other Intensive Care Units (ICUs) in the area including Addenbrookes, Hinchingbrooke and Peterborough.

We were able to coordinate donations and send well wishes to them too. We became a network of support to each other. I was just a stepping stone in facilitating donations from people in the community who felt they could help. This included clogs for nurses, pens and iPad holders so patients could talk to their families independently."



"The messages of support that came with them rallied us and helped me to keep focused and positive in the darkest and saddest times. It has been really hard on my colleagues, feeling so helpless, but seeing how amazingly well our team have done has emphasised how hard we've worked in such a difficult time. I wish I could give something more because they deserve it."

Royal Papworth Charity has received over a million pounds of gifts given in kind from our local community, from creating bright and colourful scrubs for our staff to wear, donations of food, drinks and treats through our amazon wish list, to the freshly cooked meals for our evening staff from local groups and businesses, the unwavering generosity of our supporters has spurred our staff on throughout the pandemic.

6. Virtual Virgin Money London Marathon

Every year Royal Papworth Charity looks forward to cheering on our 'Team Royal Papworth' runners at the Virgin Money London Marathon (VMLM). With the ever evolving situation with the coronavirus pandemic, it became apparent that the VMLM would not take place in the format that everyone had come to know and love over the last 40 years. With the safety of everyone of paramount importance, the organisers worked to develop a socially-distanced mass participation event - creating an app to bring the virtual experience to life and to track the runners in the 24 hour period they had to complete the race.

Royal Papworth Charity had two runners, Yvonne Hendy and Nona Bow, who were due to take on the race in London and decided to take on the virtual race until they could represent Royal Papworth Charity in person. The team were also 'joined' by friends Sam Hart and Justine Phipps, who chose to run the virtual race in thanks for the outstanding care and compassion Sam's mum received at Royal Papworth Hospital.

The team of four battled an unusually wet weekend – the wettest in the London Marathon's history as a result of Storm Alex.

However, despite the unfavourable conditions, all four runners successfully completed their marathons in their local area and raised over £2000 for Royal Papworth Charity.



Royal Papworth Charity looks forward to supporting Yvonne and Nona, along with 11 new runners who will be joining 'Team Royal Papworth' both in person and virtually for the 2021 marathon.

7. Virtual Art360 Event

Royal Papworth Charity was delighted to join Pure Arts Group on 31 March for their live Art360 broadcast – which aims to bring together artists and musicians from across the world.

Unable to visit different community groups to spread awareness of the transformational heart and lung medicine, Royal Papworth Charity welcomed the opportunity to connect with a new group of supporters in a virtual space.

The Art360 event was created to help artists raise their profile, grow in confidence, amplify their potential in the pandemic and to provide a platform for everyone to enjoy art while museums and galleries are closed.

Royal Papworth Hospital is an organisation close to the Pure Arts Group family's heart with their Social Media Manager, Sophie Douglas, an active fundraiser for Royal Papworth Charity after her husband, Alistair's life was saved following a heart transplant.

To kick off the event Dr Stephen Pettit, one of Royal Papworth Hospital's Consultant Cardiologist and Rose Bloomfield, Royal Papworth Charity's Fundraising Manager joined the broadcast to provide an insight into the vital work of Royal Papworth Hospital and how people can get involved to fundraise for Royal Papworth Charity.

Following the success of the event, Royal Papworth Charity received an additional £270 in donations through the website.



Image courtesy Pure Arts Group – Artist: Fran White www.whiteart.net

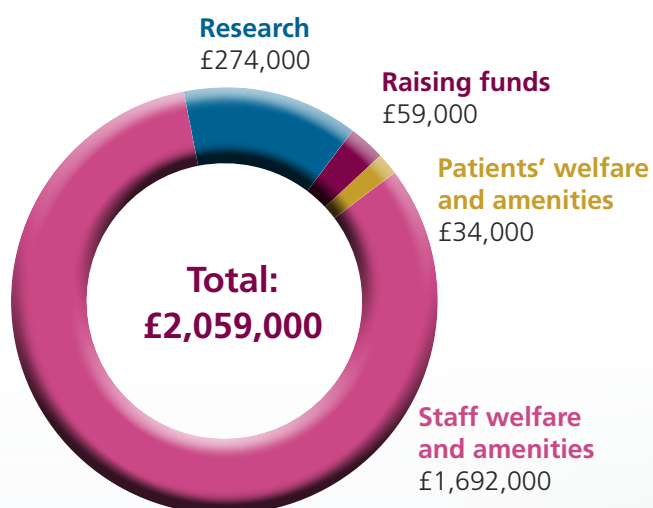
8. How we support Royal Papworth Hospital

8.1 Expenditure

Charitable funds are used in a variety of ways to benefit the Hospital, including investment in capital projects, purchase of medical equipment, providing amenities for patients and their families, training and education for staff and for ground-breaking research.

Funds used in the year to further the Charity's objectives amounted to **£2,059,000** (2019/20: £2,417,000) and comprised of:

8.2 Charitable Expenditure 2020/21



Under the Statement of Reporting Practice (SORP) the Charity is also required to include future commitments in this expenditure. The majority of the Charity's commitments relate to costs for the Heart and Lung Research Institute, Psychological Wellbeing Services, COVID-19 Support for staff, Euroscore iii Research and Nurse Education Training Activities.



8.3 Vision Statements

In line with our Vision Statement, Royal Papworth Charity has supported a variety of grants to the Hospital for the benefit of our patients, their families and our staff. To ensure we are delivering the very best projects charitable expenditure is mapped to our five strategic aims:



Hospital Environment and Patient Welfare

Patients are at the heart of all that Royal Papworth Hospital does. Supporting the ongoing welfare of patients within a high-quality environment significantly benefits their clinical outcomes. Royal Papworth Charity will ensure that the Hospital can continue to offer a holistic approach to care by supporting amenities that have a positive bearing on patient care and which enable the Hospital to achieve excellence every day.



Medical Equipment

State-of-the-art medical equipment forms the corner stone of all activity at Royal Papworth Hospital. Royal Papworth Charity will invest in medical equipment to match our clinical expertise and ensure compatibility with the new Hospital infrastructure.



Medicine of Tomorrow

As an internationally leading cardiothoracic centre of excellence, Royal Papworth Hospital continually develops new ways of treating cardiothoracic diseases. Royal Papworth Charity will bridge the financial gap from bench to bedside and beyond to ensure that we can offer our patients pioneering treatments that would otherwise not be possible.



Recruiting Excellence and Staff Welfare

It is the staff at Royal Papworth Hospital who enable the Hospital to achieve excellence. Royal Papworth Charity will ensure that the Hospital can recruit, retain and develop the highest quality workforce to deliver the best possible patient outcomes.



Research

Research is fundamental in providing the future building blocks of cardiothoracic medicine. Royal Papworth Hospital Charity will support Royal Papworth Hospital to develop and expand its research capability to help ensure that the medicines of tomorrow are delivered today.

9. Our Major Projects

Heart and Lung Research (HLRI)

Groundwork on HLRI began in October 2019 and construction started in January 2020 – just weeks before coronavirus truly impacted the country. While many services have stopped during the pandemic, the building has progressed with rapid speed. The HLRI is on schedule for completion in spring 2022.

Features of the Institute include: a new laboratory space, a clinical research facility, a collaboration space for link-ups between academia, healthcare providers and industry, and education facilities such as seminar rooms and a lecture theatre. It will also include a special 10-bed facility where the first-in-patient studies of new treatments can be conducted.

Royal Papworth Charity has successfully raised £5 million towards the building of the HLRI, fulfilling our largest ever capital appeal. Our supporters have been incredibly generous in their donations to this appeal, and the Hospital's support and social groups have been an integral part of our fundraising. Royal Papworth Charity is now looking to the future and actively fundraising for the research that will take place within the HLRI which will transform the future of heart and lung medicine across the globe.



Eye-Gaze Device – £2k

Royal Papworth Charity has provided £2,242 to fund an eye-gaze device. The eye-gaze device, which is best known as the device that was used by Professor Stephen Hawking to communicate, displays a selection of images, phrases, letters and words for our patients to choose using their eye movement to reflect what they would like to say.

The eye-gaze device helps patients to communicate in the early stages of their rehabilitation when they may be unable to access other communication aids and their voice may be too weak to be intelligible for the listener. The device allows a person to control a computer or tablet by looking at words or commands on a video screen, giving them a voice to reduce anxiety and frustration.



The Non-Beating (DCD) Heart Transplant Programme



Royal Papworth Charity has committed over £1.8 million to the Non-Beating (DCD) Heart Transplant Programme since its launch in 2015. This programme has enabled 93 patients at Royal Papworth Hospital to receive hearts from donors which would otherwise not have been used, resulting in an increase in adult transplant activity at the Hospital by 48% in five years.

This programme offers patients with the poorest outcomes a chance at a new life and the life-saving technique has now been adapted and used to save the lives of six children in 2020 in collaboration with Great Ormond Street Children's Hospital. The number of children who would benefit from organ transplants exceeds the number of organs available. Children face longer-than-average wait times due to the difficulty of finding the right match and because the consent rate for paediatric organ donation is much lower than the national average for adults.

The OCS machine is currently the only medical device capable of making DCD heart transplantation a clinical reality. Although this technology limits donation to donors who weigh at least 50kg – all six recipients under the programme so far were aged between 12 and 16.

The teams at Royal Papworth Hospital and Great Ormond Street Hospital are working together to develop a new machine that will enable DCD heart donation from even smaller infants, opening up a new dawn of transplantation for babies and young children where donors are the most scarce. Royal Papworth Charity is proud to support the research into the further development of this life-saving technique and we will continue to fund research into the development of this programme to provide hope for children and their families waiting for a heart transplant.

Psychological Wellbeing Practitioner – £55k

Since starting at Royal Papworth Hospital at the end of 2020, Emma Warren has been providing support to all staff across the Hospital with one-to-one counselling sessions, upskilling line managers and liaising with Link Nurses in Critical Care to reach all those in greatest need of additional support.

Emma also runs the Health and Wellbeing Collaborative – a newly-formed network which aims to bring together individuals from across the Hospital to share ideas and initiatives relating to health and wellbeing.



COVID-19 Research Fellow – £130k

To support further research into coronavirus treatments, Royal Papworth Charity have provided £134k in funding for a COVID-19 Clinical Fellow who is playing a leading role in uncovering the most effective methods to treat coronavirus and to understand its long-term complications. Joe Newman joined Royal Papworth Hospital in August 2020 as a Respiratory Registrar in Interstitial Lung Disease and begun as a COVID-19 Clinical Research Fellow in February 2021.

“During the first wave of the pandemic, we were treating patients somewhat blindly with our limited understanding of the disease and it was evident that a much greater knowledge of COVID-19 was required to help future patients.”

“Getting involved in clinical trials is one of the most important things we can do. Research has the power to have a much further reaching impact; it can change the lives of more people than just the one patient you are treating.”

Joe is working on COVID-19 vaccine trials, national follow-up studies and examining national Chronic thromboembolic pulmonary hypertension (CTEPH) referrals. Research from these trials will develop our understanding of the long-term implications of COVID-19 so we have the knowledge to address the multitude of complications that can arise from COVID-19. This gives us the power to provide the best care and ensure the greatest outcomes for our patients.



Electrolarynx Devices – £1.6k

The Speech and Language Therapy Department plays a significant role in supporting patients who have been ventilated for a long time to communicate, with many undergoing a period of rehabilitation to strengthen their voice box to a level that they can be heard.

To support the Speech and Language Therapy Department, Royal Papworth Charity has funded two electrolarynx devices, which use painless vibrations to produce a synthesized voice. These devices are

an effective and accessible tool for a number of our patients during the early stages of their rehabilitation. They enable patients to communicate with their loved ones as well as aiding them to be involved in the decisions regarding their treatment. These devices significantly reduce levels of frustration and anxiety from miscommunication and allowing our patients voice to be heard. Following thorough and effective cleaning, this device is fully reusable and can be used by a large number of patients going forward.





10. Financial Review

- 10.1 The following figures are taken from the full accounts, which carry an unqualified audit report, and the accounts should be viewed if more details are required. This part of the Trustee's Report comments on key features of those accounts. The full accounts, entitled Royal Papworth Hospital Charity Accounts 2020/21 have also been lodged with the Charity Commission. The following section explains how we performed against our Financial Targets and how we manage our funds once they are received.
- 10.2 Royal Papworth Charity can only continue to support the work of Royal Papworth Hospital for as long as we receive donations. The majority of our income comes from the voluntary efforts of the general public, to whom we are most grateful.

	Unrestricted £k	Restricted £k	Total £k
Fund balances b/fwd	2,815	903	3,718
Income	2,318	1,647	3,965
Expenditure	(692)	-1,367	-2,059
Funding Reallocation	7	-7	0k
Fund balances c/fwd	4,448	1,176	5,624

10.3 How we manage the money

Money which is donated to Royal Papworth Charity is managed via restricted and unrestricted funds. Some of this money is donated for a specific purpose, such as to buy medical equipment, whilst other donations are more generic and donated for the Charity to use where it thinks there is the greatest need in the Hospital. The Trustee Board, on behalf of the Corporate Trustee, believes that all of the unrestricted and restricted funds are able to meet current and future commitments.

More detailed information on the breakdown of the Charity funds is available in **Note 11 of the Accounts**.

Unrestricted funds of **£4,448,000** are funds which are donations the Charity may use for any purpose as no restrictions have been placed by our donors.

Of which:

Designated funds: £2,316,000 are funds set aside out of unrestricted funds by the Trustee Board for specific purposes relating to Royal Papworth Hospital without restricting or committing the funds legally.

Free reserves: £2,132,000 are unrestricted funds not already committed or designated that can be used as part of active financial management and forward financial planning for sustainability of the Charity.

10.4 Fund Balance

Fund balances increased by £1,906,000. During the year, unrestricted funds increased by £1,626,000 and restricted funds increased by £280,000.

10.6 Income

Royal Papworth Charity is fortunate to receive generous support from many members of the public, including former patients of the Hospital from across the UK. It has been a challenging year for the Charity sector with the restrictions placed on fundraising activity due to Covid-19. The Charity team have worked hard to diversify income generating activity and to prioritise stewardship to best support our donors.

10.5 Reserves

Restricted balance of **£1,176,000** arises where our donors have specifically requested that their donations are used for a particular purpose or they have responded to an appeal for donations to a specific project.

Total income for the year amounted to £2,771k (2019/20: £3,011k), which exceeded our target of £2,127k by £643k.

Our income comes from a variety of sources of which legacy, in-memory and community fundraising are most prevalent.

Due to the outpouring of support from people across the UK in support of the NHS the Charity received £1,155k of gifts in kind which were distributed across the Hospital to support staff during the pandemic. Details of some of the activities that contributed to this result are provided opposite:

Fundraising stream	Target 20/21	Actual 20/21	Variance
Individual Giving	£200,000	£206,000	£6,000
In-memory and Celebration	£125,000	£142,000	£17,000
Community	£111,000	£157,000	£46,000
Events	£10,000	£3,000	£-7,000
Lottery	£20,000	£15,000	£-5,000
Direct Marketing	£50,000	£59,000	£9,000
Retail	£25,000	£26,000	£1,000
Legacies	£1,376,000	£1,157,000	£-219,000
Trusts and Partnerships	£180,000	£256,000	£76,000
Regular Givers	£30,000	£28,000	£-2,000
Gifts in kind	£0	£1,155,000	£1,155,000
Total	£2,127,000	£3,204,000	£1,077,000

*This table does not include £113k of investment income, £7k of receipts accrual movement and includes £553k legacy income already accrued in 19/20.

Legacy Income

Legacies continue to make up a significant portion of our annual income in gratitude of the care given to past patients. The year 2020/21 has seen 34 gifts from Wills received totalling £1,157k a decrease of £594k on the year 2019/20.

In 2020, Royal Papworth Charity joined Remember a Charity, a charitable organisation that represents 200 UK charities whilst also working closely with partners in the legal sector, government and private sector to raise awareness of legacy gifts. We marked Remember a Charity week in September by shining a light on the difference a legacy gift can make to future patients of Royal Papworth Hospital.

The partnership provided the Charity with an additional platform to raise awareness of how to leave a gift in your Will and explaining the possible benefits of doing so. As a healthcare Charity legacy gifts will always be a vital source of income for the Charity.





Community Income

The support Royal Papworth Charity receives from individuals, businesses and our local community groups is incredible. It is because of them, and their determination to always go above and beyond with the support that they provide that we are able to continue supporting the life-changing work of Royal Papworth Hospital.

While we have not been able to come together in person over this past year many socially distanced and safe fundraising challenges from bike rides and runs to selling handmade face masks and artwork in-aid of Royal Papworth have truly made a difference in our time of need.

This year members of the public, volunteers, and local businesses alike all came together to fundraise for the Charity raising an incredible £157k for which we are hugely thankful. Every donation to the Charity makes a difference, whether it is hosting an event or taking on a challenge, each supporter is making it possible to fund a vital project in the Hospital.

During these challenging times we have experienced an increase in donations made in memory. We are truly grateful to individuals that decide to dedicate their fundraising in-memory of a loved one to Royal Papworth Charity during an unbelievably difficult time. Their contribution helps us to provide hope for the next generation of patients.

Our groups in the community and the support and social groups at the Hospital have continued to be hugely supportive of the Charity in fundraising for us in their regions. The dedication to both fundraising and supporting the work of the Hospital whilst also caring for their members and patients is exceptional.

The strength and kindness received from our community in response to the COVID-19 pandemic was incredible. Thank you for your continued support as you provide hope and encouragement for the patients and staff at Royal Papworth Hospital. Everything you do truly helps to make a difference, now and in the future.



11. Fundraising Heroes

Andy Forster's 30 marathons in 30 days challenge

Andy Forster, Material Management Assistant at Royal Papworth Hospital walked the distance of 30 marathons in 30 days throughout November to raise money for Royal Papworth Charity. Leaving his house in the early hours and not returning until close to midnight – working a full shift at Royal Papworth Hospital in between – Andy used every hour of his day to get his steps in to complete his gruelling challenge.

Andy said: "Working at Royal Papworth during the height of the COVID-19 pandemic I saw first-hand how hard all of the staff worked and how the nurses selflessly carried on working to care for the patients. As we entered a second lockdown, I knew I wanted to do something to show my support and raise money for an incredible Charity which supports an amazing hospital."

Andy raised £7,400 for Royal Papworth Charity by walking a total of 780 miles in November. As a Material Management Assistant, Andy supports every team across the hospital with vital deliveries of personal protective equipment (PPE), medical kit and other critical supplies. Walking across the site helped Andy to rack up those vital steps every day.

£7,400



£4,141



Richard Priest – Lands' End to Cambridge and beyond

While waiting for a heart transplant as an inpatient at Royal Papworth Hospital, Richard Priest cycled the distance from Lands' End to Royal Papworth in Cambridge and beyond. After being admitted to Royal Papworth Hospital on New Year's Eve, Richard did not think that he would still be in Hospital come August. To keep himself busy during this time, Richard used one of the Hospital's exercise bikes to cycle from Land's End to Cambridge, a distance of 370 miles. After swiftly completing this challenge, Richard carried on cycling the distance to John O'Groats with many virtual stops along the way, his final cycling total was 1204.8 miles.

Throughout this time, Richard's family and friends supported his fundraising by donating to his justgiving page. Now Richard is home and recovering he plans to continue to fundraise in recognition of the care he received at Royal Papworth.

Izzy Wilson – 48km every day for 15 days

Izzy Wilson, 16, set herself the mammoth challenge of cycling 48km every day for 15 days- raising £9,110 in gratitude for the life-saving treatment her mother received at Royal Papworth Hospital in Cambridge.

Izzy's mum, Sarah, was rushed to Royal Papworth Hospital following a heart attack on Christmas Day, subsequently spending 48 hours receiving life-saving treatment in the Hospital's Critical Care Unit and a further 15 days recovering in the Hospital.

Izzy used those numbers – 48 and 15 – as the basis of her challenge in recognition of the hours Sarah was in Critical Care and the days Sarah was an inpatient at Royal Papworth. By the end of the challenge, Izzy had cycled almost 450 miles; the equivalent distance from Suffolk to Inverness.



£9,110

12. Our Future Plans

Our Fundraising Strategy

The 2017-22 Charity strategy ensured that we achieve our vision and create a sustainable future by having a clear strategic framework that is backed up with a maintainable reserves policy, an effective fundraising plan and a successful governance programme. The strategy set out the Charity's vision to ensure the Hospital can provide outstanding cardiothoracic care and develop life-saving treatments for patients with cardiothoracic conditions, which are used across the UK and around the world.

The strategy focuses on five principle areas of active fundraising, including;



This strategy proved to be successful and over the last five years, the Charity has developed a strong foundation of best practice fundraising, diversifying income streams and improving Charity grant giving activity to support the Hospital.

Several key milestones have been reached through successful campaigns and the completion of grants which have supported a wide variety of impactful projects directly benefit staff and patients. A review of processes, donor data, comparison pieces and development workshops have highlighted where the Charity could integrate processes within the Trust to maximise on the potential of the patient supporter base.

The Charity Strategy is now approaching renewal as we come to the end of the previous five years (17-22). The Trust and Charity are operating in the context of unprecedented change. The changing economic, political, and regulatory environment poses many challenges, but also brings significant opportunities to reassess the Charity's existing strategy and develop new opportunities to effectively support the Trust to achieve its vision.

A revised strategic framework will allow the Charity to build on the growth and success of the last five years and enable the achievement of the Charity's mission to:

“

We will support the work of Royal Papworth Hospital NHS Foundation Trust as the UK's leading centre of excellence for the treatment and diagnosis of cardiothoracic diseases, providing additional amenities for our patients and their families which would not be available from normal statutory sources and supporting Papworth's pioneering research activity and vision for the future.

”

14. Reserves Statement

Approved statement of policy on reserves

The Trustee Board believes it is prudent to hold a level of free reserves to enable the Charity to take advantage of opportunities as they present themselves and to have sufficient working capital to allow the fundraising, support and governance operations of the Charity to continue for one year. This will allow the Charity to respond in a considered way to any adverse change in circumstances, giving sufficient time to enable emerging circumstances to be assessed and appropriate plans developed and implemented, without requiring a crisis response.

Having carefully considered the best interests of the Charity and its beneficiaries, the Trustee Board believes it to be appropriate to aim to hold £1m free reserves.

£0.4m is required for working capital and £0.6m is the Trustee Boards' best estimate of the amount which should be held for potential future (but as yet unknown) opportunities.

Any free reserves held by the Charity over and above this amount which are not expected to be used in the short term will be made available by the Trustee Board for grants to benefit the patients of Royal Papworth Hospital NHS Foundation Trust. If free reserves fall below this level the Trustee Board will consider whether this is due to short term circumstances or a longer term reason, and will review its expenditure and fundraising plans accordingly.

The investment properties fund, £53k

The Charity no longer owns an investment property. The Trustee Board approved the sale of the Charity's one property, 53A Ermine Street, which was sold in December for £280k and the profit from the sale of the property was £53k.

Material Designated Funds

Where the Trustee Board has approved projects as suitable for fundraising and fundraising occurs towards those projects, donations received are placed in the appropriate designated fund pending the formal grant of monies once sufficient fundraising has taken place to enable the project to proceed.

There were no commitments approved in 2020/21 relating to designated funds (2019/20 £960k).

Planned future commitments, £1,366k

Commitments approved by the Trustee Board after the financial year 20/21:

- 325k Research Innovation Fund (un-designated)
- 587k HLRI (designated)
- 454k Charity budget (allocated across all funds (restricted and unrestricted))

The planned future commitments (Charity budget) were not approved until after the end of the financial year.

Where the Trustee Board approves the allocation of free reserves towards the funding of future capital programmes/projects/schemes which have been identified by the beneficiary NHS Body as required within the next three to five years, a designated fund is set up for the amount the Trustee Board expects to contribute, and the expected time frame is agreed and recorded.

The designation, time frame and specific proposals are then reviewed by the Trustees as requirements are updated and the fund is closed either when a specific commitment is made or in the event of the proposals being withdrawn.

15. About our investments

15.1 **Monitoring of Investments**

Investment performance is monitored by the Charitable Funds Committee, which receives reports from the investment advisers. The Charitable Funds Committee reviews the Investment Policy on an annual basis and undertakes periodic reviews of arrangements for investment advice to ensure that value for money is being achieved.

15.2 **The Investment Policy (RPC003)**

The Trustee Board aims to ensure that donations and funds held by the Charity are spent effectively and efficiently for the benefit of the patients of Royal Papworth Hospital NHS Foundation Trust. This means that they may not need to be spent straight away and there will be time between receiving donations and spending them when they can be invested to further increase their value and earn extra income for the Charity as well as to protect them in the short to medium term so that they are available to meet future expenditure on committed projects.

The Trustee Board has adopted this Investment Policy to regulate the activities of their Investment Manager from time to time and to meet the requirements of the Trustee Act 2000. As an unincorporated Charity, the Trustee Board has the general powers of investment and duties provided for in the Trustee Act 2000, subject only to any specific provisions in the governing document. The Trustee Board makes full use of its powers to invest for the benefit of the Charity and its beneficiaries and reserves the right to hold any asset for the purpose of generating money, whether income or capital growth, with which to further the work of the Charity.

The Trustee Board has determined that its appetite for risk is balanced overall. The Investment Manager will be expected to adopt a diversified portfolio with an overall volatility of no more than 12% for its long-term portfolio measured over a five year annualised period. The Investment Manager will be evaluated against a national/ international benchmark by the Charitable Funds Committee on a quarterly basis.

The Trustee Board has set a threshold of 7% as the maximum holding in or exposure to any individually traded asset. Collective investment schemes can be held at higher concentrations provided the underlying assets do not breach the 7% limit.

The Trustee Board acknowledges the general principle that their power of investment has to be used to further the purposes of the Charity, and that those purposes will normally be best served by seeking the maximum return consistent with commercial prudence; *Harries (Bishop of Oxford) v Church Commissioners* [1992] 1 WLR 1241 (the 'Bishop of Oxford' case). In particular the Trustee Board is not free to take a moral position on behalf of and at the expense of the Charity.

Having considered the three situations where an ethical restriction is permitted, namely:

- cases where investment in a particular type of business would conflict with the aims of the Charity;
- investments which might hamper the work of the Charity, either by making potential beneficiaries unwilling to be helped because of the source of the Charity's money, or by alienating supporters; or
- investments judged to be inappropriate on moral grounds, provided excluding them would not involve a risk of significant financial detriment the Trustee Board has determined that no investments should be made in securities of tobacco industry, armaments or companies whose principal activities include the manufacture of alcoholic beverages, whether direct or indirect, as this would be in conflict with the aims of the Charity.

No further ethical restrictions apply, although the Trustee Board reserves the right to exclude any investments which they judge might prove damaging, directly or indirectly, to the purposes, reputation or public support of the Charity.

Investments that are speculative in nature are prohibited.

16. Charity governance, structure and management arrangements

Trustee recruitment, appointment and induction

Trustee recruitment, appointment and induction
Non-executive Directors of the Board of Directors are appointed by the Council of Governors. The Chief Executive is appointed by the Non-Executive Directors, subject to the approval of the Council of Governors.

Executive Directors of the Board are appointed by a Committee, normally comprising of the Chairman, the Chief Executive, at least two other Non-executive

Directors and an independent assessor. Members of the Board of Directors and the Charitable Funds Committee are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee. As part of their induction, new Executive and Non-executive Directors of the Royal Papworth Hospital NHS Foundation Trust are made aware of their responsibilities as Corporate Trustee of the Royal Papworth Charity, which include a standing declaration of interests at all meetings. The induction includes an introduction to the objectives, scope and policies of the Trustee Board and Charitable Funds Committee, Charity Commission information on trustee responsibilities, copies of the previous years' Trustee's Annual Report and Accounts and a copy of the governing documents for the Charity's Statement of Trustees' Responsibilities in respect of the Trustees' annual report and the financial statements.

Statement of Corporate Trustee's responsibilities in respect of the Corporate Trustee's annual report and the financial statements

Under the trust deed of the charity and charity law, the corporate trustee is responsible for preparing a Corporate Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The corporate trustee is required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the corporate trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The corporate trustee is required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the corporate trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The corporate trustee is responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

17. Current Members of the Trustee Board (Agents of the Corporate Trustee)

17.1

Name	Title
John Wallwork	Chairman
Stephen Posey	Chief Executive Officer
Tim Glenn	Chief Finance and Commercial Officer
Roger Hall	Medical Director
Eilish Midlane	Chief Operating Officer
Oonagh Monkhouse	Director of Workforce and OD
Josie Rudman	Chief Nurse, Secondment to NHS England (from September 2020 to April 2021)
Ivan Graham	Deputy Chief Nurse, Acting Chief Nurse (from September 2020 to March 31st 2021)
Jag Ahluwalia	Non-Executive Director
Michael Blastland	Non-executive Director
Cynthia Conquest	Non-executive Director
Diane Leacock	Associate Non- Executive Director (from 1st December 2020)
Gavin Robert	Non-Executive Director
Ian Wilkinson	Non-executive Director
Amanda Fadero	Non-executive Director (from 1st December 2020)

17.2 Members of Corporate Trustees who left during 2020/21

Name	Title
David Dean	Non-Executive Director (to 31st May 2020)

17.3 Members of the Corporate Trustee:

Professor John Wallwork CBE, Chairman.

John held a number of senior roles at Royal Papworth Hospital, including Director of the Transplant Service, Medical Director and Director of Research and Development, until his retirement in July 2011.

Stephen Posey, Chief Executive Officer

Stephen joined the Trust as its Chief Executive in November 2016. Previously Stephen was the Deputy Chief Executive and Director of Strategy at East and North Hertfordshire NHS Trust where he led the delivery of Hertfordshire's acute consolidation programme which completed in 2014.

Tim Glenn, Chief Finance and Commercial Officer

Tim joined Royal Papworth Hospital as Chief Finance Officer in April 2020. He was previously with Cambridge University Hospitals NHS Foundation Trust where he was Director of Finance. Tim is a Chartered Accountant with 15 years of senior financial leadership experience working across community, acute and specialist NHS organisations as well as in the private sector.

Dr Roger Hall, Medical Director

Roger is a Consultant Cardiothoracic Anaesthetist and Intensivist. From 1991 to 2002 he was a consultant at Green Lane Hospital in Auckland, New Zealand, practicing both paediatric and adult cardiac anaesthesia and intensive care before moving to Royal Papworth Hospital. In May 2015 he was appointed Medical Director.

Eilish Midlane, Chief Operating Officer

Eilish joined us from East and North Hertfordshire NHS Trust, where she was the Divisional Director of Clinical Support Services. Eilish holds a wealth of experience spanning strategy, operational leadership and delivery and Hospital and clinical services reconfiguration.

Oonagh Monkhouse, Director of Workforce and Organisational Development

Oonagh joined the Trust in October 2017 having held the same role at Bedford Hospitals NHS Foundation Trust. Oonagh worked previously at Cambridge University Teaching Hospitals, where she undertook several senior human resources roles including Deputy Director of Workforce.

Josie Rudman, Chief Nurse

Josie was appointed Director of Nursing in March 2014. She first came to Royal Papworth Hospital in 2008 as Deputy Director of Nursing involved in introducing the Productive Ward, E-rostering and Alert Service, and then as Acting Director of Nursing from 1 July 2013.

Ivan Graham, Deputy Nurse, Acting Chief Nurse

Ivan has a BA(Hons) in Nursing and an MSc in Leadership and Management. As well as being the professional lead for nursing, Ivan is also the executive lead for patient safety and quality, patient and public experience, safeguarding vulnerable people including dementia services, learning disabilities and autism, clinical governance and risk management, clinical education and professional line management of allied health professionals, pharmacy and advanced non-medical practice. Ivan is also the Trust's Armed Forces Champion.

Dr Jag Ahluwalia

Jag was formerly Director of Digital at CUH and is the Chief Clinical Officer at the Eastern Academic Health Science Network. Jag's leadership and management experience includes nearly 10 years as the Executive Medical Director at Cambridge University Hospitals. In addition to his acute Hospitals roles, Jag has many years' experience of leading, supporting and managing change and leadership and strategy challenges across the wider NHS.

Michael Blastland

Michael Blastland is a writer and broadcaster. For nearly 20 years, he was a BBC current-affairs presenter and producer. He teaches, advises, and presents widely, in schools, to business, government and academia..

Cynthia Conquest

Cynthia is an experienced ex NHS Director of Finance with a wide portfolio of NHS experience covering 39 years. She has worked in all aspects of financial services and in all types of healthcare settings including large acute teaching Hospitals, specialist Hospitals, mental health and community services. She has a high level of experience in all financial and healthcare processes with a speciality in financial management and transformation.

Gavin Robert

Gavin has many years' experience as a private practice lawyer specializing in competition law. He is currently a senior consultant with boutique competition law firm Euclid Law, and teaches competition law at Cambridge University as part of a Masters programme. Gavin has advised global healthcare companies throughout his career, and his decisions at the UK Competition & Markets Authority included the merger of NHS Foundation Trusts.

Professor Ian Wilkinson

Ian Wilkinson is a Clinical Pharmacologist and Professor of Therapeutics in the University of Cambridge. Ian directs the Cambridge Clinical Trials Unit, and Office of Translational Research, and leads the division of Experimental Medicine and Immunotherapeutic at the University of Cambridge. His main research interests are clinical/experimental studies designed to understand the mechanisms causing hypertension and cardiovascular disease, and to develop new treatments.

Diana Leacock

Diane is a qualified accountant with extensive business experience. She has held Finance Director roles at various commercial organisations including the information and publishing group Informa UK, insurance broker Willis Towers Watson and the regional law firm, Ellisons where she has streamlined, grown and transformed various business units. Currently, Diane works as an independent finance consultant, supporting businesses experiencing challenging situations.

Amanda Fadero

Amanda enjoyed an extensive, varied and rewarding career in the NHS for over 40 years and the ethos, belief and love of the NHS remains a strong part of who she is and her ongoing contribution to life and work. Amanda possesses valuable experience in leading transformation, managing complexity, using problem solving and conflict resolution to progress and manage change.

17.4 The Charitable Funds Committee

The Trustee Board has devolved responsibility for the on-going management of the investment funds and some other duties to the Charitable Funds Committee. The Charitable Funds Committee Terms of Reference state that its role is to undertake the following duties on behalf of the Corporate Trustee:

- Receive information on charitable funds income and expenditure as prepared by the Finance Department.
- Monitor on behalf of the Trustee Board the performance of the Trust's Fundraising Department against the Charity's Annual Plan.
- Authorise expenditure of charitable funds over £25,000 and up to a delegated limit of £50,000, for each item of expenditure.
- Receive reports of the Trust's activity in relation to fundraising.
- Receive and review the Trust's Charitable Funds' Annual Report and Accounts and recommend these to the Audit Committee and Trustee Board.
- Establish and annually review the Trust's Charitable Funds Reserves Policy (RPC005) and receive assurance that the Trust is carrying an appropriate amount of charitable funds as reserves, in line with policy and best practice.
- Establish and regularly review a policy for the use of Charitable Funds and to monitor the implementation of that policy.
- Approve and review at least every three years the appointment of investment managers to advise, invest, administer and realise the Trust's charitable funds in accordance with the policy.
- Regularly review a Charitable Funds Investment Policy (RPC003) to ensure that the investment of funds by the investment managers is in accordance with the policy and in accordance with any policy on ethical investments that the Trust may establish.
- Review a Donation Acceptance and Refusal Policy (RPC004)

18. Reference and administrative details

Our Advisors

Bankers

Barclays – Corporate Banking Centre,
PO Box 855, Mortlock House, Histon,
Cambridgeshire CB24 9DE

Legal Advisers

Mills and Reeve – Botanic House, 100 Hills Road,
Cambridge CB2 1PH

Legal Advisers

Bevan Brittan – Fleet Place House, 2 Fleet Place,
Holborn Viaduct, London EC4M 7RF

Withers LLP – 20 Old Bailey, London EC4M 7AN

External Auditors

KPMG LLP – Botanic House, 100 Hills Road,
Cambridge CB2 1PH

Investment Managers

Quilter Cheviot – One Kingsway, London WC2B 6AN

Cazenove Capital – 1 London Wall Place, London Wall,
Barbican, London EC2Y 5AU (from July 20)

Internal Auditors

RSM Risk Assurance Services LLP – The Pinnacle,
170 Midsummer Boulevard, Milton Keynes,
Buckinghamshire MK9 1BP

Key Management Personnel Remuneration

The Trustee has concluded that the Trustee Board comprise the key management personnel of the Charity as it is in control of directing and controlling the Charity. Trustee Board members received no remuneration from the Charity for work undertaken as representatives of the Corporate Trustee. Trustee Board members are remunerated by Royal Papworth Hospital in their capacity as directors of Royal Papworth Hospital. No Trustee Board member received any expenses from the Charity during the year (2019/20: Nil).

The Charity does not directly employ any staff. Staff that solely work for the Charity are employed by Royal Papworth Hospital NHS Foundation Trust and these costs are recharged to the Charity. See Note 3.4 in the Accounts.

19. Wider networks and our relationship with the wider community

Royal Papworth Charity is one of the 240 member charities of NHS Charities Together, formerly the Association of NHS Charities. NHS Charities Together provides support for NHS charities from across the UK, funding projects that improve services for patients while supporting NHS staff and volunteers both practically and emotionally. As a member Charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and Corporate Trustee.

In 2020/21 Royal Papworth Charity received five grants from NHS Charities Together totalling £151,100. These grants provided vital funding to support Royal Papworth Hospital's response to the COVID-19 pandemic, enabling Royal Papworth to provide efficient and immediate support for the staff and patients at Royal Papworth Hospital.

The ability of Royal Papworth Charity to continue its support for Royal Papworth Hospital is dependent on its ability to maintain and increase donations from the general public. Royal Papworth Charity continues to forge strong relationships with members of staff of Royal Papworth Hospital without whose co-operation the ability to make effective contributions would be much diminished.

Fundraising Regulator

Royal Papworth Charity is a member of the Fundraising Regulator which is an independent, non-statutory body that regulates fundraising across the charitable sector in England, Wales and Northern Ireland. Their mission is to enhance and sustain public confidence in charitable fundraising. We recognise the importance of joining this community as Royal Papworth Charity is passionate about delivering best practice in our fundraising efforts. The Fundraising Regulator also works in partnership with other regulators and the representative bodies in the charitable and fundraising sectors to build public confidence and ensure consistent fundraising standards across the UK.

Fundraising Governance

Royal Papworth Charity reports on charitable fundraising activities to the Fundraising Group which meets on a bi-annual basis and is overseen by the Charitable Funds Committee which is a committee of the Trustee Board. A quarterly fundraising report is received by the Committee which details current fundraising activities and associated income.

Royal Papworth Charity received no formal complaints this financial year and continues to adhere to the complaints procedure and policy as set out by the Trust. The Charity is registered on the Fundraising Regulator Directory with details available should someone wish to make a complaint.

Royal Papworth Charity recognises the regulations in place to ensure we are doing everything in our power to protect vulnerable people and other members of the public during fundraising activities. We remain compliant with these regulations and support the Fundraising Regulator's voluntary regulation scheme.

The Charity has donated to the Gambling Commission in support of their work to provide help, advice or support in relation to gambling.

Royal Papworth Charity has cancelled all events and challenge events during 2020 and until further notice in line with the government guidance to protect our supporters.

20. How to contact us

Registered office:

Royal Papworth Hospital NHS Foundation Trust
Royal Papworth Charity
Papworth Road
Cambridge Biomedical Campus
Cambridge
CB2 0AY

For Fundraising queries please contact:

01223 639950
papworth.charity@nhs.net
www.royalpapworthcharity.com



21. Related Parties

During the financial year 2020/21, Royal Papworth Hospital was the main beneficiary of the Charity and is a related party by virtue of being Corporate Trustee of the Charity. **Note 13** to the Accounts provide further detail.

Royal Papworth Charity is grateful for the support of volunteers in the following areas:

- **Fund Holders** – employed by Royal Papworth Hospital NHS Foundation Trust, who oversee and ensure our designated and restricted funds are spent in accordance with the donor's wishes and in accordance with the Charity's aims.
- **Volunteers and Ambassadors** – The COVID-19 crisis has meant that many of Royal Papworth Charity's Volunteers and Ambassadors have been shielding due to being clinically vulnerable. As government restrictions are lifted, we will look to re-engage with the Volunteers and include them in a wide range of activities including events, administrative support and community activities.
- **Fundraisers** – Many supporters of Royal Papworth Charity give up their free time and conduct a number of fundraising activities to raise money for the Charity. During 2020/21, our Fundraisers have gone above and beyond to find new virtual ways of raising money in aid of the Charity.

22. Thank you!

Only together can we continue to fund the delivery of ground-breaking heart and lung medicine at Royal Papworth Hospital. We are truly grateful to all of our wonderful community who supported over the last year and found new and creative ways to fundraise for Royal Papworth Charity.

This year has brought many new difficulties for us all and the ever-increasing challenges coronavirus has brought with it has been devastating. As we look to the future, we stand with you united in the fight against coronavirus, to deliver world leading care for all our patients and ready to rebuild our programme of activities to bring us all together.

From everyone at Royal Papworth Charity, thank you for your continued generosity, kindness and support throughout the past year.

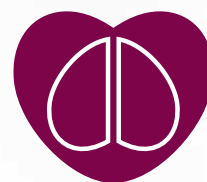
For and on behalf of the Corporate Trustee



Tim Glenn
Chief Finance and Commercial Officer

On behalf of the Trustee Board
Royal Papworth NHS Foundation Trust

Date: 07 December 2021



Royal
Papworth
Charity



NATIONAL HEALTH SERVICE

ROYAL PAPWORTH HOSPITAL CHARITY

FUNDS HELD ON TRUST ANNUAL FINANCIAL STATEMENTS 2020/21

The financial statements of the Funds Held on Trust by the Royal Papworth Hospital Charity (Royal Papworth Charity).

FOREWORD

These financial statements have been prepared by the Corporate Trustee in accordance with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014.

STATUTORY BACKGROUND

Royal Papworth Charity Funds Held on Trust is registered with the Charity Commission and includes funds in respect of Royal Papworth Hospital NHS Foundation Trust.

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

The main purpose of the charitable funds held on trust is to grant income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by Royal Papworth Hospital NHS Foundation Trust.

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Independent auditor's report to the Corporate Trustee of Royal Papworth Charity

Opinion

We have audited the financial statements of Royal Papworth Hospital Charity ("the charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The corporate trustee has prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the corporate trustee's conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the corporate trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the corporate trustee's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”), we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management and inspection of documentation as to the entity’s high-level policies and procedures to prevent and detect fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. However, due to the nature of the income received by the charity we have rebutted the fraud risk in relation to revenue recognition.

Within the Charities sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition and therefore an additional risk has been identified in relation to this. Due to the nature of the expenditure recognised by the Charity, this risk has been limited to expenses which do not relate to transfers to the Royal Papworth Hospital NHS Foundation Trust.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts combinations;
- Agreeing a sample of expense transactions back to relevant invoices and supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Corporate Trustee and other management (as required by auditing standards). We discussed with the Corporate Trustee and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including the Charities SORP) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, and certain aspects of charity legislation, recognising the nature of the Charity's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Corporate Trustee and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The corporate trustee is responsible for the other information, which comprises the Corporate Trustee's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Corporate Trustee's Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Corporate Trustee's responsibilities

As explained more fully in their statement set out on page 43, the corporate trustee is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's corporate trustee as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee 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 the charity and its corporate trustee, as a body, for our audit work, for this report, or for the opinions we have formed.

Emma Larcombe

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Botanic House
98-100 Hills Road
Cambridge
CB2 1AR

07 December 2021

Statement of Financial Activities for the year ended 31 March 2021

		Unrestricted funds	Restricted funds	Total funds 2020/21 £000	Total funds 2019/20 £000
	Note	£000	£000		
Income from:					
Donations and legacies	2.1	1,163	1,453	2,616	2,775
Charitable activities	2.3	27	-	27	44
Other trading activities	2.4	15	-	15	28
Investments	2.2	95	18	113	164
Total		1,300	1,471	2,771	3,011
Expenditure on:					
Charitable activities	3.1	(632)	(1,368)	(2,000)	(2,077)
Raising funds	3.2	(60)	1	(59)	(340)
Total		(692)	(1,367)	(2,059)	(2,417)
Net (loss)/gains on investments		965	176	1,141	(223)
Net income		1,573	280	1,853	371
Other recognised gains/(losses):					
Gain on sale of tangible fixed asset		53	-	53	-
Net movement in funds	4	1,626	280	1,906	371
Reconciliation of funds:					
Total funds brought forward	11	2,815	903	3,718	3,347
Funding reallocation		7	(7)	-	-
Total funds carried forward	11	4,448	1,176	5,624	3,718

The notes on pages 46 to 60 form part of these financial statements.

All incoming resources and resources expended derive from continuing activities.

There is no material difference between the net (outgoing)/incoming resources on ordinary activities before taxation and the (outgoing)/incoming resources for the financial year stated above and their historical cost equivalents.


All gains and losses recognised in the year are included in the Statement of Financial Activities.

Balance Sheet as at 31 March 2021

		Unrestricted Funds	Restricted Funds	Total at 31 March 2021 £000	Total at 31 March 2020 £000
	Note	£000	£000	£000	£000
Fixed assets:					
Tangible assets - Land and buildings	5	-	-	-	218
Investments	6	4,749	930	5,679	4,536
Total fixed assets		4,749	930	5,679	4,754
Current assets:					
Stocks		34	-	34	15
Debtors and accrued income	7	223	1	224	783
Cash and cash equivalents	8	2,141	420	2,561	1,274
Total current assets		2,398	421	2,819	2,072
Current liabilities					
Creditors	9	(329)	(64)	(393)	(211)
Provision for liabilities	10	(2,370)	(111)	(2,481)	(2,388)
Net current assets/(liabilities)		(301)	246	(55)	(527)
Total assets less current liabilities		4,448	1,176	5,624	4,227
Non-current liabilities					
Provision for liabilities	10	-	-	-	(509)
Net assets		4,448	1,176	5,624	3,718
The funds of the charity:					
Restricted income funds	11.1	-	1,176	1,176	903
Unrestricted funds	11.3	4,448	-	4,448	2,815
Total charity funds		4,448	1,176	5,624	3,718

The financial statements on pages 43 to 60 were approved by the Trustee Board on behalf of the Corporate Trustee and signed on its behalf by:

Signed:



Position: Chief Finance & Commercial Officer

Date: 07 December 2021

The notes on pages 46 to 60 form part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2021

		31 March 2021 £000	31 March 2020 £000
	Note		
Cash flows from operating activities:			
Net cash used in operating activities	14	905	(2,443)
Cash flows from investing activities:			
Dividends, interest and rents from investments		113	164
Decrease in investments - cash held		762	333
Proceeds from sale of investments		4,429	3,955
Proceeds from sale of fixed assets		272	-
Purchase of investments		(5,194)	(1,337)
Net cash provided by investing activities		382	3,115
Change in cash and cash equivalents in the year		1,287	672
Cash and cash equivalents brought forward		1,274	602
Cash and cash equivalents carried forward	8	2,561	1,274

The notes on pages 46 to 60 form part of these financial statements.

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of preparation and assessment of going concern

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared on a going concern basis which the Corporate Trustee considers to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the Charity. The Charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 3.

The Corporate Trustee has reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the Charity will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Corporate Trustee is confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

The principal accounting policies have been applied consistently throughout the year. Key matters relating to the Charity's financial position are:

- The Charity reported fund balances (after provisions) of £5,624k at the end of 2020/21 financial year;
- The Charity reported a closing cash position of £2,562k for the 2020/21 financial year.

The Charity constitutes a public benefit entity as defined by FRS 102.

1.2 Incoming resources

- a) All incoming resources are included in the Statement of Financial Activities as soon as the following three factors can be met:
- Entitlement – control over the rights or other access to the economic benefit has passed to the Charity.
 - Probable – where it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity.
 - Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

b) Gifts in kind

- Assets given for distribution by the funds are included in the Statement of Financial Activities when received by the Charity;
- Gifts made in kind but in trust for conversion into cash and subsequent application by the funds are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind are brought into account is either a reasonable estimate of their value to the funds or the amount actually realised.

c) Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes probable, that is, once confirmation has been received from the representatives of the estates that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

d) Investment income

Investment income from short term investments and equity held are apportioned to each fund based upon the balance of that fund at the end of the period the income is received.

1.3 Resources expended and irrecoverable VAT

The financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the financial statements when there is a legal or constructive obligation, it is probable (more likely than not) that settlement will be required and the obligation can be reliably measured.

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

a) Charitable activities

Grants payable are payments made to third parties (including NHS bodies) in the furtherance of the objectives of the Charity. They are accounted for fully in the year the commitment arises. Activities undertaken directly are payments made by the Charity in furtherance of the objectives of the Charity. Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment.

A constructive obligation arises when:

- The Charity communicates its intention to award a grant to a recipient who then has a reasonable expectation that the grant will be received.
- The Charity makes a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that the Charity will honour its commitment.

b) Costs of raising funds

Costs of raising funds include all expenditure associated with generating incoming resources from all sources other than from undertaking charitable activities. This includes costs of fundraising, trading and associated costs and costs of managing investments.

c) Support costs

Support costs are those costs that do not themselves produce or constitute the output of the Charity, but are necessary in order to deliver an activity. These include some staff costs, costs of administration, software costs and external audit costs. Support costs have been apportioned between costs of raising funds and charitable activities on an appropriate basis. These costs are apportioned across charitable activities in proportion to total spend. For the method of apportionment, see note 3.3.

d) Staff costs

The Charity does not directly employ any staff. Staff that work on the Charity are employed by the Royal Papworth Hospital NHS Foundation Trust and these costs are recharged to the Charity. See note 3.5.

1.4 Structure of funds

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the financial statements as a restricted fund. The major funds held within these categories are disclosed in note 11. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. There are no endowment funds held during this accounting period.

Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Corporate Trustee has chosen to earmark for set purposes are classified as “designated” within unrestricted funds.

The reclassification of restricted funds is approved by the Corporate Trustee and is compliant with Charity Commission NHS Charities guidance.

1.5 Tangible fixed assets

Assets are capitalised if they are capable of being used for a period which exceeds one year and individually have a cost of at least £5,000.

Tangible fixed assets are capitalised on acquisition and initially measured at cost, including costs that are directly attributable to bringing assets into a working condition.

Land and buildings are periodically re-valued and are stated in the balance sheet at their re-valued amounts, being the fair value at the date of valuation less any subsequent accumulated depreciation and impairment losses. Valuations are carried out by professionally qualified valuers in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors. Revaluations are performed on a 5 yearly basis with interim valuations every 3 years. Fair value will be determined as market value for land and buildings.

Depreciation

Tangible fixed assets are depreciated on a straight line basis over their useful economic lives. No depreciation is provided on freehold land, which is considered to have an infinite life.

The estimated useful life of an asset is the period over which the Charity expects to obtain economic benefit.

The current estimated life of dwellings is 39 years.

Revaluation and impairment

Revaluation gains or losses which are not considered to be impairment losses are recognised in the Statement of Financial Activities under other recognised gains and losses.

Impairments of assets held for the Charity's own use are recognised as additional depreciation of the impaired asset and are included in the expenditure section of the Statement of Financial Activities.

The carrying value of fixed assets are reviewed for impairment in periods of events or where changes in circumstances indicate carrying values may not be recoverable.

1.6 Fixed asset investments

Fixed asset investments are initially recognised at their transaction value (historic cost) and are subsequently measured at their fair value (market value) as at the balance sheet date. Cash is also held with the investments managers for future investment in equity. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.7 Realised 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 Stocks

Stocks are recognised in the financial statements at the lower of cost and net realisable value, using the first in first out (FIFO) method. No provision has been made for slow moving, obsolete or defective stock during the year.

1.9 Change in the Basis of Accounting

There has been no change in the basis of accounting during the year.

1.10 Corporation Tax

The Charity is a registered Charity, and as such is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surplus are applied solely for charitable purposes.

1.12 Cash and cash equivalents

Short term, highly liquid investments are included as cash at bank and in hand when the notice period of the account is 90 days or less and is cash investment.

1.13 Debtors

Debtors are amounts owed to the Charity. They are measured on the basis of their recoverable amount.

1.14 Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

1.15 Provisions

A provision arises when there is a constructive obligation. See note 1.3(a) for the conditions required for a constructive obligation.

2. Income

2.1 Donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total Funds £000	2019/20 Total Funds £000
Legacies	594	10	604	2,074
Donations	<u>569</u>	<u>1,443</u>	<u>2,012</u>	<u>701</u>
	<u>1,163</u>	<u>1,453</u>	<u>2,616</u>	<u>2,775</u>

Included within restricted funds donations is £1,155k (2019/20 - £26k) of gifts in kind donations received into the COVID 19 fund for the benefit of staff.

2.2 Details of investment income

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total Funds £000	2019/20 Total Funds £000
Investments in listed equities	95	18	113	159
Short term investments and deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
	<u>95</u>	<u>18</u>	<u>113</u>	<u>164</u>

Investment income from short term investments and equity are apportioned to each fund based upon the balance of that fund at the end of the period the income is received.

2.3 Analysis of income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total Funds £000	2019/20 Total Funds £000
Merchandise and shop	27	-	27	43
Rental income	-	-	-	1
	27	-	27	44

COVID 19 restrictions have resulted in a reduction in income from trading activities.

2.4 Analysis of income from charitable activities

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total Funds £000	2019/20 Total Funds £000
Charitable events income	15	-	15	28

COVID 19 restrictions have meant that there has been a reduction in the number of fundraising events that have taken place. This has resulted in the reduction in income from charitable events.

3. Expenditure

3.1 Analysis of Charitable activities

	Grant funded activity £000	Support and governance costs £000	2020/21 Total £000	2019/20 Total £000
Patients' welfare and amenities	37	(3)	34	294
Staff welfare and amenities	1,641	51	1,692	486
Research	242	32	274	1,297
	1,920	80	2,000	2,077

Included within staff welfare and amenities is £1,155k (2019/20 - £26k) of COVID 19 gifts in kind donations which has been provided to staff during the financial year.

Research activity has reduced as a result of COVID 19 restricting patients attending clinics and due to a number of research staff being redeployed in the Royal Papworth Hospital to assist with the COVID pressure.

Support costs are apportioned across charitable activities and raising funds. For the method of apportionment see note 3.3.

3.2 Analysis of Raising Funds

	Unrestricted funds £000	Restricted funds £000	2020/21 Total funds £000	2019/20 Total funds £000
Gift shop expenditure	15	-	15	13
Investment management	(4)	(1)	(5)	67
Fundraising events	41	-	41	70
Support costs	8	-	8	190
	60	(1)	59	340

The release of an accrual for 2019/20 investment management charges has resulted in the negative expenditure in the financial year.

Support costs are apportioned across charitable activities and raising funds. For the method of apportionment see note 3.3.

3.3 Analysis of Support costs

	Raising funds £000	Charitable activities £000	2020/21 Total Funds £000	2019/20 Total Funds £000
Audit fee	1	11	12	4
Seconded staff costs	(3)	(27)	(30)	279
Publications and literature	1	4	5	16
Other	9	92	101	188
	8	80	88	487

The cost of seconded staff for 2020/21 was provided for as a commitment in 2019/20, with the reversal of the commitment provision being matched against the actual costs incurred for 2020/21. The negative value (£30k) for seconded costs in year is due to actual costs incurred being lower than the committed provision.

The commitment for the seconded staff costs for 2021/22 (£454k) was not approved by the Trustee Board until after 31 March 2021. A provision for these costs has not been included in the 2020/21 figures.

	Unrestricted funds £000	Restricted funds £000	2020/21 Total funds £000	2019/20 Total funds £000
Raising funds	8	-	8	190
Charitable activities	84	(4)	80	297
	92	(4)	88	487

Support costs are apportioned across raising funds and charitable activities in proportion to the total spend for the year in each category.

The Charity appointed KPMG LLP (KPMG) as external auditors of the Charity from 1 April 2015. The audit fee for the statutory audit is £12,000 (2019/20: £4,450), excluding VAT.

3.4 Staff costs and employee benefits

	2020/21 £000	2019/20 £000
Salaries and wages	154	249
Social security costs	28	13
Employers pension contributions	18	17
	200	279

Included within Seconded staff costs are those costs for staff working exclusively for the Charity, but whose contracts are with and paid by Royal Papworth Hospital NHS Foundation Trust. The average number of employees for 2020/21 is 7 (2019/20: 7). No employee was paid in excess of £60,000 during the year (2019/20: Nil).

3.5 Trustee remuneration, benefits and expenses

Trustee Board members receive no remuneration from the Charity for the work undertaken as representatives of the Corporate Trustee. Trustee Board members are remunerated by Royal Papworth Hospital in their capacity as directors of Royal Papworth Hospital. However, they can claim expenses to reimburse them for costs that they incur in fulfilling their duties.

No Trustee Board member received any expenses during the year (2019/20: Nil).

4 Change in Resources available for Charity use

	Unrestricted Funds £000	Restricted Funds £000	2020/21 Total Funds £000
Net movement in funds available for future activities	1,626	280	1,906
			2019/20 Total Funds £000
	Unrestricted Funds £000	Restricted Funds £000	
Net movement in funds available for future activities	14	357	371

5 Fixed Assets

	Freehold Land £000	Dwellings £000	Total £000
Cost at 1 April 2020	85	151	236
Asset cost, valuation or revalued amount			
Disposals	(85)	(151)	(236)
Balance carried forward	-	-	-
Accumulated depreciation and impairment provisions			
Depreciation at 1 April 2020	-	18	18
Disposals	-	(18)	(18)
Balance carried forward	-	-	-
At 31 March 2021	-	-	-

	Freehold Land £000	Dwellings £000	Total £000
Cost at 1 April 2019	85	151	236
Balance carried forward	85	151	236
Accumulated depreciation and impairment provisions			
Depreciation at 1 April 2016	-	16	16
Charge for the year	-	2	2
Balance carried forward	-	18	18
At 31 March 2020	85	133	218

The fixed asset disposal related to a dwelling situated at the Papworth Everard site that the Charity rented out to the Royal Papworth Hospital for use by patient relatives. This dwelling was no longer required once the Hospital moved to the Cambridge Bio Medical Campus.

6 Analysis of Fixed Asset Investments

6.1 Fixed Asset Investments

	Total 2020/21 £000	Total 2019/20 £000
Investment Management		
Market value at 1 April	3,773	6,614
Add: Additions of shares	5,194	1,337
Less: Disposals at carrying value	(3,773)	(3,842)
Net (loss)/gain on revaluation	484	(336)
Market value at 31 March	5,678	3,773
Cash held with Investment Management at 31 March	1	763
Fixed Asset Investments	5,679	4,536
Historic cost at 31 March	5,194	3,711

The valuation of the investments is at 31 March 2021 and may not be realised at the date the investments are disposed of.

During the year the Charity changed its investment managers. The shares held at 31 March 2020 were sold during the year by the Charity's investment managers. Proceeds from these sales have been used to purchase shares in SUTL Cazenove Charity Responsible, Multi-Asset Fund, Units-S-GBP Distribution, BF78454. At 31 March 2021

10,523,316 shares were held in this fund, with a market value at 31 March 2021 of £5,678,381 (31 March 2020 - £nil).

The historic cost represents the value of shares after purchases and sales at 31 March 2021 before the shares are revalued.

Cash held with the Charity's investment managers at 31 March 2020 has been used to purchase shares during the year. The Charity's investments managers are holding £1k of cash within the investment portfolio at 31 March 2021.

6.2 Market value

	31 March 2021 £000	31 March 2020 £000
Investment listed on a recognised stock exchange held		
Within the UK	5,194	2,463
Outside the UK	-	1,310
	<u>5,194</u>	<u>3,773</u>

7 Analysis of Debtors

	31 March 2021 £000	31 March 2020 £000
Amounts falling due within one year:		
Accrued Income	222	771
Other debtors	2	12
	<u>224</u>	<u>783</u>

8 Cash and cash equivalents

	2021 £000	2020 £000
Cash in hand	<u>2,561</u>	<u>1,274</u>
Total cash at bank and in hand	<u>2,561</u>	<u>1,274</u>

9 Analysis of Creditors

	31 March 2021 £000	31 March 2020 £000
Amounts falling due within one year:		
Amounts owed to Royal Papworth Hospital NHS Foundation Trust	146	116
Other creditors	247	95
	393	211

10 Analysis of Provision for liabilities

	Provision for Research £000	Other Provisions £000	Total £000
At 1 April 2020	1,758	1,139	2,897
Reallocated between categories	(86)	86	-
Arising during the year	130	388	518
Utilised during the year	(59)	(785)	(844)
Unused amounts reversed during the year	-	(90)	(90)
At 31 March 2021	1,743	738	2,481
Expected timing of cash flow:			
- not later than one year	1,743	738	2,481

	Provision for Research £000	Other Provisions £000	Total £000
At 1 April 2019	4,688	696	5,384
Arising during the year	780	1,575	2,355
Utilised during the year	(3,662)	(926)	(4,588)
Unused amounts reversed during the year	(48)	(206)	(254)
At 31 March 2020	1,758	1,139	2,897
Expected timing of cash flow:			
- not later than one year	1591	797	2388
- later than one year and not later than five	167	342	509

The Charity awards a significant number of grants during the year. Many grants are awarded and paid out in the same financial year. However, some grants, especially those relating to research and development or to fund specific staff posts are multi-year grants paid over a longer period.

As the Charity approved and communicated an expectation of the award of the grants, there is little uncertainty around these payments.

11 Analysis of funds

11.1 Analysis of funds – Restricted funds

	Balance 1 April 2020 £000	Incoming Resources £000	Resources Expended £000	Funding Reallocation £000	Balance 31 March 2021 £000
Material funds (list individually)					
A Cardiac Care Fund	66	29	3	-	98
B DCD Transplantation Fund	289	60	8	-	357
C Royal Papworth Hospital Transplant Fund	369	83	(37)	-	415
D Lung Defence Fund	75	17	6	-	98
E Pulmonary Hypertension Fund	41	8	2	-	51
F The Greg Mustill Memorial Fund	35	9	2	-	46
G COVID-19 Support Fund	-	1,434	(1,343)	(10)	81
Others 5 (2019/20: 4)	28	6	(7)	3	30
Total	<u>903</u>	<u>1,646</u>	<u>(1,366)</u>	<u>(7)</u>	<u>1,176</u>

11.2 Detail of Material Funds – Restricted funds

Name of fund	Description of the nature and purpose of each fund
A Cardiac Care Fund	Funds donated for the benefit of Cardiac Services at Royal Papworth Hospital
B DCD Transplantation Fund	Funds donated for the DCD Transplant Programme
C Royal Papworth Hospital Transplant Fund	For the benefit Transplant Services at Royal Papworth Hospital
D Lung Defence Fund	Funds donated for research and education specifically relating to the Lung Defence Unit
E Pulmonary Hypertension Fund	Funds donated for the Pulmonary Hypertension service and associated research
F The Greg Mustill Memorial Fund	Funds donated to support patients and families who spend extended periods of time at Royal Papworth Hospital
G COVID-19 Support Fund	For the benefit of staff, patients and relatives of Royal Papworth Hospital. For all reasonable activities relating to supporting the response to COVID-19 including research, staff and patient support and relative welfare.

11.3 Unrestricted funds

Unrestricted funds amounting to £4,448k (2019/20: £2,815k) consist of 3 (2019/20: 2) general funds totalling £2,132K (2019/20: £1,480k) and 36 (2019/20: 35) designated funds totalling £2,316k (2019/20: £1,335k).

Within designated funds are funds earmarked for future payment for the direct benefit of the staff and patients within the directorates of Royal Papworth Hospital NHS Foundation Trust.

Funds have arisen from donation, legacies and fundraising activities.

11.4 Analysis of unrestricted funds

	31 March 2021 £000	31 March 2020 £000
Material undesignated funds		
General	2,044	1,418
Merchandise & Shop	35	62
	2,079	1,480

11.5 Analysis of unrestricted designated funds

Material designated funds	Description of the nature and purpose of each fund	31 March 2021 £000	31 March 2020 £000
Transplant General	For the benefit of staff and patients of the transplant unit	45	19
Theatres, Critical Care and Anaesthetics	For the benefit of TCCA Services at Royal Papworth Hospital	30	4
Cardiac Services Fund	For the benefit of all Cardiac Services at Royal Papworth Hospital	336	146
HLRI Project	For capital contributions to the Heart and Lung Research Institute	1,020	522
Electrophysiology Fund	For the benefit of Electrophysiology Services at Royal Papworth Hospital	82	48
Hospital Equipment Fund	Funding for cutting-edge equipment for the Hospital	298	236
Staff Education Fund	Funding for support the development and educational requirements of staff	102	78
Hospital Environment and Arts-health Fund	Funding for enhancing the hospital environment and wards at Royal Papworth Hospital	79	69
Others (March 2021: 28, March 2020: 25)		377	213
Total		2,369	1,335

12 Contingencies and commitments

There are no capital commitments in 2020/21 (2019/20: £nil).

There are no contingent liabilities in 2020/21 (2019/20: £nil).

13 Related Party Transactions

The Royal Papworth Hospital Charity has made revenue and capital payments to the Royal Papworth Hospital NHS Foundation Trust during 2020/21.

The amount paid was £1,128k (2019/20: £4,942k) and there was a creditor at the end of the year of £146k (2020: £116k).

The Charity is a subsidiary of Royal Papworth Hospital NHS Foundation Trust, the parent entity. Royal Papworth Hospital NHS Foundation Trust is the UK's largest specialist cardiothoracic Hospital and the country's main heart and lung transplant centre. It has an extraordinary commitment to delivering the highest levels of clinical quality and outcomes and for providing the best possible standards of personalised care to its patients.

The consolidated group accounts can be found on Royal Papworth Hospital NHS Foundation Trust's website <http://www.royalpapworth.nhs.uk/>

Royal Papworth Hospital NHS Foundation Trust is the Corporate Trustee of Royal Papworth Charity.

During the year none of the ex-officio Trustee Board member or members of the key management staff or parties related to them has undertaken any material transactions with Royal Papworth Charity.

14 Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £000	2020 £000
Net movement in funds	1,906	371
Adjustments for:		
Depreciation charges	-	2
Loss/(gains) on investments	(1,141)	223
(Gains) on sale of fixed assets	(53)	-
Dividends and interest received from investments	(113)	(164)
(Increase) in stocks	(19)	(2)
(Increase) / decrease in debtors	559	(320)
(Decrease) / increase in creditors	182	(66)
(Decrease) in provisions	(416)	(2,487)
Net cash provided by (used in) operating activities	905	(2,443)

15 Post Balance Sheet Event

There are no post balance sheet events to report.



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