

Royal
Papworth
Charity



Annual Report and Accounts

2022/23

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Foreword from the Chairman

It has been a year of momentous growth and progress for Royal Papworth Charity, punctuated by innovation, resilience, and unyielding dedication. We embarked on a significant transformation this year, unveiling a strategic blueprint that prioritises funding to the areas that will make the most profound impact on our patients' lives, both immediately and in the future. Designed to align with the Hospital's strategic objectives, our new strategy ensures resources are being deployed where they are most critically needed. It is the unwavering dedication of our charity supporters that makes all this possible. Their contributions have been instrumental in our ability to bring impactful projects to fruition and make a significant difference.

I am delighted to share that the Charity's income for this year reached £2.6million, an achievement that testifies to our collective efforts and the steadfast support we have received. A significant part of our income came from legacy giving, with almost £1 million generously bequeathed in Wills, reflecting the enduring bonds our community has fostered with Royal Papworth Hospital.

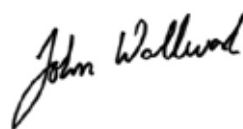
Our community has been the bedrock of our success, raising £173k. Our awe-inspiring supporters have shown remarkable creativity, organising a myriad of activities ranging from sponsored haircuts to festive bucket collections, sunflower growing competitions to colouring contests. Their enthusiasm shone through in physically challenging endeavours as well, with cycling events, running races and even daring tandem skydives!

The vital role played by our community groups and corporate partners this past year cannot be overstated. CKLG Accountants and Ashton Legal Solicitors and Lawyers Cambridge, have consistently sought innovative ways to support Royal Papworth Hospital. We also had the privilege of celebrating 40 years of partnership with the Norfolk Zipper Club at their Ruby Anniversary luncheon. Their generous donation of £1.2m in medical equipment over the years continues to make a direct and lasting impact on our patients.

Through careful allocation of resources, we have distributed £1.1million in grants to Royal Papworth Hospital for a variety of projects that cater to our patients' and staff's needs. Ranging from emergency accommodation for families to additional medical equipment for theatres, these projects are a testament to the continued generosity of our supporters. These grants have been instrumental in supporting and propelling initiatives such as the Heart and Lung Research Institute, which aims to drive research and innovation in heart and lung treatment. We have also funded the implementation of Euroscore, which is a key risk model that makes surgery safer at Royal Papworth and around the world.

Additionally, we have acknowledged the paramount importance of staff wellbeing, we have funded training and education courses for staff as well as wellbeing activities. We understand that our staff are the backbone of our hospital, and investing in their wellbeing means investing in the quality of care delivered to our patients.

I warmly invite you to explore the Charity's Annual Report and Accounts for the year ending 31 March 2023 and I encourage you to join us in our exciting journey as we continue to deliver our mission together.



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 charitable object as 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.

2022/23 Highlights

22/23 was the first year of our 22-27 Charity Strategy and the primary objective was to embed the five new priority statements across the charity to underpin the planned growth and development required to achieve our vision over the next five years.

Royal Papworth Charity vision 2022-2027

To support Royal Papworth Hospital NHS Foundation Trust as the UK's leading centre of excellence for the treatment and diagnosis of cardiothoracic diseases, to bring tomorrow's treatments to today's patients.

Royal Papworth Charity's vision prioritises the need for funding today to realise the potential of tomorrow for the benefit of Royal Papworth's patients now and in the future. The Charity achieved the ambitious fundraising targets for the year and have laid a strong foundation to build upon to raise the £20M by year five.

The fulfilment of this strategy will see grant giving expenditure allocated to the Hospital more than double by 2026/27. The promotion of the initial grant awards in the opening years of the strategy will make it possible to distribute more funding with a greater impact by year five. This year the Charity provided £1,111k for 163 grants which have supported all strategic areas. Grants have been used to support the hospital in a variety of ways, including investment in capital projects, purchase of medical equipment, patient support services, staff training and education, innovation programmes, research and welfare initiatives.

In 22/23 the Charity provided £223k in funding to EuroSCORE, a tailored cardiac risk model calculator which helps predict patient outcomes. This project ensures the Hospital continues to deliver clinical excellence and supports innovation in models of care for the benefit of patients worldwide.

To help develop Royal Papworth Hospital as an organisation that continuously improves and delivers high quality, safe and compassionate care, the Charity contributed £674k to the Hospital's compassionate and collective leadership programme. This programme offers staff a variety of opportunities to access training and support as well as provide reciprocal mentoring and welfare support packages. The initiatives in this programme were designed and influenced by the feedback received by staff and in response to the needs of the hospital to create a better environment for staff.

The Charity also adapted and responded to the new needs of the Hospital by funding new staff roles which ensure the Hospital offers the highest level of care. The Charity granted £43k to fund a new dedicated Specialist Patient Outreach Librarian to support patients on their healthcare journey and better understand their care needs, as well offer patients a more comfortable and enjoyable environment during their time in the hospital.

Since the Hospital's establishment in 1918, it has developed an international reputation for excellence in research and innovation. The Heart and Lung Research Institute continues to be a priority area of funding for the Charity, our commitment to give £5 million towards the capital investment is the beginning of a long-term plan and commitment for additional investment into research. The Charity has provided £389k to the Research Innovation Fund this year to pump prime research and accelerate the discovery of medical advances to help our patients and save more lives.

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

Our year together in numbers



Value of grants committed to the hospital:

£1,111,000



Grants made to the hospital:

163



No. of patient supported
through financial hardships
of being in hospital:

22



EuroSCORE Project:

£222,635



Funding for Medical
Device Registration:

£150,000



Funding provided for
patient equipment:

£22,000



No. of porter wheelchairs donated
by the Norfolk Zipper Club:

12



Funding provided for
education and training courses:

£60,000



No. of staff that accessed
Charity funded training:

1,134



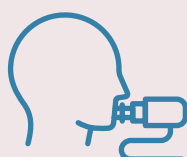
Gifts in kind distributed
to staff and patients:

£110,000



Funds committed to the
Research Innovation Fund:

£64,000



Funding for eFlow
Rapid Nebuliser Systems:

£10,000



Funding for Specialist
Patient Outreach Librarian:

£43,410



Funds received for the year:
£2,673,000



Gifts received from Wills:
£1,566,000



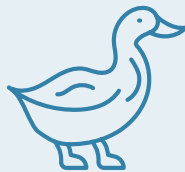
No. of lottery entries:
30,043



Raised from events:
£36,000



Money raised from
our retail items:
£29,000



No. of Puddles the duck sold:
171



No. of Christmas cards sold:
1,895



17 skydivers raised:
£14,704



Money raised at the
Charity Golf Day:
£15,000



No. of Corporate partnerships:
8



No. of leaves on the
Giving Tree:
27



No. of Volunteers:
33



No. of marathons:
11

4. Risks

Royal Papworth Charity has 28 open risks. Nine 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	March 23
15-25 Extreme Risk	15-25 Extreme Risk	0
8-12 High Risk	8-12 High Risk	9
4-6 Moderate Risk	4-6 Moderate Risk	12
1-3 Low Risk	1-3 Low Risk	7
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



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
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
Accountable	Our Community Hub patient mailing	"If" Royal Papworth Charity sends a mailing to c.58,000 patients, "then" the Trust could receive an increased volume of complaints about the contact made.	8
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.	12
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.	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	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

4. Risks (continued)

Trustee Core Duty	Title	Description	Risk level
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
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 £2 million.	4
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.	9
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.	6
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	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

Trustee Core Duty	Title	Description	Risk level
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.	6
Public Benefit	Relationship with funders	"If" there is a deterioration in relationship/s 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.	3
Public Benefit	Charity purpose and object	"If" Royal Papworth Hospital does not request financial support from Royal Papworth Charity, "then" Royal Papworth Charity is unable to fulfil its purpose.	9
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.	12
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	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	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
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

4. Risks (continued)

Trustee Core Duty	Title	Description	Risk level
Resources	Investment	"If" the Charity does not have or fails to adhere to investment policy, "then" this could result in unforeseen severe adverse investment conditions, financial loss through inappropriate or speculative investment or lack of investment advice or diversity.	1
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	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.	6
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.	12
Resources	Market investment	"If" there is high market volatility, resulting in a significant market downturn "then" cash flow difficulties may arise from lack of liquidity. This could impact on the Charity's ability to deliver its strategic objective for expenditure.	12

5. Bringing Blue Lights Together!

An intrepid team from the Suffolk Police Constabulary Response Unit undertook an epic 100km trek along the stunning Suffolk coast to raise money for Royal Papworth Hospital. The team were on a mission to support the hospital that saved the life of their colleague, Police Response Officer Tom Barratt.

In 2022, Tom was on duty when he suffered an aortic dissection – a sudden medical emergency where the aorta tears and allows blood to rush through. It can often be fatal and requires immediate treatment.

Tom was found collapsed by his colleagues and thanks to their quick thinking he was rushed to Royal Papworth Hospital where he underwent life-saving emergency open-heart surgery. Tom spent three weeks in hospital before he was discharged to recover at home, and this 100km trek marked the one-year anniversary of his surgery.

Tom said: “I was both amazed and moved not only by the level of expertise in conducting life-saving surgery, but the level of care and compassion shown by nearly every member of staff on the wards and the amazing quality of follow up care.

I am raising money for Royal Papworth to show my appreciation and when I spoke with my team, they were keen to get involved and show their support.”

Along the way, Tom, his team, and their supporters enjoyed breath taking views of the stunning Suffolk coast. They were joined by family, friends and even some of the critical care staff from Royal Papworth Hospital who were with Tom throughout his journey of recovery, and excited to complete this epic challenge.

Vikki Brooks, Staff Nurse at Royal Papworth Hospital, who joined Tom on his challenge, expressed gratitude towards Tom and the Suffolk Police team for taking on this exciting challenge and raising funds for the hospital. The money raised will support future patients in many ways including, funding specialist rehabilitation equipment, communication devices, and emergency accommodation for relatives to keep loved ones close by.



6. A special community café

Royal Papworth Charity were picked by the volunteers at Nellie's Community Café, based in Sutton, to benefit from their wonderful fundraising.

The café is held on the second Wednesday and last Friday of each month and creates a space where members of the community can gather. Since their establishment, they have raised thousands of pounds selling tea, homemade cakes and tasty light lunches.

There has been an outpouring of support from the community for the café, with many customers visiting who have a personal connection to Royal Papworth.

Eleanor Speed, Community Fundraiser at Royal Papworth Charity said:

"We are so grateful to be supported by Nellie's Community Café; a wonderful group of people who come together to raise funds for charities close to their hearts.

It was a pleasure to visit last month and be welcomed by their delicious homemade cakes and tea. The money raised will help to support our patients and staff at Royal Papworth Hospital, so that we can continue to be there for people when they need us most."

Helen, Nellie's Community Café team member said: "Nellie's fundraises for two different charities every six months and are delighted to have chosen Royal Papworth Charity. So many people in our community have benefited from the expert treatment and care given to them or their loved ones."

A huge thank you to Nellie's Community Café for all their support.



7. Freya and Furniturebox

In September 2022, online furniture company Furniturebox raised a staggering £14,330 for Royal Papworth Charity to support the life-saving work of Royal Papworth Hospital.

Freya, the 16-year-old stepdaughter of Furniturebox Account Manager, Lisa, was being cared for at Royal Papworth while waiting for a heart and lung transplant. Her experience inspired Furniturebox to donate £10 from every sale that month.

Following a sudden heart failure in March 2022, Freya was placed in an induced coma. Up until that point she was healthy and active, preparing for her GCSEs. Due to the critical nature of her condition, she was transferred to Royal Papworth Hospital for specialist care.

During this time, Freya missed many key teen milestones. On the day she was due to be going to her prom, she was instead told she was well enough to go on the transplant list. The nurses at Royal Papworth worked to ensure Freya still had a special day, surprising her with lots of dresses to choose from, make-up, a tiara, and bottles of 'bubbly' to create her very own prom.

Lisa, Freya's step-mum said:

"Signing the paperwork for two new organs and a virtual prom all in one day was a bit overwhelming for us all but the staff at Royal Papworth really go above and beyond for Freya. It means a lot to us all at Furniturebox to support Royal Papworth Hospital and to help other patients that may find themselves in the same position."

Dr Stephen Webb, Consultant in Intensive Care & Deputy Medical Director, Royal Papworth Hospital said: "We are incredibly grateful to everyone at Furniturebox for their outstanding fundraising and support for Royal Papworth Hospital. We are completely blown away with the £14,330 raised which will help us to implement additional support including purchasing specialist rehabilitation equipment to help get patients home quicker and providing relatives with emergency accommodation in difficult circumstances."

Freya and Furniturebox founders Monty George and Dan Beckles were joined by staff involved in Freya's care for a special cheque presentation at Royal Papworth Hospital in recognition of their incredible fundraising.



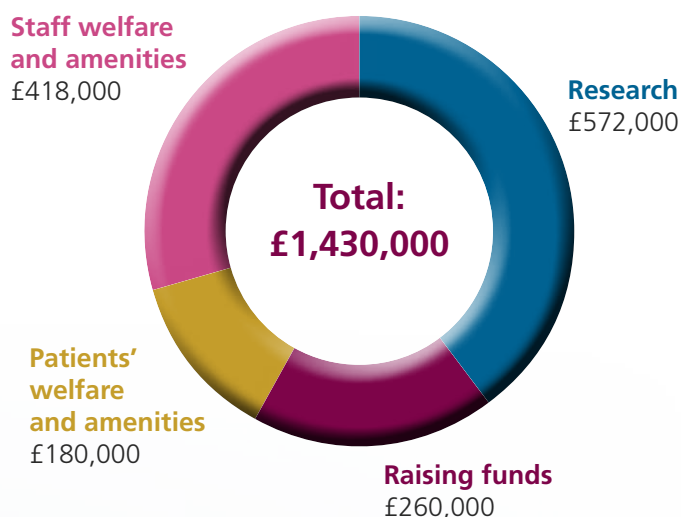
8. How we support Royal Papworth Hospital

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 **£1,430,000** (2021/22: £2,320,000) and comprised of:

8.2 Charitable Expenditure 2022/23



The Research expenditure relates mainly to commitments for ongoing and new research projects.

Included within Raising funds is £110k of gifts in kind and adword grants which have been provided to further the reach of the Charity during the financial year.

Support costs have been apportioned across all expenditure categories. See note 3.3 of the Accounts.

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, EuroSCORE III, the Compassionate and Collective Leadership Programme and the Research Innovation Fund.



8.3 Vision Statements

Royal Papworth Charity vision 2022-2027:

To support Royal Papworth Hospital NHS Foundation Trust as the UK's leading centre of excellence for the treatment and diagnosis of cardiothoracic diseases, **to bring tomorrow's treatments to today's patients.**

Royal Papworth Charity's vision prioritises the need for funding today to realise the potential of tomorrow for the benefit of Royal Papworth's patients now and in the future.

Developing tomorrow's medicine today

We will commit to pump priming research projects and core infrastructure today, to provide a stable environment and start a catalyst for vital research required to accelerate the discovery of further medical advances which will save more lives tomorrow.

Hospital Strategic Alignment:



Educating tomorrow's workforce today

Building on the NHS People Plan of "growing for the future", we will fund the education and development of Royal Papworth's current workforce which will enable the development of a 'home-grown', diverse and world-leading workforce for the future.

Hospital Strategic Alignment:



Investing in tomorrow's innovation

We will provide seed funding for innovative and creative healthcare solutions which will nurture our staff's expertise and creativity in a structured way and support the Hospital's financial sustainability goals by creating additional income streams for the future.

Hospital Strategic Alignment:



8.3 Vision Statements (continued)

Addressing the needs of the Hospital today

Funding low value, high impact grants addressing the needs of individuals in the Hospital today. These grants ensure the delivery of an exceptional patient experience by offering immediate financial assistance for a designated purpose addressing additional welfare needs of patients, staff and visitors.

Hospital Strategic Alignment:

Deliver
Clinical
Excellence

Offer
Positive Staff
Experience

Share and
Educate

Prioritising today's patients for tomorrow's healthcare system

We will ensure that funding is available for a suite of patient experience services today to ensure that interventions are tailored to the individual needs of our patients. Investing effort and resource to address system wide healthcare inequalities, develop community initiatives, develop bereavement and liaison services and improve the Hospital environment to implement a comprehensive model of care for our patients.

Hospital Strategic Alignment:

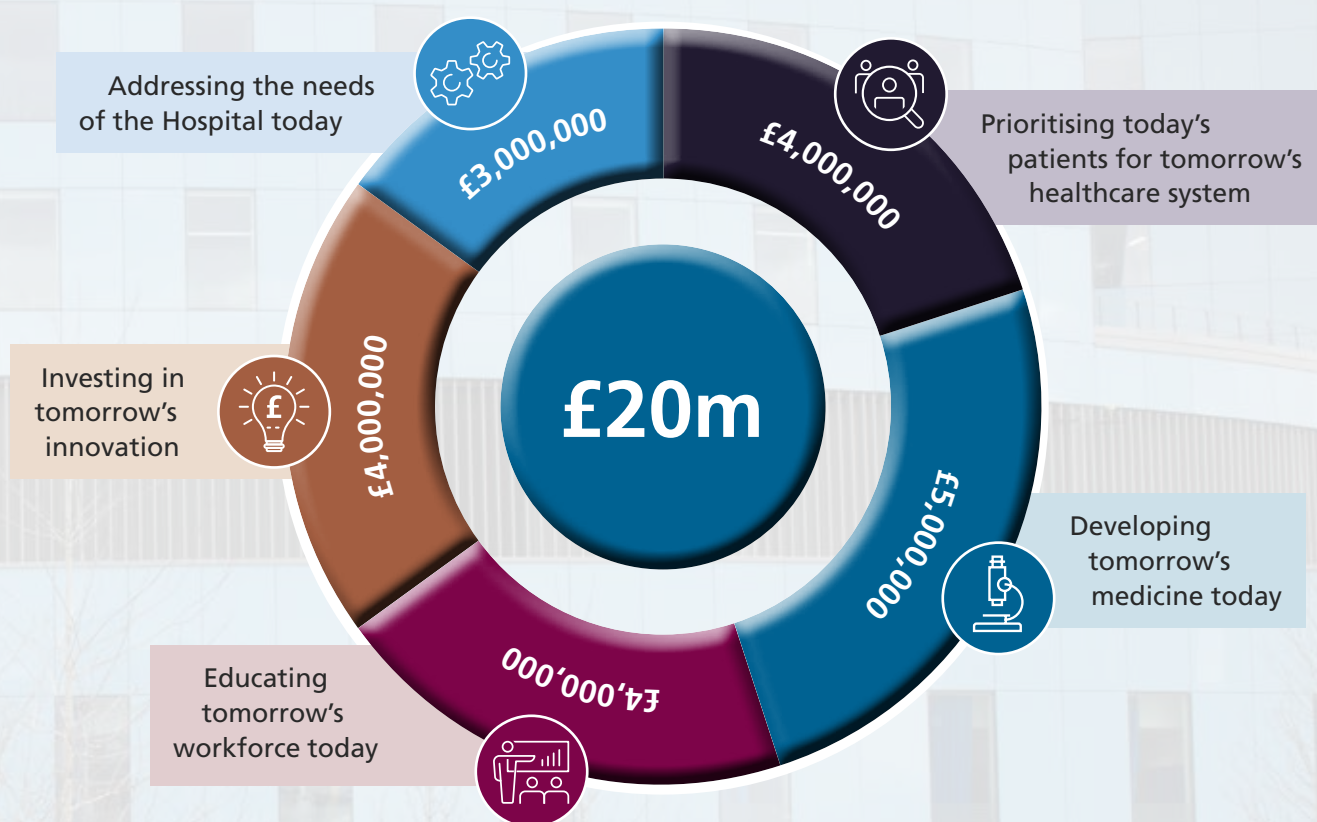
Deliver
Clinical
Excellence

Offer
Positive Staff
Experience

Share and
Educate

Over the next 5 years the Charity will distribute £20M in strategic grant expenditure.

Five year forecast of total strategic grant expenditure



9. Our Major Projects

Developing Tomorrows Medicine Today

Victor Phillip Dahdaleh Heart and Lung Institute



Amidst the challenges of a pandemic, the Victor Philip Dahdaleh Hear and Lung Research Institute (HLRI) emerged as a testament to determination. The build commenced in January 2020 and was formally opened on 11th July 2022 by Her Royal Highness The Duchess of Gloucester.

Boasting modern laboratories, clinical research spaces, and collaborative zones, the HLRI epitomizes innovation. The Institute is home to the Clinical Research Facility, which is a unique 10-bed unit which will fuel pioneering patient studies, showcasing our commitment to pushing medical boundaries.

Royal Papworth Charity successfully raised £5 million towards the building of the HLRI, fulfilling our largest ever capital appeal. Our supporters have been incredibly generous, and the Hospital's supporters and social groups have been an integral part of our fundraising. Royal Papworth Charity is now 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.

Research Innovation Fund



In partnership with Royal Papworth Charity, Royal Papworth Hospital's Research and Development team launched the Research Innovation Fund. Its purpose is clear: cultivate a dynamic research environment that motivates every staff member to engage in and lead research endeavours. This fund, a collaboration between the Charity and the Hospital, provides grants to ignite preliminary research and bolster applications for external funding.

Designed to nurture innovation with tangible impacts on patient care, the fund serves as a catalyst for fresh ideas and nascent research projects. All staff categories have been actively encouraged to seek funding, thereby enriching Royal Papworth's research community. This initiative not only broadens our hospital's active research cohort but also bolsters the culture of innovation that defines us.

Our commitment to this endeavor is exemplified by the £389,000 in funding contributed by Royal Papworth Charity. This support has already backed five diverse research projects spanning areas like cystic fibrosis, sleep apnea, and transplantation. Looking ahead, we're dedicated to providing £2 million in funding by 2027 to underpin transformative concepts that will reshape patient care.

Educating Tomorrows Workforce Today

Compassionate and Collective Leadership Programme



To bolster the finest patient outcomes, Royal Papworth Charity has invested £674k into the Compassionate and Collective Leadership Programme. This strategic initiative is tailored to attract, nurture, and retain top-tier talent at Royal Papworth Hospital, guaranteeing unmatched patient care.

At its core, the programme forges a culture that consistently delivers superior, secure, and compassionate care. Anchored in elements like health and wellbeing, equality, diversity, and inclusion, along with effective line management and team development, its mission is to foster an environment where every team member feels empowered and valued, unlocking their potential to the fullest.

In addition to these efforts, the programme fortifies the continuation of essential health and wellbeing resources, a lifeline established during the pandemic. The presence of our Staff Wellbeing Practitioner, along with Wellbeing Facilitators and dedicated spaces, offers our staff a sanctuary to navigate the physical and emotional demands of their roles effectively.

A participant aptly described the programme's impact: "The values and behaviours workshop I joined as part of the CCLP gave me a platform to express my needs as a staff member. It helped me truly understand our new hospital values and my role in supporting colleagues."

Addressing the Needs of The Hospital Today



Simoex Device for Respiratory Patients

Royal Papworth Charity has funded an airway clearing device to help get inpatients home more quickly. The Simoex device, a relatively new piece of equipment in the UK, assists with clearing airways for patients with productive chests. It is particularly useful for those with chronic lung disease such as cystic fibrosis and bronchiectasis – both conditions which cause an excess build-up of mucus in the lungs which can leave people vulnerable to infection and ultimately cause lung damage. Using oscillating negative pressure, opposed to positive pressure which most airway clearance devices use, the Simoex helps preserve lung function and relieve symptoms. Patients have reported that they have found it easy to use, comfortable and it helped them clear their chest with greater ease.

Staff Hardship Fund

Caring for our dedicated staff is paramount, which is why Royal Papworth Charity has established the Staff Hardship Fund. With a compassionate focus on addressing financial challenges and unforeseen emergencies, this initiative provides vital assistance to our valued team members. Through this fund, support is extended in the form of vouchers for essentials like food and fuel, as well as one-off payments in times of need. By easing financial burdens during challenging times, we ensure that our staff's well-being remains a priority, allowing them to continue delivering exceptional care to our patients. This initiative exemplifies our commitment to fostering a supportive and resilient workforce, where every member feels valued and cared for.

9. Our Major Projects (continued)

Investing in Tomorrow's Innovation

Medical Device Registration



A vital stride in advancing patient care, Royal Papworth Charity has provided £150k for medical device registration, a strategic investment aimed at facilitating the development of two new medical devices. This pioneering move includes funding for the EuroSCORE registration, a pivotal cardiac surgery risk model, as well as support for the DCD (Donation after Circulatory Death) programme.

These registrations underscore our commitment to staying at the forefront of medical innovation, ensuring the seamless adoption of cutting-edge technologies that can revolutionise patient outcomes.

By partnering with experts, we are empowering Royal Papworth Hospital to deliver advanced treatments with the highest standards of compliance and efficacy, ultimately enhancing the quality of care we provide.

The magic of music



The Occupational Therapy team at Royal Papworth Hospital have been harnessing the magical benefits of music through the Music Innovation Project.

Our Occupational Therapists invite patients from across the hospital to engage in musical activities or listen to music. Music is incredibly powerful, it has been shown to uplift mood, help build relationships and connections and even reduce pain and discomfort. In a medical setting it can enhance wellbeing, reduce anxiety, support recovery, and improve patient experience.

Donations from our supporters have funded a wide range of musical instruments for our patients, from triangles and bongo drums to keyboards and guitars. This variety of instruments allows our Occupational Therapists to cater each patient's personal preference. Patients have reported 'feeling calmer and peaceful' and 'uplifted' following their musical sessions. Patients have also been described as having increased levels of alertness and appear more receptive and engaged. Ruth Reinecke, Specialist Occupational Therapist, said:

"We've received wonderfully positive responses from our patients who have participated in our music activities. Bringing instruments up to the wards has enabled patients to experience the uplifting power of music and to participate more actively in therapy while staff and relatives have noticed a positive influence on their mood and sense of wellbeing. We are excited at the prospect of expanding this incredible project in the future."

Prioritising Today's patients for Tomorrow's Healthcare System

Rehabilitation



We have seen first-hand the incredible impact rehabilitation has on our patients, helping to prevent future hospital admissions by building up patients' strength and fitness while educating them on how to take the best care of their health.

Thanks to the amazing donations received, The Charity has funded media equipment so that patients can join their rehabilitation classes wherever they are. The media equipment, which includes a large tv screen, camera, and microphone, allows the amazing Rehab team at Royal Papworth Hospital to provide both virtual and in-person rehabilitation sessions at the same time.

Evidence shows that completing rehabilitation greatly reduces patients' chances of being readmitted to hospital in the future.

By having some patients attending in-person while others join from the comfort of their own homes, it has allowed for larger classes and for patients to fit the programme in with their busy lifestyle, avoiding both timely and costly travel.

Specialist Outreach Patient Librarian



Royal Papworth Charity funded the new role of Specialist Patient Outreach Librarian at Royal Papworth Hospital.

Sarah joined Royal Papworth Hospital in August 2022 and is helping to 'bridge the knowledge gap' for patients and their families by making sure they are empowered with necessary resources to help understand their condition and treatment.

The role of Specialist Patient Outreach Librarian is a new role for the Hospital and is a completely unique one across the country.

Sarah has also been involved in the creation of special projects such as patient stories and making Cambridgeshire Libraries' online resources accessible for patients, and has also been working with the Charity to set patients up with iPads to give them access to patient information materials in a range of languages.

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 2022/23 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	3,756	1,357	5,113
Income	2,172	501	2,673
Expenditure	(951)	(479)	(1,430)
Net loss on investments	(193)	(180)	(373)
Funding reallocation	(597)	597	0
Fund balances c/fwd	4,187	1,796	5,983

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**.

10.4 Fund Balance

Fund balances increased by £870,000. During the year, unrestricted funds increased by £1,028,000 and restricted decreased by £158,000.

10.5 Reserves

Restricted balance of **£1,796,000** 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.

Unrestricted funds of **£4,187,000** 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: **£1,308,000** 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: **£2,879,000** 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.

10.6 Income

Royal Papworth Charity is fortunate to receive generous support from many members of the public. It has been a challenging year for the Charity sector following the impact of the pandemic and the financial challenges the public are currently facing.

The Charity team have worked hard to diversify income generating activity and to prioritise stewardship to best support our donors.

Total income for the year amounted to £1,869k (2021/22: £1,501k). Our income comes from a variety of sources of which legacy, in-memory and community fundraising are most prevalent.

Fundraising stream	22/23 Actual	22/23 Target	Variance
Gifts in kind	£110,011	£30,000	£80,011
Community	£172,998	£104,000	£68,998
Direct marketing	£27,364	£16,000	£11,364
Events	£35,113	£30,000	£5,112
Lottery	£16,567	£15,000	£1,566
Individual giving	£173,630	£140,000	£33,630
In-memory & celebration	£176,970	£160,000	£16,970
Retail	£28,574	£30,000	£1,426
Regular giving	£34,287	£35,000	£713
Trusts	£98,933	£130,000	£31,066
Targeted fundraising total	£874,446	£690,000	£184,446
Gifts in Wills	£994,764	£650,000	£344,764
Total	£1,869,121	£1,340,000	£529,210

*This table does not include £242k of investment income. Legacy income is the actual legacy income received in year and does not reflect the adjustment each year end for legacy income notified but not received.

Legacy Income

As a healthcare charity legacy gifts will always be a vital source of income. This year the charity was fortunate to receive 38 gifts and raised £995k, this is a significant uplift on 21/22 (£290k) which was a particularly challenging year as legacies as a source of income did not perform well. Income received from the generosity of supporters who bequeath a gift to the charity in their Will is unpredictable. The anticipated income target for this income stream is guided by a five-year rolling average and the notifications received.

Royal Papworth Charity has continued its membership to 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 through our 'Will you?' campaign.



This year the Charity launched a new partnership with specialist will-writers, Guardian Angel, who are offering a free service for our supporters. There is no obligation for supporters to leave a gift to Royal Papworth Hospital if they use the service, but if they do, the Charity are notified which helps us to plan for the future.

10. Financial Review (continued)

Ray's gift to the future

Ray Clark was given a second chance at life thanks to a heart transplant at Royal Papworth. Living on what he called "borrowed time" for over 22 years, he was able to see his children grow up and to enjoy a wonderful 14 years with his wife Jane.

In recognition of this, Ray chose to leave a gift in his Will to support the Transplant Department at Royal Papworth.

Ray's wife Jane, explains:

"Ray was a wonderful man. When we got engaged, we decided to get married on the anniversary of his heart transplant, as without that, 22 years ago, we would have never met."

At our wedding, we asked our guests to give donations to Royal Papworth as alternative to gifts – another lovely way to support the hospital that had done so much for Ray. He was forever grateful for the organ donor and the second chance at life he had, as well as the expertise, care and compassion every person that worked at Papworth gave him."

I know that leaving a gift in his will is going to make a real difference for transplant patients at Royal Papworth. He would be so proud to see the impact of his gift, helping people who are going through similar situations. Putting a gift in your will to remember Royal Papworth is a great way to transform care for future generations."

Ray's daughter Laura, who ran a half marathon in memory of her dad, said:

"Without the amazing work of the doctors 22 years ago I would have spent all my childhood without a dad. They gave him a second chance at life and continue to do so for many others. We are so grateful."





Community Income

The outpouring of support Royal Papworth Charity receives from individuals, businesses and our local community groups ensures we can continue supporting the transformational work of Royal Papworth Hospital. Their determination to always go above and beyond in the support that they provide is felt across the Hospital.

With many new and returning fundraising events and challenges our supporters always join in with enthusiasm. This year five runners tackled the iconic TCS London Marathon in central London, four brilliant fundraisers took part in the TTP Cambridge Half Marathon, and 17 brave people faced the daunting 13,000ft skydive challenge at Sibson Airfield. The dedication of our supporters truly makes an incredible impact and inspires us all.

This year was our second annual Charity Golf Day where we were joined by 19 teams made up of staff, patients, supporters, and local businesses at the Cambridgeshire Golf Course, Bar Hill. The event raised over £15,000 for Royal Papworth Hospital and to support projects which enable the hospital to remain at the forefront of heart and lung medicine, both nationally and globally.

The Charity continues to experience an increase in donations made in memory. We are incredibly grateful to individuals that decide to dedicate their fundraising in-memory of a loved one to Royal Papworth Charity during an unbelievably difficult time. Offering a unique opportunity to create a lasting tribute in Royal Papworth Hospital, our Giving Tree has almost 30 brass maple leaves placed in memory and in celebration of loved ones. Donations of over £10,000 from funds raised by this sculpture will give hope to future cardiothoracic patients, by supporting the ground-breaking work of the Hospital.

Every donation to the Charity makes a difference and whether it is through hosting an event, taking on a challenge, or remembering a loved one, each supporter is making it possible to fund a vital project in the Hospital.

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

Amelia

In gratitude for the care she received following an unexpected and prolonged stay in hospital, Amelia organised a raffle to raise £500. It was such a huge success that Amelia more than doubled her target. Incredible Amelia!

£1,164



Kennington Amateur Dramatic Society (KADS)

KADS raised funds from bucket collections at performances of Rapunzel, which was co-directed by our long-time supporter, Dan. Royal Papworth is a cause close to KADS, as Dan received a double lung transplant here allowing him to do many things that he thought may not have been possible.

£3,483



Zak

Chatterbox Zak, from the pharmacy at Royal Papworth, challenged herself to stay quiet for one whole day. Finding different ways to communicate and with a huge amount of support from her colleagues, Zak kept quiet for the whole working day!

£335



In memory

Julia

Julia hosted an event at home in memory of her brother, John. She set up a mobile bar and burger van in the garden, bringing family and friends together to celebrate John's life.

£1,000



Tom, Joe, and Lucy

Siblings Tom, Joe, and Lucy cycled 25 miles, with their parents, in memory of their uncle, Andy. They cycled from Warrington to Anfield football stadium, one of Andy's favourite places, and raised money for heart and lung research.

£719



12. Our Future Plans

22/23 was the first year of our 22-27 Charity Strategy and the primary objective was to imbed the five new priority statements across the charity to underpin the planned growth and development required to achieve our vision in the next five years.

Royal Papworth Charity vision 2022-2027

To support Royal Papworth Hospital NHS Foundation Trust as the UK's leading centre of excellence for the treatment and diagnosis of cardiothoracic diseases, to bring tomorrow's treatments to today's patients.

Royal Papworth Charity's vision prioritises the need for funding today to realise the potential of tomorrow for the benefit of Royal Papworth's patients now and in the future.

Our strategy sets out core strategic goals for the period 2022 – 2027, whilst providing a framework that is backed up with a sustainable reserves policy, effective fundraising strategy, impactful grant giving policy and a rigorous governance programme.

This will help us build on our strengths, address our challenges and realise the potential of Royal Papworth Charity and Hospital together.

The strategy provides a framework for decisions and a context within which all of our activities and planning can be set. It is based upon a review of our previous strategy, the changing fundraising landscape, the unpredictable needs of the Hospital, and the opportunities offered by building on the successes of the last five years.

The Charity achieved their ambitious fundraising targets for the year and are on a positive trajectory to achieve the income targets for the years ahead. The fulfilment of this strategy will see grant giving expenditure allocated to the Hospital more than double by 2026/27 from £2.4M 'today' to £5.7M 'tomorrow' as this would allow the Charity to effectively support the Hospital to deliver the aims of their strategy. To achieve this growth there will be an increase in the grant values and number annually building on the successful investment of smaller grants this year.



12. Our Future Plans (continued)

The strategic areas of grant giving activity prioritise projects which will offer the best value of support, in the areas of most urgent need, which afford the Charity an opportunity to effectively fundraise.



Developing tomorrow's medicine today



To continue to develop Royal Papworth as a centre for research and development the Charity will deliver its funding strategy today to support the vital research required to accelerate the discovery of medical advances tomorrow which will save more lives.

Following on from the £5M in funding from the Charity to build the HLRI, we will aim to invest a further £3M over the next five years to support the resource requirements of the Clinical Research Facility within the Institute. This will provide a bridge for a programme of translational science to advance patient care with clinical studies today. The dependency on this funding will decrease over 5 years as the clinical studies will generate revenue over time to accommodate the long-term cost of the Clinical Research Facility and by the end of the 5-year period, further capital and infrastructure investment should not be required by the Charity.

To foster a research environment that encourages all staff groups to participate in and lead research activities the Charity will implement the Vision for Research Fund and distribute £2M in funding by 2027 to novel projects that require seed funding. This will aid the development of a pipeline of research studies from all staff groups.

Strategy in action:

- Clinical Research Facility £3M
- Vision for Research Fund £2M



Educating tomorrow's workforce today



Royal Papworth Charity will ensure that the Hospital can recruit, retain and develop the highest quality workforce to deliver world leading care for our patients. Funding the education and development of the future generation of staff today will guarantee both clinical and non-clinical excellence is delivered at Royal Papworth. The Charity will provide £4M in funding over the five years to establish a multidisciplinary focused educational provision via the Royal Papworth School within the Heart and Lung Research Institute.

Royal Papworth School will create a focus for all training and education activities and enable the Hospital to 'grow its own' staff. The funding will help to implement a Fellowship Programme for all staff as they play an essential role in developing new ideas, technologies and new procedures that not only improve learning and core skills but benefit patients at the same time. The education grants will also look to support initiatives which enable staff to fulfil their potential.

Strategy in action:

- Royal Papworth School £2M
- Fellowship Programme £2M



Investing in tomorrow's innovation



As a leading international cardiothoracic centre of excellence which values and actively supports new ideas and innovations, Royal Papworth aims to continually develop new ways of treating cardiothoracic diseases.

The Charity will implement an Innovation Fund and provide £2M in funding by 2027 to support innovative projects, to pump-prime new ideas and support development. This will nurture the expertise and creativity of all staff across the Hospital in a structured way for the benefit of patients. The funding will also provide support for innovators in the commercialisation of ideas and inventions which will support the Hospital's financial sustainability programme by opening up further income generation streams through the creation and development of exciting new Intellectual Property.

Moving to a new hospital building has provided the best possible work environment to excel with medical procedures and develop the latest techniques. State-of-the-art medical equipment is at the centre of all activity at Royal Papworth. The Charity will offer a further £2M in funding by 2027 to invest in innovative and cutting-edge medical equipment to match our clinical expertise and ensure compatibility with our hospital infrastructure.

Strategy in action:

- Innovation Fund £2M
- Cutting Edge Equipment £2M



Addressing the needs of the Hospital today



On-going welfare within a high-quality environment has significant benefits to patients' clinical outcomes. The Charity will provide £1.5M in funding by 2027 to support patient welfare schemes that ensure the Hospital can offer a holistic approach to care by providing additional amenities, equipment and services that have a positive bearing on patient care.

Funding low value, high impact grants to address the needs of individuals in the Hospital today will ensure the delivery of an exceptional patient experience and help the Hospital to achieve excellence every day.

The Charity will also distribute £1.5M to support staff welfare initiatives which will enable staff to fulfil their potential by providing a working environment where they can feel valued for what they bring to the Hospital, supported with their personal needs, achieve a work life balance, and feel engaged in their work.

Strategy in action:

- Patient Welfare Grants £1.5M
- Staff Welfare Grants £1.5M

12. Our Future Plans (continued)



Prioritising today's patients for tomorrow's healthcare system



We know that Royal Papworth delivers world-leading outcomes and provides excellent patient care. To build upon that service and enhance the experience of all Hospital patients, the Charity will provide funding to implement a suite of additional patient services and alleviate the challenges patients face with accessing healthcare services.

The Charity will provide £4M in funding by 2027 to address healthcare inequalities, develop community initiatives, grow bereavement and liaison services, and improve the Hospital environment to implement a comprehensive model of care for our patients.

These grants will drive a way of working that encourages a constant cycle of improvement, learning and will ensure that equality, diversity and inclusivity are considered in all aspects of patient care. We will bring specialist care closer to patients' homes and will better support the individual needs of patients on their healthcare journey.

Strategy in action:

- Health Inequalities £1M
- Community Initiatives £1.2M
- Bereavement and Liaison Services £1M
- Environment and Sustainability Services £800k



13. 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.

Material Designated Funds

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 £597k commitments approved in 2022/23 (£1,786k – 2021/22) of which £275k related to restricted funds (£Nil – 2021/22), £298k related to undesignated funds (£1,200k – 2021/22) and £24k related to designated funds (£587k – 2021/22). A further £472k was approved for the Charity budget (£454k – 2021/22).

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.

14. About our investments

14.1 **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.

14.2 **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.

15. 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.

16. 22/23 Members of the Trustee Board (Agents of the Corporate Trustee)

16.1

Name	Title
John Wallwork	Chairman
Eilish Midlane	Chief Executive Officer (from 01/09/2022)
Tim Glenn	Deputy Chief Executive and Chief Finance and Commercial Officer
Ian Smith	Medical Director (from 18/04/2022)
Alex Baldwin	Interim Chief Operating Officer (from 12/09/2022)
Oonagh Monkhouse	Director of Workforce and OD
Maura Screaton	Chief Nurse
Jag Ahluwalia	Non-Executive Director
Michael Blastland	Non-Executive Director
Cynthia Conquest	Non-Executive Director
Gavin Robert	Non-Executive Director
Ian Wilkinson	Non-Executive Director
Amanda Fadero	Non-Executive Director

16.2 Members of Corporate Trustees who left during 2022/23

Name	Title
Stephen Posey	Chief Executive Officer (until 02/09/2022)
Eilish Midlane	Chief Operating Officer (until 31/08/2022)
Roger Hall	Medical Director (until 15/04/2022)
Alex Baldwin	Interim Chief Operating Officer (until 31/03/2023)

16.3 Members of the Corporate Trustee:

Professor John Wallwork CBE, Chairman.

Professor Wallwork was appointed as Chairman in February 2014. He returned to Royal Papworth Hospital as Chairman after spending 30 years at the forefront of transplant surgery and research at the Trust. Professor Wallwork is Emeritus Professor of Cardiothoracic Surgery. He was a consultant based at Papworth Hospital in Cambridge until his retirement in July 2011.

Stephen Posey, Chief Executive Officer (until 02/09/2022)

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.

Eilish Midlane, Chief Operating Officer until 31/08/2022)

Chief Executive Officer (from 01/09/2022)

Eilish Midlane became Chief Executive Officer at Royal Papworth Hospital in September 2022, having previously been Chief Operating Officer for five years. Before joining Royal Papworth in 2017, Eilish was the Divisional Director of Clinical Support Services at East and North Hertfordshire NHS Trust. Prior to that, she trained and practiced as a biomedical scientist (a sub-group of healthcare scientists) for many years before moving from pathology to general hospital management in 2008.

She holds a wealth of experience spanning strategy, operational leadership and delivery and hospital and clinical services reconfiguration. Eilish brings with her considerable expertise in patient safety, clinical governance and service improvement planning.

Tim Glenn, Deputy Chief Executive and 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 (until 15/04/2022)

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.

Dr Ian Smith, Medical Director (from 18/04/2022)

Ian is the Medical Director of Royal Papworth Hospital. He has particular responsibility for the research direction of the hospital. He has led on the delivery of the Heart and Lung Research Institute a major collaboration with the University of Cambridge and oversaw the establishment of the Papworth Clinical Trials Unit.

Alex Baldwin, Interim Chief Operating Officer (from 12/09/2022 to 31/03/2023)

Alex Baldwin joined Royal Papworth Hospital as interim Chief Operating Officer in September 2022. Alex is deputy Chief Operating Officer at West Suffolk NHS Foundation Trust.

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.

Maura Secreaton, Chief Nurse

Maura was appointed Chief Nurse at Royal Papworth Hospital NHS Foundation Trust in August 2021. She was previously Deputy Chief Nurse at Cambridge University Hospitals NHS Foundation Trust.

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 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 specialty 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.

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.

16.4 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 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).

17. Reference and administrative details

Our Advisors

Bankers

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

Legal Advisers

Withers LLP - 20 Old Bailey, London EC4M 7AN

External Auditors

KPMG LLP – 20 Station Road, Cambridge CB1 2JD

Investment Managers

Cazenove Capital – 1 London Wall Place, London Wall,
Barbican, London EC2Y 5AU

Internal Auditors

BDO LLP, 55 Baker Street, London W1U 7EU

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 (2022/23: 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.

18. 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 to participate in conferences and seminars which offer support and education for our staff.

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 representative bodies in the charity 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 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. This includes mandatory safeguarding training for all staff and volunteers.

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. The Royal Papworth Lottery is provided by Unity and is promoted in accordance with the Gambling Act 2005. In line with current rules, players must be a minimum of 18 years of age to participate.

Royal Papworth Charity has increased its presence in the community providing an exciting calendar of events for supporters and fundraisers to get involved in. All events are held in line with the relevant guidance and best practice fundraising to keep our supporters safe.

19. 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



20. Related Parties

During the financial year 2022/23, 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 charity has 33 volunteers who provide their time and support to help us raise money and make a difference. The team are working with the hospital's Patient Liaison Service to rebuild the programme of volunteers which was impacted negatively due to COVID-19. This year volunteers supported in a wide range of activities including events, administrative support and community activities.
- **Fundraisers** – Many supporters of Royal Papworth Charity dedicate their free time to raise money in aid of the Charity through challenge events, bake sales and duck races. 2022/23 saw the return of an exciting calendar of events and activities for our supporters to get involved with. Together, we are making a real difference. Thank you.

20. Thank you!

Only together can we continue to fund the delivery of transformational heart and lung medicine at Royal Papworth Hospital.

Your support is greatly appreciated by everyone at Royal Papworth Hospital and will enable us to move forwards as a globally renowned centre of excellence, delivering the best possible care and treatment for our patients.

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



Professor John Wallwork CBE
Chairman

On behalf of the Trustee Board
Royal Papworth NHS Foundation Trust

Date: 08th December 2023



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

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



Registered Charity No: 1049224 (England & Wales)

NATIONAL HEALTH SERVICE

ROYAL PAPWORTH HOSPITAL CHARITY

ANNUAL FINANCIAL STATEMENTS 2022/23

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 (as amended by the Charities Act 2022), 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 1 January 2019.

STATUTORY BACKGROUND

Royal Papworth Hospital Charity 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 2023 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 of 31 March 2023 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.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual cash journals;
- 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 noncompliance throughout the audit.

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

The Charity is subject to laws and regulations that directly affect the financial statements, including the Charities SORP and financial reporting legislation. We assessed the extent of

compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

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 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 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 35, 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 corporate 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

Emma Larcombe for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

20 Station Road,
Cambridge,
CB1 2JD

Date: ...11 December 2023.....

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

Statement of Financial Activities for the year ended 31 March 2023

		Unrestricted funds	Restricted funds	Total funds 2022/23	Total funds 2021/22
		£000	£000	£000	£000
	Note				
Income from:					
Donations and legacies	2.1	1,981	384	2,365	1,224
Charitable activities	2.4	26	10	36	14
Other trading activities	2.3	30	-	30	35
Investments	2.2	135	107	242	228
Total		<u>2,172</u>	<u>501</u>	<u>2,673</u>	<u>1,501</u>
Expenditure on:					
Charitable activities	3.1	(697)	(473)	(1,170)	(2,253)
Raising funds	3.2	<u>(254)</u>	<u>(6)</u>	<u>(260)</u>	<u>(67)</u>
Total		<u>(951)</u>	<u>(479)</u>	<u>(1,430)</u>	<u>(2,320)</u>
Net (loss)/gains on investments		<u>(193)</u>	<u>(180)</u>	<u>(373)</u>	311
Net income/(expenditure)		1,028	(158)	870	(508)
Other recognised gains/(losses):					
(Loss) on sale of tangible fixed asset		-	-	-	(3)
Net movement in funds	4	<u>1,028</u>	<u>(158)</u>	<u>870</u>	<u>(511)</u>
Reconciliation of funds:					
Total funds brought forward	10	3,756	1,357	5,113	5,624
Funding reallocation		<u>(597)</u>	<u>597</u>	-	-
Total funds carried forward	10	<u>4,187</u>	<u>1,796</u>	<u>5,983</u>	<u>5,113</u>

The notes on pages 50 to 64 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.

The reallocation of funds between unrestricted and restricted relates to 2 charitable funds (see note 10.1).

Balance Sheet as at 31 March 2023

		Unrestricted Funds	Restricted Funds	Total at 31 March 2023 £000	Total at 31 March 2022 £000
	Note	£000	£000	£000	£000
Fixed assets:					
Investments	5	3,315	2,303	5,618	5,991
Total fixed assets		3,315	2,303	5,618	5,991
Current assets:					
Stocks		33	-	33	41
Debtors and accrued income	6	993	94	1,087	525
Cash and cash equivalents	7	1,134	787	1,921	999
Total current assets		2,160	881	3,041	1,565
Current liabilities					
Creditors	8	(521)	(196)	(717)	(297)
Provision for liabilities	9	(767)	(692)	(1,459)	(1,893)
Net current assets/(liabilities)		872	(7)	865	(625)
Total assets less current liabilities		4,187	2,296	6,483	5,366
Non-current liabilities					
Provision for liabilities	9	-	(500)	(500)	(253)
Net assets		4,187	1,796	5,983	5,113
The funds of the charity:					
Restricted income funds	10.1		1,796	1,796	1,357
Unrestricted funds	10.3	4,187	-	4,187	3,756
Total charity funds		4,187	1,796	5,983	5,113

The financial statements on pages 47 to 64 were approved by the Trustee Board on behalf of the Corporate Trustee and signed on its behalf by:

Signed:



Name: Sophie Harrison

Position: Interim Chief Finance Officer

Date: 8th December 2023

Statement of Cash Flows for the year ended 31 March 2023

		Total Funds at 31 March 2023 £000	Total Funds at 31 March 2022 £000
	Note		
Cash flows from operating activities:			
Net cash used in operating activities	13	680	(1,786)
Cash flows from investing activities:			
Dividends, interest and rents from investments		238	228
Loss from sale of fixed assets		-	(3)
Purchase of investments		-	(1)
Interest received - bank account		4	-
Net cash provided by investing activities		242	224
Change in cash and cash equivalents in the year		922	(1,562)
Cash and cash equivalents brought forward		999	2,561
Cash and cash equivalents carried forward	7	1,921	999

The notes on pages 50 to 64 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 consider that there are no material uncertainties about the Charity's ability to continue as a going concern and 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 £5,893k at the end of 2022/23 financial year (2021/22 £5,113k).
- The Charity reported a closing cash position of £1,921k for the 2022/23 financial year (2021/22 £999k).

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 equity held are apportioned to each fund based upon the average yearly balance of each 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 to deliver an activity. These include staff costs, costs of administration, software costs and external audit costs. Support costs have been apportioned between costs of raising funds and charitable activities. 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 3.4.

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 10. 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.

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. 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 Stock

Stock is 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 based on 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	2022/23 Total Funds £000	2021/22 Total Funds £000
Legacies	1,292	274	1,566	586
Donations	689	110	799	638
	1,981	384	2,365	1,224

2.2 Details of investment income

	Unrestricted Funds £000	Restricted Funds £000	2022/23 Total Funds £000	2021/22 Total Funds £000
Investments in listed equities	135	107	242	228
	135	107	242	228

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	2022/23 Total Funds £000	2021/22 Total Funds £000
Merchandise and shop	30	-	30	35
	30	-	30	35

2.4 Analysis of income from charitable activities

	Unrestricted Funds £000	Restricted Funds £000	2022/23 Total Funds £000	2021/22 Total Funds £000
Charitable events income	26	10	36	14

Income has significantly increased compared to last year due to fundraising events that have taken place.

3. Expenditure

3.1 Analysis of Charitable activities

	Grant funded activity £000	Support and governance costs £000	2022/23 Total £000	2021/22 Total £000
Patients' welfare and amenities	111	69	180	(16)
Staff welfare and amenities	241	177	418	1,037
Research	334	238	572	1,232
	686	484	1,170	2,253

The Research expenditure relates mainly to commitments for ongoing and new research projects.

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	2022/23 Total funds £000	2021/22 Total funds £000
Gift shop expenditure	-	-	-	6
Investment management	7	3	10	11
Fundraising events	150	-	150	40
Support costs	97	3	100	10
	254	6	260	67

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	2022/23 Total Funds £000	2021/22 Total Funds £000
Audit fee	3	13	16	12
Seconded staff costs	58	278	336	275
Publications and literature	1	7	8	7
Other	38	186	224	50
	100	484	584	344

The expenditure on seconded staff reflects the actual cost incurred in year, as the commitment for this expenditure was approved early 2021/22.

	Unrestricted funds £000	Restricted funds £000	2022/23 Total funds £000	2021/22 Total funds £000
Raising funds	97	3	100	10
Charitable activities	267	217	484	334
	364	220	584	344

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 2020. The audit fee for the statutory audit is £13,600 (2021/22: £12,000), excluding VAT.

3.4 Staff costs and employee benefits

	2022/23	2021/22
	£000	£000
Salaries and wages	201	159
Social security costs	20	14
Employers pension contributions	<u>22</u>	<u>16</u>
	<u>243</u>	<u>189</u>

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 2022/23 is 7 (2021/22: 6). These staff members belong to the NHS Pension Scheme which is an unfunded defined benefit scheme which is accounted for as a defined contribution scheme. The recharge from Royal Papworth Hospital NHS Foundation Trust includes the employee contributions to the scheme. For more information on the NHS Pension Scheme refer to the Royal Papworth Hospital NHS Foundation Trust annual report and accounts.

No employee was paid more than £60,000 during the year (2021/22: 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 (2021/22: Nil).

4. Change in Resources available for Charity use

	Unrestricted Funds £000	Restricted Funds £000	2022/23 Total Funds £000
Net movement in funds available for future activities	<u>1,028</u>	<u>(158)</u>	<u>870</u>
	Unrestricted Funds £000	Restricted Funds £000	2021/22 Total Funds £000
Net movement in funds available for future activities	<u>(692)</u>	<u>181</u>	<u>(511)</u>

5. Analysis of Fixed Asset Investments

5.1 Fixed Asset Investments

	Total 2022/23 £000	Total 2021/22 £000
Investment Management		
Market value at 1 April	5,991	5,679
Add: Additions of shares	-	1
Net (loss)/gain on revaluation	<u>(373)</u>	<u>311</u>
Market value at 31 March	<u>5,618</u>	<u>5,991</u>
Cash held with Investment Management at 31 March	<u>-</u>	<u>-</u>
Fixed Asset Investments	<u>5,618</u>	<u>5,991</u>
Historic cost at 31 March	<u>5,195</u>	<u>5,195</u>

The valuation of the investments is at 31 March 2023 and may not be realised at the date the investments are disposed of. The investments are subject to market risk and changes in the global economic markets which has driven the valuation of investments down during 2022/23.

The historic cost represents the value of shares after purchases and sales at 31 March 2022 before the shares are revalued.

The Charity has shares in SUTL, Cazenove Charity Responsible, Multi-Asset Fund, Units-S-GBP Distribution, BF78454. At 31 March 2023, 10,525,129.6 shares were held in this fund, with a market value at 31 March 2023 of £5,618,314.16 (31 March 2022 - £5,990,903.75).

5.2 Market value

	31 March 2023 £000	31 March 2022 £000
Investment listed on a recognised stock exchange held		
Within the UK	5,618	5,991
Outside the UK	<u>-</u>	<u>-</u>
	<u>5,618</u>	<u>5,991</u>

6. Analysis of Debtors

	31 March 2023 £000	31 March 2022 £000
Amounts falling due within one year:		
Accrued Income	1,087	523
Other debtors	-	2
	<u>1,087</u>	<u>525</u>

7. Cash and cash equivalents

	2023 £000	2022 £000
Cash in hand	<u>1,921</u>	<u>999</u>
Total cash at bank and in hand	<u>1,921</u>	<u>999</u>

8. Analysis of Creditors

	31 March 2023 £000	31 March 2022 £000
Amounts falling due within one year:		
Amounts owed to Royal Papworth Hospital NHS Foundation Trust	380	97
Other creditors	<u>337</u>	<u>200</u>
	<u>717</u>	<u>297</u>

9. Analysis of provision for liabilities

	Provision for Research £000	Other Provisions £000	Total £000
At 1 April 2022	1,252	894	2,146
Arising during the year	333	736	1,069
Utilised during the year	(211)	(873)	(1,084)
Reallocation	(53)	53	-
Unused amounts reversed during the year	(8)	(164)	(172)
At 31 March 2023	1,313	646	1,959
Expected timing of cash flow:			
- not later than one year	813	646	1,459
- later than one year and not later than five	500		500

The reallocation relates to the transfer of a commitment balance from the Euroscore project to a project on medical device consultancy.

The balance of the provision relating to research relates to the HLRI project, the Euroscore iii project, and a further 3 smaller projects.

	Provision for Research £000	Other Provisions £000	Total £000
At 1 April 2021	1,743	738	2,481
Arising during the year	1,033	1,207	2,240
Utilised during the year	(1,524)	(767)	(2,291)
Unused amounts reversed during the year	-	(284)	(284)
At 31 March 2022	1,252	894	2,146
Expected timing of cash flow:			
- not later than one year	1,252	641	1,893
- later than one year and not later than five	-	253	253

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 those 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.

10. Analysis of funds

10.1 Analysis of funds – Restricted funds

	Balance 1 April 2022 £000	Incoming Resources £000	Resources Expended £000	Notional Revaluation of Investments £000	Balance 31 March 2023 £000
Material funds (list individually)					
A Cardiac Care Fund	210	43	(71)	(3)	179
B DCD Transplantation Fund	369	18	(40)	(16)	331
C Royal Papworth Hospital Transplant Fund	406	22	(117)	(20)	291
D Lung Defence Fund	142	7	(18)	(4)	127
E Pulmonary Hypertension Fund	50	2	(5)	(2)	45
F The Greg Mustill Memorial Fund	42	5	(4)	(2)	41
G COVID-19 Support Fund	107	17	(107)	(7)	10
H Vision For Research Fund	12	75	(2)	-	85
I HLRI Project	593	268	(109)	(125)	627
Others 8 (2021/22: 4)	23	44	(6)	(1)	60
Total	1,954	501	(479)	(180)	1,796

The HLRI project fund has been reallocated during 2022/23 from a designated unrestricted fund to a restricted fund due to the nature of the income received. The balance reallocated as at 1 April 2022 was £593k. With the completion of the HLRI building construction, the purpose of the HLRI fund is focused on supporting future research within the building. All donations for this purpose are directed into the HLRI Fund.

The Interstitial Lung disease fund included in 'Other' was reallocated during 2022/23 from designated unrestricted fund to a restricted fund due to the nature of the income received. The balance reallocated as at 1 April 2022 was £4k.

10.2 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.
H Vision For Research Fund	For the benefit of all research activities at Royal Papworth Hospital relating to the prevention, treatment and cure of cardiothoracic illness and diseases.
I HLRI Project	For supporting future research within the HLRI

10.3 Unrestricted funds

Unrestricted funds amounting to £4,187k (2021/22: £3,756k) consist of 2 (2021/22: 2) general funds totalling £2,879k (2021/22: £1,800k) and 31 (2021/22: 33) designated funds totalling £1,308k (2021/22: £1,956k).

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.

In the year fund for the HLRI project and Interstitial Lung Disease were reallocated from a designated unrestricted fund to restricted fund due to the nature of the income received.

10.4 Analysis of unrestricted funds

	31 March 2023 £000	31 March 2022 £000
Material undesignated funds		
General	2,819	1,742
Merchandise & Shop	60	58
	2,879	1,800

10.5 Analysis of unrestricted designated funds

Material designated funds	Description of the nature and purpose of each fund	31 March 2023	31 March 2022
		£000	£000
Transplant General	For the benefit of staff and patients of the transplant unit	96	52
Theatres, Critical Care and Anaesthetics	For the benefit of TCCA Services at Royal Papworth Hospital	103	34
Cardiac Services Fund	For the benefit of all Cardiac Services at Royal Papworth Hospital	308	331
Electrophysiology Fund	For the benefit of Electrophysiology Services at Royal Papworth Hospital	146	86
Hospital Equipment Fund	Funding for cutting-edge equipment for the Hospital	270	284
Staff Education Fund	Funding to support the development and educational requirements of staff	71	87
Hospital Environment and Arts-health Fund	Funding for enhancing the hospital environment and wards at Royal Papworth Hospital	42	64
Radiology General	For the benefit of the Radiology Service at Royal Papworth Hospital for all reasonable activities including research, medical equipment, hospital environment and patient and staff welfare.	32	36
HLRI Project	For capital contributions to the Heart and Lung Research Institute (2021/22)	-	593
Others (March 2023: 23, March 2022: 28)		240	389
Total		1,308	1,956

The funds for HLRI project and Interstitial Lung Disease (in 'Other' in the table) have been reallocated during the year from an unrestricted to a restricted fund due to the nature of donations now being received.

11. Contingencies and commitments

There are no capital commitments in 2022/23 (2021/22: £nil).

There are no contingent liabilities in 2022/23 (2021/22: £nil).

12. Related Party Transactions

The Royal Papworth Hospital Charity has made revenue and capital payments to the Royal Papworth Hospital NHS Foundation Trust during 2022/23.

The amount paid was £905k (2021/22: £2,654k) and there was a creditor at the end of the year of £380k (2021/22: £97k).

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.

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

	2023 £000	2022 £000
Net movement in funds	870	(511)
Adjustments for:		
Loss/(gains) on investments	373	(311)
Loss on sale of fixed assets	-	3
Dividends and interest received from investments	(238)	(228)
Interest received - bank account	(4)	-
(Increase)/decrease in stocks	8	(7)
(Increase)/decrease in debtors	(562)	(301)
Increase/(decrease) in creditors	420	(96)
Increase/(decrease) in provisions	(187)	(335)
Net cash provided by/(used in) operating activities	680	(1,786)
Cash flows from investing activities:		
Dividends and interest from investments	238	228
Interest received - bank account	4	-
Decrease in investments - cash held	-	(1)
Proceeds from sale of investments	-	(3)
Net cash provided by investing activities	242	224

14. Post Balance Sheet Event

There are no post balance sheet events to report.