

THE KING'S FUND

England & Wales · Charity number 1126980

Details

Status Registered

Legal form Other

Company number [RC000826](#)

Registered 2008-11-27

Register [View on the Charity Commission register](#)

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Activities

Objects: THE PROMOTION OF HEALTH AND THE ALLEVIATION OF SICKNESS FOR THE BENEFIT OF THE PUBLIC, BY WORKING WITH AND FOR HEALTHCARE ORGANISATIONS, PROVIDED THAT SUCH WORK WILL CONFER BENEFIT, WHETHER DIRECTLY OF INDIRECTLY, UPON HEALTHCARE IN LONDON.

Activities: The King's Fund is an independent charity working to improve health and health care in England. We help to shape policy and practice through research and analysis; develop individuals, teams and organisations; promote understanding of the health and social care system; and bring people together to learn, share knowledge and debate. Our vision is that the best possible care is available to all.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** LONDON
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£13,762,000	£19,933,000	£225,385,000	150
2023-12-31	£14,567,000	£19,470,000	£217,273,000	152
2022-12-31	£13,300,000	£17,806,000	£212,533,000	145
2021-12-31	£11,379,000	£15,743,000	£229,526,000	141
2020-12-31	£8,287,000	£14,263,000	£206,575,000	143

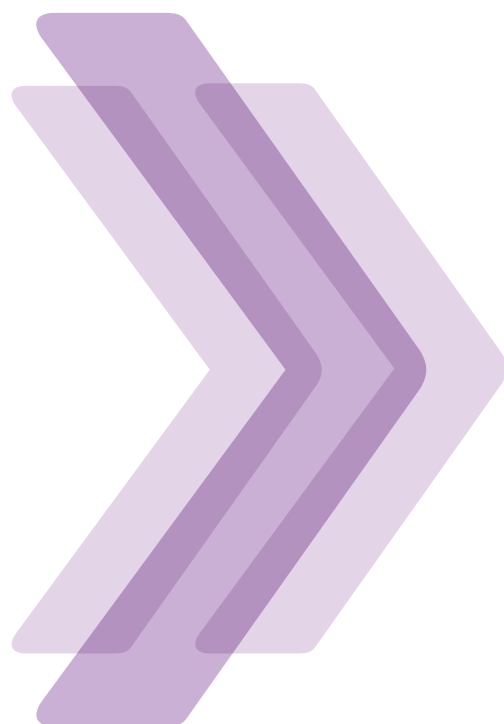
Trustees

Name	Role	Appointed
Rt Hon Professor Lord Ajay Kumar Kakkar	Chair	2020-01-01
Alan Brown		2021-12-08
Dr Anna Lisa Jenkins		2021-12-08
Dr Dominic King		2025-01-01
Dr Stephanie Kuku		2021-12-08
Professor Kamila Hawthorne		2022-02-23
Professor Kay Elizabeth Davies		2025-12-10
Professor Mark Britnell		2020-04-28
Professor Yvonne Doyle		2025-01-01
Richard Clark		2021-12-08

Accounts

Trustees' annual report and accounts

**For the year ended
31 December 2024**



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Message from the Chair and the Chief Executive

In 2024, The King's Fund remained at the forefront of health and care in the United Kingdom, continuing to champion healthier places and communities, support people and leaders in the sector, work to tackle health inequalities and provide sharp and timely analysis to shape and inform national debate.

The King's Fund played an important role during the 2024 UK general election, providing impartial analysis and insight into health and care policies. Our work on the election was the culmination of several years developing policy solutions and using those to inform the thinking of the major English political parties.

Throughout the campaign period, the organisation engaged with political parties, offering trusted feedback on their proposals while maintaining a neutral stance. We produced rapid analysis of party pledges, worked with partners in the media to shape debate, hosted a high-profile stakeholder event featuring leading figures from across the political spectrum, and delivered a six-part podcast series on election issues, providing informed commentary to enhance public and political understanding of health care challenges.

Following the election, The King's Fund worked closely with the new government and parliament, building relationships with incoming parliamentarians and influencing the development of health policies. Key activities included briefing Members of Parliament (MPs) ahead of crucial debates and collaborating with the House of Commons Library to deliver a 'Health and Care Explained' event to improve parliamentary understanding of health and care issues.

In September, the government published the Darzi Review of the NHS, and we were pleased to welcome the Prime Minister, Sir Keir Starmer, to The King's Fund's annual conference to launch the report and deliver his first major speech on health and care since taking office. Since then, our work on health and care reform has ramped up, feeding into the government's forthcoming 10-year health plan.

Throughout the year, our Healthy places and communities programme sought to promote a more preventive, integrated approach to health and care, through strengthened partnerships between the National Health Service (NHS), local authorities and the voluntary sector. Notable achievements included our research examining the progress made over the previous decade in Greater Manchester towards becoming a preventive, population health-focused system.

Addressing health inequalities remained a central theme in our work throughout 2024. Our Tackling the worst health outcomes programme examined the intersection of poverty and health, producing research such as [People power: lessons from the health care response to the Grenfell Tower fire](#) and 'Tackling health inequalities: seven priorities for the NHS'. We continued to support systems and places such as Waltham Forest in their efforts to tackle health inequities and hosted high-profile events that spotlighted the lived experiences of those most affected.

Our work with leaders, exemplified by our leadership and workforce summit and the GSK IMPACT Awards, focused on supporting those who lead and shape the future of health and care. This included our development of the ShiftWorks programme, designed to connect and empower the health and care community.

The forthcoming year is set to be one of reform in the health and care sector. The expected 10 Year Health Plan, the establishment of a royal commission on adult social care and the implementation of the government's health 'mission' all have the potential to be seminal events for people's health and the services that support them.

The King's Fund will continue influencing the government's health mission, which emphasises prevention, technology and more community-based care. Our work to build healthy places and communities will include efforts to ensure the prevention of illness is given far greater priority, and we will deliver specific projects on enhancing the health of children and young people. Our Tackling the worst health outcomes programme will focus on addressing health inequalities, particularly for groups at higher risk, such as disabled people, people from ethnic minority backgrounds and those in deprived areas. Our efforts to support people and leaders in the sector will focus on fostering inclusive work environments, providing leadership support and expanding our digital leadership programmes.

Over the course of 2025, we will also develop a work programme to inform the commission on adult social care, deliver a series of work on patient communications and administration, and publish the latest editions of our high-profile annual research, such as the British Social Attitudes survey of satisfaction with the NHS and social care, and our popular 'Social care 360' analysis.

Not only will 2025 be a year of reform for the health and care sector, it will also be a year of change for The King's Fund. Alongside a busy agenda of proactive work and a fast-paced external environment, we are developing our new organisational strategy. 2025 will mark the end of our current strategic period, and as we look ahead to the next, we are developing exciting plans for how we marshal our resources for greatest effect, maximise our efforts for greatest impact for people and patients and develop the bold ideas that will drive better health.

Kakkar

Lord Kakkar
Chair

22/07/2025

SWoolnough

Sarah Woolnough
Chief Executive

23/07/2025

Objectives and activities

Our charitable objects, vision and values

The **objects** of The King's Fund, as set out in our Royal Charter, are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, on health care in London. 'Health care organisations' means all those organisations involved in the commissioning, monitoring or supply and provision of health care.

Our **vision** is that the best possible health and care is available to all. We aim to be a catalyst for change and to inspire improvements in health and care by:

- generating and sharing ideas and evidence
- offering rigorous analysis and independent challenge
- bringing people together to discuss, share and learn
- supporting and developing people, teams and organisations
- helping people to make sense of the health and care system.

Our **values** underpin the work we do.

**We are committed
to our purpose
and independence**



We will focus on making the greatest possible impact to achieve our vision of better health and care for all, always contributing from a position of independence.

**We act with
integrity**



We will be honest, bold and challenging, seeking diverse perspectives and experiences, engaging in constructive dialogue and calling out injustice.

**We are
collaborative
and inclusive**



We will ensure that everyone feels respected, valued and supported, recognising that we will achieve more by working together and collaborating with others.

**We are positive
and engaged**



We will celebrate success, value learning and promote positive cultures that support people to work at their best.

**We strive for
excellence**



We will strive to produce work of the highest quality, continuously learning to improve everything we do.

Our 2020-25 strategic priorities

Our work spans the breadth of health and care policy and practice, giving us a unique understanding of the strategic context for health and care now and in the future. Within this, we focus our resources where we believe we can maximise our impact. Our current strategy identifies three strategic priorities that form the basis of our work programmes:

- healthy places and communities
- tackling the worst health outcomes
- supporting people and leaders.

In addition to our three strategic priorities, our work on the foundations of health and care uses our knowledge of the health and care system and the relationships we hold to provide independent analysis, respond to key developments and make sense of the complex and changing health and care landscape.



Our impact

We are committed to evaluating and reporting on our impact. We use several levers to bring about change.

- We explain policy and make sense of the health and care system to support people working in and with the system.
- We shine a light on issues where change is needed through our research and analysis, prompting and informing policy change locally and nationally.
- We offer new thinking, sharing ideas and examples to inform and inspire the future of health and care.
- We work directly with people, teams and organisations to help them develop more effective ways of working and grow the leadership capabilities they need.
- We bring together people with different backgrounds, experiences and perspectives through our events, programmes and networks, using our building to provide safe and stimulating spaces where people can learn and build relationships.
- We advise, support and challenge local and national leaders, applying our thinking, knowledge and understanding to the issues they are facing.

In the next section, we outline our achievements during 2024 and how we have used these levers to deliver impact through our work.

Achievements and performance

Healthier places and communities

The King's Fund continues to be at the forefront of work on integrated care, population health and place-based working. The **Healthier places and communities programme** aims to bring about a more preventive and integrated approach to health and care through better partnership-working between the NHS, local authorities and the voluntary sector. The programme's strategic objectives for 2020–25 are:

- better partnership working and alignment between local authorities, the NHS and the voluntary sector
- national policies, accountability structures and funding flows that reinforce effective partnership working in local systems and places
- communities having more power to drive improvements in the health and care outcomes that matter most to them.

Supporting the successful implementation of integration reforms remained a major priority for the Healthy Places and Communities programme in 2024. We conducted several pieces of work to understand the development and impact of integrated care systems (ICSs) to date. This included research examining the **role that ICSs are playing in improving dementia diagnosis** and care, which used dementia as a test case to understand how ICSs are functioning in practice. We also published **Realising the potential of integrated care systems**, a research report taking stock of the progress that ICSs have made since they became statutory bodies in 2022. Based on the findings of these projects, our message to national leaders was that ICSs may not achieve their full potential unless more is done to create an environment conducive to their success.

The King's Fund has previously argued that **local place-based partnerships are the foundation of successful ICSs**. In 2024 we continued to draw attention to the need for effective partnership working at this level through an online event on **delivering effective place-based care**, and a related research project, which will be published in 2025. We also held our annual **integrated care summit**, which featured contributions from several high-profile ICS leaders as well as national figures.

The focus of the incoming government on prevention, digital technologies and care closer to home shaped our work in the second half of 2024. In August, we published a long read exploring the critical **role that digital technologies can play in enabling**

the shift to more community-based models of care, which forms a central plank of the new government's health mission. We argued that while the promise is clear, low levels of investment and siloed approaches currently limit digitally enabled care in the community.

In October we published a report examining the progress made over the previous decade in Greater Manchester towards becoming a preventive, population health focused system. The report shares the details of that journey, explores how Greater Manchester has approached improving population health and looks at both its successes and challenges.

As part of our work on the role of communities in health and care, we published a research report entitled *Commissioning community champions: lessons from a pandemic*. This examined how community champions have been commissioned, how they contributed to the Covid-19 pandemic response and the learning from this. It shared insights for those considering community champions models, in the context of other models and approaches to communities and health. We also held conferences on community-led approaches to health and wellbeing and on listening to people and communities.

Tackling the worst health outcomes

Some groups within the UK population have significantly poorer health outcomes and worse experiences of using health and care services than others. This is a longstanding injustice that the Covid-19 pandemic has underlined and it has deepened with the cost-of-living crisis.

The overarching purpose of the Tackling the worst health outcomes programme is to work with people with lived experience, communities and services to improve health and care for people with the worst health outcomes. The programme's objectives for this strategy period are as follows.

- The lived experiences of those with the worst health outcomes shape health and care policy and practice.
- There is widespread adoption of health and care policy and practices that improve the health and wellbeing of people with the worst health outcomes.
- There is better joint working between the health and care system and its partners to improve the health and wellbeing of people with the worst health outcomes.

In 2024 we published key research reports, thought pieces and sense-making resources in support of these objectives. These included outputs to support the NHS's role in tackling poverty, for example our long read entitled '[Illustrating the relationship between poverty and NHS services](#)', which the Joseph Rowntree Foundation commissioned. Our report [People power: lessons from the health care response to the Grenfell Tower fire](#), which received national coverage, was a key piece that sought to record people's experiences of the health care response to the Grenfell fire, giving a voice to the local community and setting out lessons on listening and engagement for health and care systems. The King's Fund continues to be a go-to place for sense-making about health inequalities and in 2024 we produced new content on health inequalities in our '[Health inequalities in a nutshell](#)' piece and in the inequalities section of our '[Mental health 360](#)' long read.

In the second half of 2024, our work to influence the new government included the publication of '[Tackling health inequalities: seven priorities for the NHS](#)'. This long read looked back across The King's Fund's work in this area (including more than 100 reports, events and podcasts) to put forward seven key areas, which we argue must be prioritised within the forthcoming 10-year plan to ensure the NHS can better tackle health inequalities in future.

Our work has also included supporting systems and places in their own work on health inequalities and tackling the worst health outcomes. At the end of 2023, we began a two-year work programme with the place-based partnership in Waltham Forest. The programme, which a cross-King's Fund team from our Leadership and Organisational Development Directorate and Policy Directorate is delivering, aims to support Waltham Forest in delivering on its ambition to work together for health equity.

The theme of tackling health inequalities and the worst health outcomes was prominent in our events programme in 2024. In May we ran a virtual conference – '[Tackling health inequalities: the need for urgent action](#)' – which had one of the highest number of online registrants throughout the year. And our [annual conference](#) in September included several sessions focused on health inequalities, with the opening session centring on lived experience, a long-standing priority for the Tackling the worst health outcomes programme. This was the conference's highest-rated session, with delegate feedback highlighting how much they valued the focus on lived experience in particular.

[Healthy Communities Together](#), our partnership with The National Lottery Community Fund (TNLCF), aims to test ways of building partnership working between local statutory and voluntary, community and social enterprise organisations to improve the health and wellbeing of local communities. In 2024, the final full year of the programme, we developed a series of outputs sharing insights from the five sites involved, and from our own experience of developing and delivering a programme to support partnership and learning. These are due to be published in 2025.

Supporting people and leaders

In 2024 we continued to deliver impact on our work with leaders through our open programmes and bespoke leadership and organisational development commissions, despite challenges that industrial action and NHS operational pressures posed.

Our leadership and workforce summit in March focused on the future of work, attracting 233 delegates and 38 speakers, which included a workshop on building anti-racist organisations.

The 2024 GSK IMPACT Awards recognised 10 winners from 15 shortlisted organisations from 529 applications. Winners received £40,000 and tailored leadership development, and were invited to join a leadership network of nearly 120 organisations. The awards ceremony was held on 16 May at The King's Fund. We held multiple network events with more than 220 participants, covering topics such as financial uncertainty, change transition and health inequalities. In October, the GSK IMPACT Awards and the GSK Community Health programme saw a significant increase in applications, with 742 for the IMPACT Awards and 228 for the Community Health programme.

We developed a new open programme, **Activate**, in partnership with the charity brap, focused on anti-racist leadership practice.

Our self-directed online courses on the **Future Learn platform** have enrolled more than 30,000 participants to date and in 2024 we launched new online courses, including 'Play full: getting creative with design thinking in health and care' and 'Home work: organisational development for everyone in health and care'.

In September, we launched **ShiftWorks**, The King's Fund's new online development offer, which includes the ability to connect people across the health and care community. This will replace our use of Future Learn in 2025. The ShiftWorks programme, which is a low-cost online learning and development offer, welcomed 1,500 learners from 90 organisations in its early adopter phase.

Our leadership and workforce research activities included:

- working with the RCN Foundation (RCNF) to formally launch the **Follow Your Compassion** project, an ethnographic record of the lives of 22 newly qualified nurses and midwives
- a report on how public health leaders can work cohesively with the new cadre of emerging population health leaders in integrated care systems – **Public health and population health: leading together**

- two long reads on the role of young people in the social care workforce – **'Changemakers or troublemakers: what do social care providers think of younger workers?'** and **'I can't see myself doing this forever': younger people's experiences of working in adult social care'**
- the commencement of an action research project on organisational anxiety with leaders from across different parts of the health and care system.

We submitted written evidence to the Health and Social Care Committee inquiry into the relationship between NHS leadership and performance/productivity.

Our clinical leadership and research activities continued to gain prominence, with a podcast featuring Jason Leitch CBE and the publication of a long read on the experiences of specialty and specialist and locally employed doctors: **'Reflections of speciality and specialist and locally employed doctors in the NHS'**. And the Royal College of Physicians (RCP) commissioned us to conduct an independent learning review about the extraordinary general meeting (EGM) process the College used to debate issues regarding physician associates.

During the year we also hosted visits and collaborative workshops with international clinical and managerial leaders.

We continued to comment and provide voice on leadership and organisational development topics, including work on anti-racism, organisational anxiety and issues that the annual NHS Staff Survey raised, and through other podcasts including a conversation with Clenton Farquharson, CBE, on co-production, equity and change.

Foundations of health and care

Our broad knowledge of the health and care system and the relationships we hold across the system underpin all our work. We know that our stakeholders and audiences value the work we do to provide independent analysis, explain key issues and respond to emerging developments across the breadth of health and care. For that reason, we maintain a focus on the foundations of the health and care system, the basic building blocks that facilitate high-quality services and a healthy population.

In February 2024, The King's Fund published the report ***Making care closer to home a reality***, addressing the long-held vision of a health service centred on primary and community care. The report identified barriers and enablers for achieving this goal. BBC News outlets, including Radio 4's Today Programme, widely covered the report. The findings sparked discussions with key stakeholders, including the National Director for Primary Care and Community Services, as well as the Royal College of General Practitioners (RCGP) and the British Medical Association (BMA). Following

the launch of the report, The King's Fund hosted an invite-only stakeholder event featuring speakers such as former Conservative health minister Lord Bethell and Labour adviser Paul Corrigan.

In February, The King's Fund also published the long read '[Mental health 360](#)', providing a comprehensive overview of mental health services and offering key insights into the state of the sector.

In March, The King's Fund released its agenda-setting analysis of the '[British Social Attitudes survey](#)', conducted with the Nuffield Trust. The survey revealed that public satisfaction with both the NHS and social care had reached its lowest level in 41 years, prompting significant media attention and responses from political parties. The results have formed a core part of the narrative on the need for transformative change in health and care.

Also in March, The King's Fund published [an analysis of how poverty affects health and NHS access](#), commissioned by the Joseph Rowntree Foundation, as well as the long read '[Social care 360](#)', an important annual resource for understanding the state of social care.

May saw the announcement of the 2024 general election, prompting The King's Fund to implement its long-planned election period work, focusing on bringing impartial insight and analysis to the campaign debate. The team created a webpage for election-related content and provided briefings, which attracted informed media reporting throughout the campaign period. The King's Fund also published a [compendium of party manifesto commitments on health and care](#), which proved to have been one of the most popular pieces of content on the website across the whole year.

During the election period, The King's Fund engaged with political parties, providing trusted feedback on their health and care policies. The organisation also delivered a six-part election podcast series and supported events, such as a stakeholder breakfast featuring leading figures from all major parties. The King's Fund's neutral stance ensured that it maintained close relationships with parties while upholding impartiality, leading to valuable insights and influence in the policy debate.

Post-election, The King's Fund worked on building relationships with new parliamentarians, influencing the new government's policy development and briefing MPs ahead of key debates. This work included a collaboration with the House of Commons Library to deliver a 'Health and care explained' event held in parliament, designed to increase knowledge among MPs and their staff and, in doing so, raise the standard of debate on health and care issues. Additionally, the organisation provided commentary on the government's first King's Speech and offered recommendations on managing winter pressures in the NHS and social care.

Our work throughout the election and with the new government led to the Prime Minister, Sir Keir Starmer, visiting The King's Fund in September to deliver his **first major speech on health**. The speech, and the preceding remarks from our Chief Executive, Sarah Woolnough, were broadcast live on television and the event garnered widespread media and stakeholder attention.

In November, The King's Fund published a report called **NHS and life sciences industry partnerships: collaborating to improve care**, highlighting the need for greater involvement from the Department of Health and Social Care (DHSC) to foster trust and collaboration. The research coincided with a **conference on NHS and life sciences** held at The King's Fund.

Throughout 2024, The King's Fund continued to shape health and care policy, advocate for adequate funding and engage in rigorous analysis of the government's policies and transformation agenda.

Internal change

At the end of January 2024, we launched a new website. The site was built with a focus on helping our users quickly find what they need. It offers a more curated approach to guide users through our content and showcases the breadth of our work more effectively.

We advanced our Future Fund programme to manage emergent technology and ideas, supporting both external opportunities and internal organisational change. Key initiatives include providing staff with access to the Microsoft Co-pilot AI tool and launching a digital acceleration community to enhance AI experimentation and build digital capability. In July we successfully migrated our finance system to an online version of the application, reducing reliance on internal IT resources (hardware and support) and enabling the automatic scheduling and management of updates. We also commenced work on extending the functionality of our CRM, which will go live in 2025. We continue to update our internal systems to make them more efficient, effective and to meet regulatory and best practice standards.

Plans for 2025

Healthier places and communities

A significant focus for The King's Fund in 2025 will be to influence the design and implementation of the government's health mission, which seeks to improve healthy life expectancy by placing greater emphasis on prevention, making better use of technology and delivering more care closer to home.

Within this context, our programme objectives for 2025 are as follows:

- **prevention and population health** – supporting integrated care systems (ICSs) to maintain sufficient focus on prevention and population health in the face of performance and financial challenges, and ensuring that evidence informs national and local thinking on prevention
- **children and young people's health** – developing work on health promotion and illness prevention through the lens of children and young people's health, including presenting the evidence for prioritising children and young people to create a healthier society
- **care closer to home** – creating a better understanding of how the national ambition to move care closer to home could be achieved in practice, and how this could be done in ways that maximise improvements for people using services
- **devolution and place** – harnessing political interest in further devolution of powers to regions and in place-based approaches, and ensuring this leads to effective action to improve population health and reduce inequalities
- **neighbourhoods and communities** – promoting the role of local voluntary and community sector organisations, and communities themselves, in creating better health and wellbeing, and ensuring this forms part of the government's ambition to create a 'neighbourhood health service'.

Specific commitments include:

- publishing new research on the role of place-based partnerships and their relationship with ICSs, supported by an online conference on place-based care
- working with the Centre for Local Economic Strategies (CLES) to explore how devolution policy in the English regions can support action on population health and health inequalities
- supporting the shift to prevention through new research examining the role ICSs can play in preventing cardiovascular diseases
- supporting the shift to community-based care by exploring the practical implications of this shift for patients and staff.

Tackling the worst health outcomes

In 2025, the **Tackling the worst health outcomes programme** will focus on influencing the new government's approach to health inequalities and the health mission, encouraging a focus on lived experience and work with communities, and supporting work on health inequalities at a system and place level.

Within this context, our programme objectives for 2025 are to:

- influence and respond to the new government as it develops its ambitions and approach in relation to health inequalities and tackling the worst health outcomes
- 'mainstream' work on health inequalities and tackle the worst health outcomes, externally and within The King's Fund, through supporting capability building and sharing and analysing what works
- support the health and care system to bring lived experience to bear on policy and practice in a way that enhances the quality of the system's approach
- provide leadership support to NHS, local authority and voluntary, community and social enterprise organisations and share insights gained from this work.

The programme will also work to get people within The King's Fund to consider lived experience in all that they do, and to consider a focus on the four population groups we identified as being at risk of worse health outcomes (disabled people, including people with learning disabilities, ethnic minority women, inclusion health groups and 'left-behind' neighbourhoods).

Specific commitments include:

- exploring opportunities for work focused on tackling poverty at a system level – this might include research, partnerships, giving support to local systems and sharing learning and practice
- building on our NHS administration and health inequalities work to:
 - continue making the case for good admin
 - share best practice on approaches to admin that is co-produced and promotes equal access
 - encourage a focus on patients' experience of admin
 - cement our reputation as a thought leader on this topic
- continuing work to disseminate the lessons from Healthy Communities Together, a programme delivered in partnership with The National Lottery Community Fund (TNLCF) to support partnership working in local areas.

Supporting people and leaders

The overarching aim of the **Supporting people and leaders programme** is to create a healthier, more inclusive and effective health and care workforce. The workforce crisis is central to many challenges in the UK health and care sector and should be a high priority for leaders at all levels.

The work of The King's Fund includes (but is not restricted to) supporting the delivery of the NHS long-term workforce plan and other emergent government priorities for the health and care workforce.

Our focus is on developing insights on the primary systemic factors – such as culture, inclusion and equity – to ensure the retention and wellbeing of the current workforce, as well as exploring the future of work in our society and how leaders can secure radical change across health and care services.

Drawing on our practice work with people and leaders, our research and our policy insights we will continue to:

- use evidence-based research and practice to promote conditions for a sustainable workforce
- focus on contemporary leadership and organisational development to support healthy, inclusive and compassionate workplaces for safe and effective care delivery

- support clinical and care professional leaders in collaborating, learning and implementing change across various settings to deliver integrated care
- develop digital learning offers to extend reach to people from ethnic minority groups and to early-career leaders.

Our specific commitments in 2025 are to:

- publish thought leadership resources on the future of work, including the impact of digital technologies, to inspire transformation in the health and care workforce
- refresh The King's Fund's view on leadership, emphasising closer work with local communities and launching a new project for radical change in integrated care delivery
- expand the ShiftWorks digital leadership learning programme from 1,500 to 5,000 learners, including 12 continuing professional development accredited courses
- curate evidence, articles and work on anti-racism for The King's Fund's website, providing resources to support our work and profile in this area.

Foundations of health and care

In developing the **Foundations of health and care work programme**, we have considered the government's priorities to ensure The King's Fund has a work programme relevant to that agenda. In our assessment, the government has five health and care priorities:

- shifting care from hospital to the community
- moving from analogue to digital technologies
- moving the focus from treatment to prevention
- addressing the immediate crisis in services
- developing enough of a social care reform plan to satisfy critics.

Of these five government health and care priorities, The King's Fund is planning work on community services and prevention under our Healthier places and communities programme, and work on digital innovation through our 'Future Fund' work. Therefore, the proposed Foundations of health and care work programme will deliver work relevant to the immediate and pressing crises in health and care services, social care reform, digital technology, and preventing illness.

Specific areas of work include:

- work to inform and shape the newly forming commission on adult social care in England
- a programme of outputs to inform the forthcoming 10-year health plan, specifically the difficult trade-offs that will be necessary to make it a success
- NHS patient communications and administration – delivering a year-long campaign of regular outputs designed to generate momentum around this agenda and propose and drive actions to improve patient experience (and therefore satisfaction) through radically improved patient communications and administration
- the British Social Attitudes survey – alongside partner organisations (the Nuffield Trust and the National Centre for Social Research), we produce the gold-standard annual assessment of public satisfaction with the NHS and social care
- producing 'Social care 360' – our annual amalgamation of the available adult social care system data, providing a uniquely comprehensive resource that helps identify where improvement is needed
- producing a life sciences explainer – delivering an explainer on the connections and dependencies between the life sciences sector and health and care services (funding being secured in 2024).

Internal change

Our internal priorities for 2025 strengthen our ability to support the delivery of The King's Fund's external programme of work.

The creation and implementation of the new corporate strategy is integral and will draw on resources across the organisation. This will mean redefining our strategic priorities, developing our operating model and refreshing our brand. The new strategy will be launched in 2025.

We will develop our capability in, and knowledge of, the use of digital tools and we will continue to test the potential applications of artificial intelligence (AI). We will continue discussions with external thought leaders about the future of work and use of technology.

Our commitment to equity, diversity and inclusion

In 2024, The King's Fund committed to embracing 'equity' as part of our diversity and inclusion work. Our equity, diversity and inclusion vision closely aligns with our organisational one; we are 'working towards a better, fairer workplace and health and care system'.

Measuring progress

The **diversity** of our people combined with **equitable** processes allows us to create an **inclusive** culture at The King's Fund. But what do we mean by the 'diversity of our people'? There are so many things we can measure.

This year, we agreed to start collecting data around disability and long-term conditions, and to review our processes for collecting and reviewing 'special category' data – that is, sensitive personal data. A more robust approach has been established across all teams that process this type of data, and these changes will be implemented in 2025.

We continue to measure gender and ethnicity, and below you will find this year's data against our targets.

Decision-maker targets

We have committed to publishing progress against targets to increase diversity among our Board and committees, General Advisory Council and senior decision-makers, and to publish data on the diversity of our staff. Our targets are set to be maintained/reached by 2027.

The position at the end of 2024 is presented as numbers and percentages in the table below.

	Target (%)	Board and committees (13)	Senior decision-makers (35)	General Advisory Council (26)
Female	50%	38% (5)	60% (21)	62% (16)
People from Black and ethnic minority backgrounds	20%	23% (3)	20% (7)	50% (13)

The data shows that we are hitting all of our decision-maker targets except for the proportion of women on our Board and committees. We have two all-male committees, both of which have a vacancy. There are plans to address this in 2025, as we recruit new Trustees.

External representative targets

We have committed to publishing progress against targets we have set to increase diversity among those who represent The King's Fund externally. The position at the end of 2024 is presented in the table below.

	Target (%)	Events	Breakfast events	Media spokespeople ^a	Podcast guests	Blog authors ^b
Female	50%	56%	61%	54%	57%	51%
People from Black and ethnic minority backgrounds	20%	26%	17%	51%	36%	30%

a online, broadcast and print

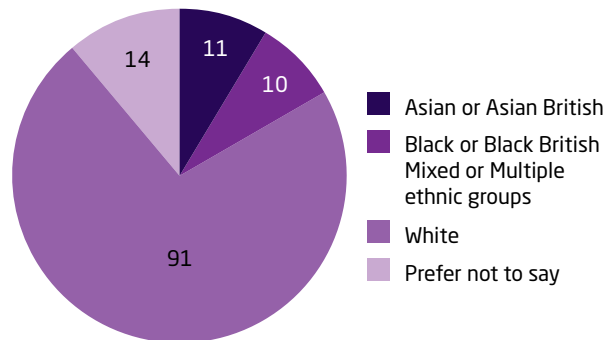
b internal authors

The data shows that we exceeded our targets across the board regarding both gender and ethnicity, with the exception of Black and ethnic minority representation at our breakfast events. We will strive to continue that momentum in 2025. We had two all-male panels in 2024 due to election-period restrictions and a late change in a small panel.

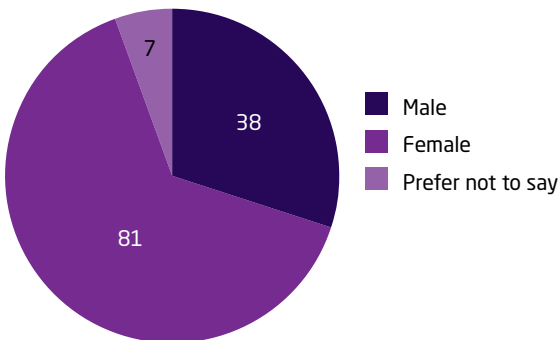
Our staff

We collect data from our staff to enable us to track the diversity of the organisation over time. Data was most recently collected as part of our 2023 staff survey. It was provided anonymously and, where necessary, smaller numbers of respondents were grouped together to allow reporting. Out of 148 staff, 126 completed the survey. The results are presented below. In each category of data there was an option of 'prefer not to say'.

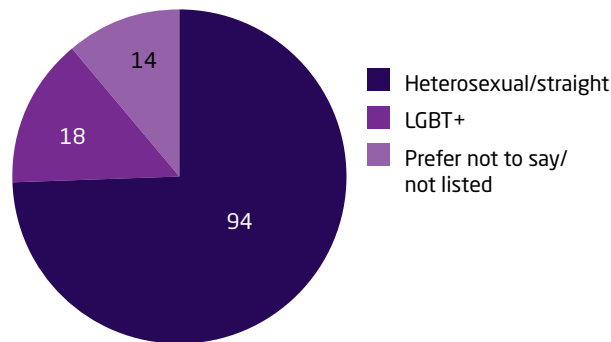
Ethnic origin



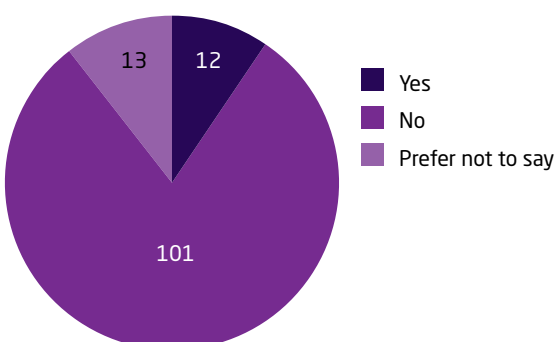
Gender identity



Romantic/sexual orientation



Disability



We are planning to do a refresh of our data collection through our internal human resources (HR) system.

External benchmarking

To help benchmark where we are on our inclusion journey, we use two external assessments: the Employers Network for Equality & Inclusion's Talent Inclusion and Diversity Evaluation (TIDE) and Stonewall's UK Workplace Equality Index (WEI).

The Talent Inclusion and Diversity Evaluation assesses organisational performance and progress across multiple categories of diversity. In 2024, we were assessed at the 'realise' level, scoring 57 per cent.

The Workplace Equality Index measures progress on lesbian, gay, bi and trans inclusion in the workplace. In 2024 we were ranked 79 in Stonewall's Top 100 employers, a small drop from our 75th position in 2023. We also received a Gold Award. Our highest ranking areas were:

- our staff feedback questionnaire, which indicates that lesbian, gay, bisexual, trans, queer and other identity (LGBTQ+) staff at The King's Fund feel valued and non-LGBTQ+ staff are aware of the work that goes on in this area and have opportunities to demonstrate allyship
- our policies and procedures, particularly highlighting our trans inclusion policy and our suite of family policies.

We ranked ninth in submissions from the health and social care sector.

Our work programme

We have a wide-ranging programme of work to support us in becoming a more equitable, diverse and inclusive organisation, including our commitments to addressing slavery and colonialism through our published action plan.

Our equity, diversity and inclusion work programme is framed around four key thematic priorities. Some 2024 highlights within those themes are as follows.

- **Representation and using our power.** We use our influence in the health and care system to showcase diverse voices, implement diverse practices and impact under-represented communities. In 2024 this included:
 - a session at our 2024 annual conference on health inequalities and anti-racist practice
 - [our report on the health care response to the Grenfell Tower fire](#)
 - [a podcast episode on Black maternal health care](#)
 - a partners and supporters dinner focused on LGBTQ+ inclusion.

- **Empowering our team.** We support our people through robust policies and procedures and transparent reporting. Work continues on our HR policy review, rolling out people manager training and starting a corporate induction – ensuring all staff have an equity, diversity and inclusion lens.
- **Embedding allyship.** We champion collaboration, cross-King's Fund working and continuous learning to ensure our work is inclusive and accessible. This includes:
 - our staff network meetings and events (Black History Month and Pride)
 - guest speakers at our all staffs
 - the decision in 2024 to make our all staff meetings accessible to remote participants.
- **Supporting our team.** We provide training, pastoral care and resources for people involved in inclusion work and people from under-represented communities. This has included:
 - training for our staff network leads
 - anti-racism training for our Senior Management Team alongside their peers from other health and care charities
 - internal anti-racism training based on the learning and organisational development open programme Activate.

Report on progress against our slavery and colonialism action plan

In 2023, we published an action plan to address the injustices of our historical links to colonialism and slavery. The action plan committed us to action in four key areas. A brief update on progress is given below.

- **Embedding anti-racism across the health and care system.** We launched the first cohort of Activate, an anti-racism open programme co-designed with brap, for the health and care system. Our Learning and Organisational Development Team continues to work with brap as a learning partner to help us embed anti-racism into our wider programme work. We also published an anti-racism hub on our website, which contains free resources for individuals and organisations who are on their anti-racism journey.
- **Widening access to our leadership development programmes.** Work on our approach to free and discounted places on our open programmes continues, with the aim of this being signed off in quarter 2 of 2025.

- **Diversifying the charity and health policy talent pipeline.** We have temporarily paused recruitment to our positive action posts in our library and policy teams. We will continue to review these posts. In 2024 we offered our first placement through Health Data Research UK's Black internship programme, and we will continue this in 2025.
- **Reflecting a more diverse history of health and care.** We renamed our internal meeting rooms after health and care pioneers from an ethnic minority background. The names chosen were: Dame Elizabeth Anionwu, Nasa Begum, Professor Kevin Fenton, Surgeon-Major Africanus Horton, Dr Harold Moody, Rabbi Baroness Julia Neuberger and Chief Kofoworola Abeni Pratt. Our Seacole Workspace is now available for internal and external use on the second floor. We have also commissioned a sculpture of Mary Seacole to be displayed in our foyer. This will be ready in 2025.

A look ahead to 2025

There are seven key areas of focus for equity, diversity and inclusion at The King's Fund in 2025:

- **people management** – ensuring training focuses on inclusion and wellbeing, including embedding newly refreshed policies from our 2024 review
- **workforce and customer diversity profile** – implementing recommendations from our equity, diversity and inclusion data review in 2024: a robust and consistent approach to the collection and reporting of equity, diversity and inclusion data (including recruitment, event and speaker data), free and discounted places in learning and organisational development and open programmes in conjunction with the Open Programme Update and Standardisation (OPUS) project
- **inclusive recruitment and onboarding** – publishing an inclusive recruitment handbook and rolling out a corporate induction that includes equity, diversity and inclusion
- **anti-racism training** – sustainably rolling out anti-racism training for another cohort of staff in The King's Fund
- **communication and engagement on equity, diversity and inclusion** – implementing principles for engaging with social justice, anti-racism and equity, diversity and inclusion-related issues externally and internally, including in our new strategy and portfolio of work

- **heightened awareness of socio-economic status and class, disability and neurodiversity** – actions could include, but are not limited to:
 - self-assessment against the Social Mobility Employer Index
 - including disability in our targets alongside gender and ethnicity
 - upskilling staff on neurodiversity awareness
- **mental health and wellbeing** – drafting and publishing a mental health and wellbeing policy for The King's Fund, making clear what is and what is not in the organisation's purview.

Financial review

Review of income and expenditure for the year ended 31 December 2024

Total **income** decreased in the year to £13.8 million (£14.6 million in 2023), of which £6.1 million (£6.4 million in 2023) was generated from charitable activities and £7.7 million (£8.2 million in 2023) was derived from other sources, namely investments, donations and legacies, and other trading activities. Increasing pressures on public sector finances and a general election being held in the summer adversely affected charitable income, leading to delays in both securing income for and delivering in line with our charitable activities. Trading income stayed in line with 2023, but investment income (dividends and income from our investment properties) decreased from £3.4 million to £3.0 million.

Total **expenditure** increased in the year to £19.9 million (£19.5 million in 2023) due to the effects of inflation. Expenditure on charitable activities increased to £14.8 million (£14.7 million in 2023), mostly due to the increased costs of generating charitable income. Expenditure on other trading activities increased to £3.9 million (£3.6 million in 2023) because of the increased costs in generating income.

The average number of staff employed by The King's Fund during the year was 152, the same as in 2023.

We budget for operating deficits, which are set at a level with a view to maintaining the long-term value of the investment capital in real terms. The Fund's operating deficit for the year was £6.2 million (£4.9 million in 2023). This deficit was higher than in 2023 because of inflation increasing our costs more than the additional income we generated. Investment gains in 2024 were £14.4 million (£9.6 million gain in 2023). Further details on investment performance are set out below.

Net assets at 31 December 2024

The Fund's consolidated net assets at 31 December 2024 were £225.4 million (£217.3 million in 2023). This increase is largely because of the £14.4 million investment gain, which more than covered our operating deficit.

Net assets at 31 December 2024 comprised fixed assets of £246.6 million, net current liabilities of £1.2 million and long-term liabilities of £20.0 million. There is no defined benefit pension scheme liability as the assets within the scheme are higher than the liabilities. In line with financial reporting standard 102 (FRS 102),

these are not recognised as it is considered that the surplus in the defined benefit pension scheme is not recoverable (this is detailed further below in our accounting policies). Fixed assets comprised tangible fixed assets of £51.6 million and fixed asset investments of £194.7 million.

During the year, the book value of tangible fixed assets decreased by £0.2 million due to depreciation of £1.0 million exceeding capital expenditure of £0.8 million. The main items of capital spend during the year were on office improvements.

The value of fixed asset investments increased during the year by £8.6 million due to the strong performance of our invested portfolio.

Loan

In May 2021 the Fund entered into a 30-year loan arrangement with MetLife for £20 million, as the interest payable on the loan is most likely to be lower than the investment returns. The interim loan repayments are interest only, with the capital amount only being payable on the maturity of the loan in May 2051.

Investment performance

The strategic allocation and the actual allocation at the end of the financial year are shown below.

Asset class	Strategic allocation %	Minimum %	Maximum %	Actual allocation 2024 %	Actual allocation 2023 %
Cash	0	0	8	1.0	1.3
Bonds	5	3	9	4.1	4.5
Total cash and bonds	5	3	11	5.1	5.8
Developed market equities	55	48	62	64.9	64.8
Emerging market equities	10	7	13	11.0	11.4
Private equity	10	0	12	0.7	1.2
Total equities	75	72	77	76.6	77.4
Infrastructure	5	0	7	4.3	2.1
Property	15	12	18	14.0	14.7
Total alternatives	20	12	22	18.3	16.8
Total	100			100.0	100.0

Note: the subtotals and overall total are not intended to add from their constituent parts. This is because the intention is to set minimum and maximum allocations that can be achieved with flexibility between asset classes.

In December 2022 the Board approved a new strategic asset allocation to further diversify the portfolio and better manage the endowment through the inflationary environment we are now in, which includes investing in private equity and infrastructure. This is now reflected in the table above.

The value of the Fund's total investments at 31 December 2024, comprising publicly quoted equity and bonds, private equity and property, was £194.7 million (£186.1 million in 2023). These investments produced income – net of investment management fees and loan interest – of £8.4 million during the year, and this income, together with £8.0 million of investment capital, was withdrawn during the year to cover the Fund's cashflow needs. After allowing for these withdrawals, the investments generated a total gain of £14.4 million (5 per cent).

Donations and legacies

The Fund gratefully acknowledges donations and/or legacies received from the following during the past year: His Majesty King Charles III, D Emmerson and C Tilby.

Financial strategy and reserves

The Fund's financial strategy is guided by its policies on expenditure, reserves and investments. The Fund's policy on expenditure is to ensure that it has sufficient resources to meet its charitable objectives over the medium term. The Fund generates money from a variety of activities that support or are complementary to its core purpose and make best use of its assets. As the money the Fund generates is insufficient to cover its total expenditure, a proportion is drawn from investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the stewardship of the Fund's long-term mission. Trustees take a risk-based approach, which aims to balance:

- the Fund's ambition in meeting its charitable objectives
- its ability to generate income
- its capacity to spend from investments, now and in the future.

The Fund's total reserves at 31 December 2024 were £225.4 million. As set out in note 19 to the accounts, £160 million of this represents the expendable endowment (all of which is included in fixed asset investments). Restricted funds have a deficit of £12,000 due to the timings of funding received and activities carried out, and will be recovered in future years. The remaining £65 million represents unrestricted funds, £52 million of which could only be realised by disposing of fixed assets that the Fund currently uses in its activities.

The Fund's policy on reserves is based on recognising the long-term nature of its work and the continuing need for financial support. The expendable endowment, restricted funds and unrestricted reserves are managed as a pooled investment, with the intention of providing financial support today and for the foreseeable future. The Trustees consider reserves to be at an appropriate level.

The Fund's policy on investments is to take a long-term approach, investing globally across a range of assets, with the intention of preserving its value in real terms after allowing for expenditure. As a charity committed to improving health, we do not have any direct or indirect investments in the tobacco industry.

The Fund's investment strategy is to manage the portfolio based on a total return, that is, income and capital combined. The Fund has an asset allocation that is geared towards equities because of their higher expected returns in the long term, while maintaining an appropriate level of liquidity to meet expenditure commitments in the near future. The reference date for the purpose of assessing the real value of the investments is 1 October 2019. Trustees review the amount that they spend from investments periodically, balancing the expected demand for resources with the likelihood of future investment returns. The Trustees recognise that each year the Fund will need to withdraw the investment income and some of the investment capital to bridge the gap between its annual income and expenditure, and they set the budget accordingly.

Between 1 October 2019 (the reference date) and 31 December 2024, after income and capital withdrawals and removing the loan, the value of the Fund's investments was a loss of £20.4 million in real terms (using the consumer prices index). Our investment strategy allows for periods of short-term losses, such as those we experienced in 2022, to maximise the long-term returns.

Who funds us

Our independence is very important to us. On our website (www.kingsfund.org.uk/about-us/who-we-are/how-we-raise-spend-money) we have further analysis of the income we obtain from the variety of sources mentioned above, which gives more information about where our funding comes from.

How The King's Fund is constituted and governed

Our charitable objects

The King's Fund is incorporated by Royal Charter and is governed by the provisions and byelaws of the Charter. The Charter sets out the charitable objects of the Fund, which are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, on health care in London. In this context, 'health care organisations' means those organisations involved in the commissioning, monitoring or supply and provision of health care.

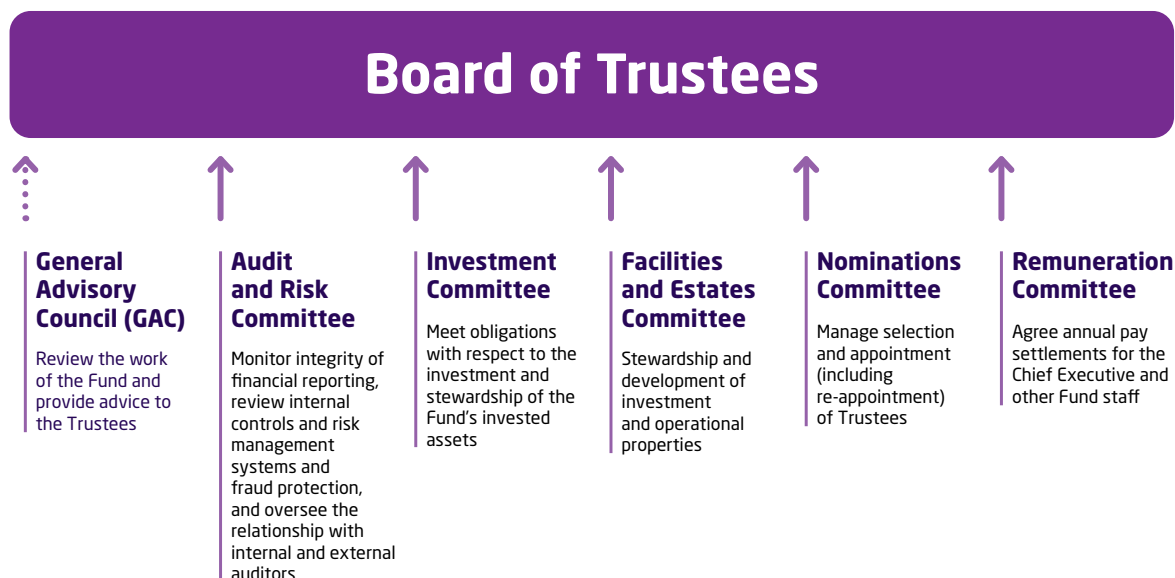
Working for the public benefit

Our vision that the best possible health and care is available to all ensures that we work for the benefit of the public. We aim to deliver our vision and mission through a strategic plan and annual operational plans, which are approved by the Fund's Trustees. In approving these plans, the Trustees are mindful of the Charity Commission's general guidance on public benefit and their duty to ensure the Fund is carrying out its purpose in relation to this. In particular, the Trustees consider how activities will contribute to the aims and objectives they have set.

Governing body and committees

The Board of Trustees agrees the organisation's overall strategic direction, in line with its charitable objectives, and scrutinises management functions delegated to the Senior Management Team. A framework sets out the authority delegated to the Chief Executive by the Board of Trustees. The Board of Trustees meets four times a year. One of the meetings is designated the Annual General Meeting, at which the Trustees' Annual Report and Accounts for the preceding year are considered and approved.

The Board of Trustees also delegates some of its work to sub-committees as outlined below and set out on page 42.



The General Council (known as the General Advisory Council or GAC), established in accordance with the Royal Charter, meets twice a year. Members act as a source of intelligence on the key issues and challenges in the health system and use their collective expertise to reflect on the Fund's activities and impact. The members of the GAC are appointed by the President on the recommendation of the Chief Executive for a period of up to three years, which can be extended to further three-year terms. Details of the current members of the GAC, and those who served during the year, are set out on page 40.

Trading subsidiary

KEHF Ltd is a wholly owned trading subsidiary of The King's Fund. The principal activities of the company include those that are not the primary purpose of or within the Fund's charitable objectives, including the letting of conference facilities owned by the Fund and related catering services, sponsorship for some of the Fund's events and income from corporate partners and supporters. All – 100 per cent – of the taxable profits of KEHF Ltd are paid to the Fund, under the Gift Aid scheme. A list of directors, who are appointed by the Fund, is included on page 43. Details of the financial statements are included on page 67.

Recruitment and appointment of Trustees

Trustees are appointed in line with the byelaws set out in the Royal Charter. They serve for an initial term of three years and may be re-appointed for a second term or, exceptionally, a third term. Appointment as a Trustee is open to any suitably qualified member of the public.

The Nominations Committee meets annually to review forthcoming exits from the Board, compares this to a skills audit and takes decisions on any necessary recruitment.

Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Fund and their responsibilities as a Trustee. They are invited into the Fund to meet colleagues and get to know our work and our building. The Chair of Trustees usually meets with each Trustee annually to review performance in the past year and to discuss the year ahead.

Details of the Fund's current Trustees, and those who served during the year, are set out on page 40.

Board review/evaluation

The Board usually reviews its performance annually at an awayday when Trustees reflect on how well they are fulfilling their duties. Trustees consider the Board's balance of skills, experience and knowledge, its diversity in the widest sense, how the board works together and other factors relevant to its effectiveness.

They use the principles of organisational purpose, leadership, integrity, decision-making, board effectiveness, diversity, openness and accountability, as included in the Charity Governance Code, to ensure high standards of governance and to support continuous improvement.

Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, who is responsible for delivering the strategic direction and day-to-day management of the Fund. The Chief Executive, together with the Senior Management Team, develop strategy, plans, programmes and policies for the Fund, which the Board approves.

The framework for the Chief Executive sets out the authority delegated to the Chief Executive. It is reviewed by the Board of Trustees every three years and when a new Chief Executive is appointed.

Senior Management Team

The Senior Management Team works within the framework set by the strategic plan and the annual operational plan, which sets out the detailed work programme using a list of strategic priorities as headings. The Senior Management Team monitors, reviews and takes action to ensure performance against strategic goals and on risks and issues escalated by the Portfolio Board and the Operations Committee.

Details of the current members of the Senior Management Team, and those who served during the year, are set out on page 43.

Portfolio Board

The Portfolio Board provides strategic oversight of the Fund's three programmes and foundational work:

- Supporting people and leaders
- Tackling the worst health outcomes
- Healthier places and communities
- Foundations of health and care.

Operations Committee

The Operations Committee oversees projects related to systems, processes and infrastructure. It is supported by a Business Improvement Forum and helps the Fund achieve the greatest impact using our business systems and ways of working.

Risk management

The King's Fund is unavoidably exposed to risk, either due to factors in the external environment, or through the opportunities we choose to pursue and the activities we carry out that enable us to deliver on our vision, mission and strategic goals. Our Risk Management Policy sets out how we identify and actively manage the risks we are exposed to and our approach allows us visibility and control over the key corporate risks that affect the organisation as a whole.

We use a process that categorises and scores each risk by considering its cause, likelihood, impact and mitigation. Based on this we determine whether further action needs to be taken. Risks are grouped according to whether their impact will be on our strategic focus, ability to influence, reputation, internal capability or our financial sustainability, as outlined in the figure below.



Members of the Audit and Risk Committee and the Board of Trustees are satisfied with the procedures that are in place to review the risks, ratings, controls and actions to mitigate the Fund's exposure to risk, as set out in the table below.

Risk area	Management of risk
Strategic focus and prioritisation	There is a risk that our strategy lacks focus, is difficult to deliver and fails to have an impact. As we have implemented our strategy for 2020–25, we have sought to maintain the high level of visibility and engagement that staff had during its development. We review our strategic focus through our 'rolling planning' approach to enable a short-term (as well as long-term) view of overall activities and responsiveness to change. Internal governance arrangements are aligned to our strategy. This includes oversight of the portfolio of programmes, performance and impact. We are building our capacity to be more responsive through new ways of working to horizon-scan, identify opportunities for sense-making and foundational work and plan over the longer term. We ensure that decision-making around income generation is aligned to our strategic priorities as far as possible.
Ability to influence	There is a risk that our external activities fail to influence and prevent us from delivering impact. Flexibility is deliberately left in the operational plan each year to allow the Fund to respond to new or additional opportunities. Decision-making about new work ensures that we support the health and care system with the significant challenges it faces during the recovery from the Covid-19 pandemic and economic challenges arising from the cost-of-living crisis. We ensure that we continue to publish an appropriate volume of high-quality policy work, maintain a high media profile and continue to track data about our reach and impact. We ensure we adequately anticipate, plan and prepare for the future by keeping updated on changing digital models that other relevant organisations and competitors employ, keep abreast of opportunities provided by digital technology that may support improved delivery of our outputs and prepare for a degree of staff change as we evolve and adapt to hybrid working.
Our reputation	There is a risk that we lose our reputation for credibility and quality and that our independence, ethics and values are questioned. The Fund keeps up to date with all legal and regulatory requirements and recommended practice. We make disclosures about our income sources, decision-making and independence on our website. Policies, agreements and contracts set out the Fund's position, ensure the quality of our outputs, address ethical issues and recognise the origin of funding. All staff and Trustees are encouraged to understand and adhere to the values, ethics and culture of the organisation.

Risk area	Management of risk
Internal capability	There is a risk that we are unable to deliver our operational commitment effectively and efficiently and that staff wellbeing and engagement suffer. We have worked on developing proactive and transparent internal communications focusing on wellbeing. Specialist support already in place (ie, a staff counsellor and a network of mental health first-aiders) is highlighted frequently. We ensure leaders and people managers are informed in supporting employee health and wellbeing. We have built capability in specific areas such as our established group of mental health first-aiders. We invest in building our internal capabilities through supporting learning and development, as well as valuing and practising openness, collaboration and inclusivity. There is a cross-Fund focus on continuous improvement and the development of effective systems, processes and ways of working. A business continuity plan is in place to ensure that the Fund can continue operating after a major incident or external event, even if the building is inaccessible for a prolonged period. This was updated in 2024. The IT infrastructure is designed to maximise resilience, and policies and processes are in place to ensure appropriate use and security of data.
Financial sustainability	There is a risk that our endowment loses value in real terms and that there is a significant short- or medium-term loss of income. The Fund's investments are actively managed and reviewed by an Investment Committee, which sets a strategic asset allocation and associated performance benchmark and balances risk against benchmark returns with a diversified portfolio of asset classes. Investment performance is visible to Trustees and the Senior Management Team in the monthly review of finances. Short- and long-term financial plans are maintained, and progress is monitored regularly by the Senior Management Team and Trustees. Oversight of the defined benefit pension scheme is maintained and is considered alongside other financial risks.

Risk appetite

The amount and type of risk that the Fund is willing to take in order to meet its strategic objectives is determined by the Trustees and is usually reviewed annually using a framework based on the five key risk areas summarised above. Our approach to risk appetite and management aids decision-making as it highlights areas of opportunity and concern, supports understanding and challenge of the risk controls in place and helps to determine how much further effort is required to mitigate key risks in the risk register.

Maintaining our independence

Our independence is important to us. Our reputation is founded on the objectivity of our work, our independence from outside interests and our freedom to determine our own priorities. We protect this independence in a number of ways.

Our funding

Our funding comes from a diverse range of sources, protecting us against dependence on any particular source of income. As a charitable foundation, we have an endowment – funds maintained and invested since we were established in 1897 – which generate an annual income. As set out in our financial strategy, we draw on this each year to provide a consistent stream of funding to support our work. In 2024, the charity had no fundraising activities requiring disclosure under Section 162A of the Charities Act 2011.

Our remaining funding mainly comes from a mixture of income-generating charitable activity (including leadership and organisational development services, our events and funded research and policy analysis) and commercial activities (including hiring out our venue and renting out office space in our building). The income from these activities comes from a diverse range of sources, including commercial organisations, national and local NHS organisations, the voluntary and community sector, and national and local government. More details are provided in the 'Consolidated statement of financial activities' section of this report.

On our [website](#) we have further analysis of the income we generate from the variety of activities mentioned in the 'Financial review' section above.

How we set policy

We have robust arrangements in place to assure the quality and independence of our research, policy analysis and other published work, which are described on our [website](#). Responsibility for our public positioning rests with the Chief Executive, who works closely with directors and other colleagues to agree our position on relevant issues. The Board discusses our public positioning with the Senior Management Team on a regular basis, but it is not involved in determining our position on individual policy issues.

Our partnerships

We maintain partnerships with a range of organisations through our Corporate Partners and Supporters scheme. These relationships are governed by our ethical endowment policy, which includes provisions to protect our independence.

Conflicts of interest policy

Trustees, committee members and senior members of staff are required to recognise and deal appropriately with conflicts of interest. Our conflicts of interest policy, which is reviewed annually by the Audit and Risk Committee, sets out our approach. We recognise that even the perception that there is a conflict of interest could damage our reputation. Trustees, members of committees established by the Board of Trustees,

members of the board of KEHF Ltd, senior members of staff (the Senior Management Team) and any other people as requested by the Trustees complete declarations of all interests annually. All interests, rather than just those that the person completing the declaration considers relevant, are declared. This avoids the exclusion of any interests that others may perceive to be potential conflicts.

The Fund's Register of all Interests is reported to the Audit and Risk Committee and to the Board of Trustees annually. It is made available to the Fund's auditors and is published on [the Fund's website](#).

Remuneration policy

The King's Fund believes that to attract and retain the calibre of staff we need to deliver our charitable objectives, our remuneration policy should:

- provide salaries that are competitive in our sector
- be considered fair, equitable and transparent
- allow for pay progression over time
- deliver arrangements that are sustainable within the available resources.

The Fund operates an incremental pay scale for most of its staff, underpinned by a factors-based job evaluation system. The scale comprises grades from 1 to 8c, each with a minimum and maximum point and normally five incremental points in between. Salaries are reviewed annually, and the Fund has the option to increase scale points by an agreed percentage. Any such increase takes effect from the following 1 January. The Board of Trustees has delegated responsibility for determining matters of pay and pay-related benefits to its Remuneration Committee.

The Remuneration Committee meets routinely in the winter to agree the following year's percentage increase and arrangements for executive pay. In agreeing the pay award, the Committee considers:

- indicators in the wider economy
- the levels of award that organisations the Fund compares itself with have made
- affordability.

At the meeting held in October 2024, the Committee was mindful of affordability as well as higher (although reducing) levels of inflation. As a result, it recommended an increase of 2 per cent in January 2025, which Trustees agreed.

Reference and administrative details

Registered office

The King's Fund
11–13 Cavendish Square
London
W1G 0AN

Charity number

1126980

Company number

RC000826

Patron

Her Majesty Queen Elizabeth II [until September 2022]

President

His Majesty King Charles III

General Advisory Council

General Advisory Council members serving during the year and since the year end are:

Lord Victor Adebowale CBE, Chair and Co-Founder, Visionable

Samantha Allen, Chief Executive, North East and North Cumbria Integrated Care System

Dominique Allwood, CEO, Imperial College Health Partners [from January 2025]

Professor Kate Arden, Hon Professor Salford University, Visiting Professor Chester University and independent public health consultant

Karen Bonner MBE, Regional Chief Nurse London, NHS England (London region)

James Bullion, Chief Inspector of Adult Social Care and Integrated Care (Interim), Care Quality Commission [from January 2025]

Rachel Burnham, Director of Performance & Planning, Manchester University NHS Foundation Trust

Stephen Chandler, Interim Executive Director for People, Transformation and Performance, Oxfordshire County Council

Dr Navina Evans CBE, Chief Workforce Training and Education Officer, NHS England

Jatinder Harchowal MBE FRPharmS, Chief Pharmacist, University College London Hospitals NHS Foundation Trust

Dr Chris Hilton, Chief Operating Officer (Local and Specialist Services) – West London NHS Trust

John James OBE, Chief Executive, Sickle Cell Society

Shigufta Khan, Chief Executive, The Wish Centre

Fatima Khan-Shah, West Yorkshire Inclusivity Champion

Dr Gabrielle Mathews, foundation doctor

Professor Nicholas Mays, Professor of Health Policy, London School of Hygiene and Tropical Medicine

Jane McGrath, Chief Executive, We Coproduce

Jonathan McShane, Chair, Terrence Higgins Trust

Michelle Mitchell, CEO, Cancer Research [from January 2025]

Samira Ben Omar, independent consultant, community collaboration

Sarah Pickup OBE, Deputy Chief Executive, Local Government Association [to June 2024]

Anna Quigley, Research Director, Ipsos

Dr Yasmin Razak, GP Partner, North Kensington and Clinical Director, Neohealth

Matthew Skinner, Chief Executive, Care City

Dr Justin Varney-Bennett, Regional Director of Public Health, South West of England

Stella Vig, National Director, Secondary Care and Quality, NHS England [from January 2025]

Hardev Virdee, Group Chief Financial Officer, Barts Health NHS Trust

Board of Trustees

The Trustees serving during the year and since the year end are:

Professor Mark Britnell

Alan Brown

Richard Clark

Dr Jane Collins [to September 2024]

Dominic Dodd

Professor Yvonne Doyle [from January 2025]

Professor Kamila Hawthorne MBE

Dr Annalisa Jenkins

Rt Hon Professor Lord Kakkar KBE PC [Chair of the Board of Trustees]

Dr Dominic King [from January 2025]

Dr Stephanie Kuku

Rt Hon Jacqui Smith [to July 2024]

Sub-committees

The committee members serving during the year and since the year end are as follows.

Investment Committee

Alan Brown [Chair of the Committee]
Richard Clark
Sarah Fromson
Robert Holmes
Rt Hon Professor Lord Kakkar KBE PC
Dr Stephanie Kuku
John McLaughlin

Remuneration Committee

Alan Brown
Dominic Dodd [Chair of the Committee]
Rt Hon Professor Lord Kakkar KBE PC

Nominations Committee

Alan Brown
Dominic Dodd
Rt Hon Professor Lord Kakkar KBE PC [Chair of the Committee]

Audit and Risk Committee

Dominic Dodd [Chair of the Committee]
Jane Collins [to September 2024]
Dr Annalisa Jenkins
Professor Kamilla Hawthorne

Facilities and Estates Committee

Alan Brown
Richard Clark [Chair of the Committee]
Andy Doyle
Rt Hon Professor Lord Kakkar KBE PC
Anna Rule

KEHF Ltd Board of Directors

Alan Brown [Chair of the Board]

Dominic Dodd

Anna Rule

Matthew Tolchard

Sarah Woolnough

Company secretary – Paul Clough

Senior Management Team

Chief Executive – Sarah Woolnough

Director of Policy – Sally Warren [to July 2024]

Director of Policy, Events and Partnerships (interim) – Siva Anandaciva [from June 2024]

Director of Policy, Events and Partnerships (interim) – Alex Baylis [from June 2024]

Director of Policy, Events and Partnerships – Siva Anandaciva [from January 2025]

Director of Finance and Operations – Paul Clough

Director of Leadership and Organisational Development – Suzie Bailey

Director of Communications (interim) Andrew McCracken [to June 2024]

Director of Communications (interim) Deena Maggs [to June 2024]

Director of Communications and Engagement Zoë Abrams [from June 2024]

Director of HR – Shirley Collier [to March 2025]

Director of HR – Caroline Woolland [from April 2025]

Key advisers

Bankers

National Westminster Bank Plc

250 Regent Street

London W1B 3BN

Solicitors

Farrer & Co LLP

66 Lincoln's Inn Fields

London WC2A 3LH

Mills and Reeve LLP

24 King William Street

London EC4R 9AT

Actuaries

Gallagher
20 Wood Street
London EC2V 7AF

Auditor

HaysMac LLP
10 Queen Street Place
London EC4R 1AG

Investment adviser

Stanhope Capital LLP
35 Portman Square
London W1H 6LR

Investment Property Manager

Savills plc
33 Margaret Street
London W1G 0JD

Basing Estate Monitoring Agent

Bidwells
25 Old Burlington Street
London W1S 3AN

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and Accounts in accordance with applicable law and regulations.

Under charity law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of their net outgoing resources for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees

Kakkar

Lord Kakkar

Chair

22/07/2025

AUDITOR'S REPORT AND ACCOUNTS

Independent auditor's report to the Trustees of The King's Fund

Opinion

We have audited the financial statements of The King's Fund for the year ended 31 December 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2024 and of the group's net movement in funds for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity or
- sufficient accounting records have not been kept or
- the parent charity financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 45, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, tax legislation, employment law, GDPR and health and safety and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Charities Act 2011, the Charities SORP and FRS 102.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of income and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

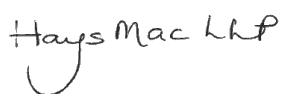
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- reviewing the controls and procedures of the Charity to ensure these were in place throughout the year
- evaluating management's controls designed to prevent and detect irregularities
- reviewing and testing journals entries made in the year, particularly those made as part of the year-end financial reporting process
- challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the [Financial Reporting Council's website](#). This description forms part of our auditor's report.

Use of our report

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



HaysMac LLP

Statutory Auditors

10 Queen Street Place

London EC4R 1AG

29/07/2025

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

Consolidated statement of financial activities

for the year ended 31 December 2024

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2024 £000	Total 2023 £000
Income and endowments from:						
Donations and legacies		18	-	-	18	12
Charitable activities						
Research and analysis		531	161	-	692	790
Developing individuals, teams and organisations		4,874	-	-	4,874	4,949
Promoting understanding		128	-	-	128	135
Bringing people together		390	-	-	390	500
Total charitable activities	4	5,923	161	-	6,084	6,374
Other trading activities	5	4,607	-	-	4,607	4,605
Investments	6	2,987	-	-	2,987	3,409
Other		66	-	-	66	167
Total		13,601	161	-	13,762	14,567
Expenditure on:						
Charitable activities						
Research and analysis		4,221	166	-	4,387	4,229
Developing individuals, teams and organisations		6,186	-	-	6,186	6,202
Promoting understanding		3,390	-	-	3,390	3,442
Bringing people together		875	-	-	875	825
Total charitable activities	4	14,672	166	-	14,838	14,698
Other trading activities	7	3,920	-	-	3,920	3,558
Raising funds costs	8	892	-	283	1,175	1,214
Total		19,484	166	283	19,933	19,470
Operating (deficit)		(5,883)	(5)	(283)	(6,171)	(4,903)
Net gain on investments		2,031	-	12,343	14,374	9,643
Net income/(expenditure)		(3,852)	(5)	12,060	8,203	4,740
Transfers between funds		1	(1)	-	-	-
Actuarial (loss) on defined benefit pension scheme	18	(91)	-	-	(91)	-
Net movement in funds		(3,942)	(6)	12,060	8,112	4,740
Reconciliation of funds:						
Total funds brought forward	19	69,431	(6)	147,848	217,273	212,533
Total funds carried forward	19	65,489	(12)	159,908	225,385	217,273

All of the operations represented by the information above are continuing.

The notes on pages 55 to 76 form part of these financial statements

Balance sheets

as at 31 December 2024

	Notes	Consolidated 2024 £000	Consolidated 2023 £000	Charity 2024 £000	Charity 2023 £000
Fixed assets:					
Tangible assets	11	51,611	52,036	51,611	52,036
Intangible assets	12	326	119	326	119
Investments	13	194,683	186,132	194,733	186,182
Total fixed assets		246,620	238,287	246,670	238,337
Current assets:					
Debtors	15	1,554	1,696	1,510	1,691
Cash at bank and in hand		1,289	1,818	531	1,009
Total current assets		2,843	3,514	2,041	2,700
Liabilities:					
Creditors: amounts falling due within one year	16	(4,078)	(4,528)	(3,332)	(3,770)
Net current (liabilities)		(1,235)	(1,014)	(1,291)	(1,070)
Total assets less current liabilities		245,385	237,273	245,379	237,267
Creditors: amounts falling due after more than one year	17	(20,000)	(20,000)	(20,000)	(20,000)
Net assets excluding pension liability		225,385	217,273	225,379	217,267
Defined benefit pension scheme liability	18	-	-	-	-
Total net assets		225,385	217,273	225,379	217,267
The funds of the charity:					
Expendable endowment funds		159,908	147,848	159,908	147,848
Restricted funds	20	(12)	(6)	(12)	(6)
Unrestricted funds	19	65,489	69,431	65,483	69,425
Total charity funds		225,385	217,273	225,379	217,267

Approved on behalf of the Board of Trustees and authorised for issue on 22/07/2025

A J Brown

Alan Brown
Treasurer

The notes on pages 55 to 76 form part of these financial statements.

Consolidated cashflow statement

as at 31 December 2024

	Notes	2024 £000	2023 £000
Net cash (used in) operating activities	A	(7,299)	(6,756)
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,987	3,409
Investment management fees		(641)	(680)
Purchase of tangible fixed assets		(613)	(527)
Purchase of intangible fixed assets		(252)	(117)
Net sale of investments		5,823	3,670
Net cash provided by investing activities		7,304	5,755
Cash flows from financing activities:			
Interest on loan		(534)	(534)
Net cash (spent on) financing activities		(534)	(534)
Change in cash and cash equivalents in the reporting period	B	(529)	(1,535)
A. Reconciliation of net income to net cash flow from operating activities			
		2024 £000	2023 £000
Net income for the reporting period		8,203	4,740
Adjustments for:			
Investment income		(2,987)	(3,409)
Net gain on investments		(14,374)	(9,643)
Investment management fees		641	680
Interest on the loan		534	534
Depreciation and amortisation charges		1,083	978
Other finance cost of the pension scheme		(47)	(4)
Administrative expenses		-	99
Current service cost less contributions to the pension scheme		(44)	(96)
Decrease in debtors		142	124
Decrease in creditors		(450)	(759)
Net cash provided by/(used in) operating activities		(7,299)	(6,756)
B. Movement of cash and cash equivalents			
	At 1 January 2024 £000	Movement £000	At 31 December 2024 £000
Cash at bank and in hand	1,818	(529)	1,289

Notes to the accounts

for the year ended 31 December 2024

1 Charity information

The charity (registered number 1126980) is incorporated by Royal Charter and is governed by the provisions and byelaws of the charter; any revocation, alteration or additions to the byelaws must be approved by the Privy Council.

The charity has a wholly owned subsidiary trading company, KEHF Limited (company registration number 2754697).

The address of the registered office of both The King's Fund and KEHF Limited is 11–13 Cavendish Square, London, W1G 0AN.

2 Accounting policies

The principal accounting policies adopted and critical areas of judgements are as follows.

Basis of preparation

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

The King's Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts of The King's Fund and KEHF Limited are consolidated, on a line-by-line basis, to produce the Consolidated Accounts. No separate statement of financial activities has been presented for The King's Fund but the charity's total income and net movement in funds in the year are set out in note 14.

2 Accounting policies (continued)

Basis of preparation (continued)

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity-only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Going concern

The Fund's planning process, including financial projections, takes into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Fund has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have, therefore, been prepared on the basis that the charity is a going concern.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the accounts recognised in the financial statements are summarised below.

- Pension liabilities: the charity recognises the liability to its defined benefit pension scheme, which involves a number of estimations as disclosed in note 18. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme, hence, at the moment, it is not recognised as it is considered that the surplus in the defined benefit pension scheme is not recoverable.

2 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

- Valuation of investment properties: the charity's Basing investment properties are stated at their fair values. These are based on an external valuation as at 31 December 2023, with a management update as disclosed in note 13. The Deans Mews investment property is based on an external valuation as at September 2022, with a management update as disclosed in note 13.
- Private equity investments are valued at the most recent investment manager valuations.
- Income recognition: when accounting for project income in line with the percentage completion basis set out below, the percentage of completion of a project is estimated using the actual costs incurred, including time spent, as a proportion of total planned costs.

Other accounting policies

Donations and legacies

Donations and legacies are recognised in the statement of financial activities when they become receivable, that is, when it is reasonably certain that they will be received and where the value can be measured with sufficient reliability.

Grants receivable

Grants receivable are recognised in the statement of financial activities in full in the year in which they become receivable, that is, when the conditions for receipt have been met.

Investment income

Income from investments is accounted for when dividends and interest are receivable and includes recoverable taxation. Income received, but not distributed, by pooled funds is included as part of the net gains/losses on investment assets in the statement of financial activities.

Other income recognition

Project income is recognised on a percentage completion basis in relation to actual costs spent at the Balance Sheet date as a proportion of total planned costs over the life of the project. Projected losses on projects are provided as soon as they can be reasonably foreseen.

2 Accounting policies (continued)

Other income recognition (continued)

All other income is included in the statement of financial activities when The King's Fund is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The costs of certain support departments are allocated to the principal activities on the basis set out in note 4.

Pension costs

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The current service costs of the Plan, together with the net interest on the net defined benefit liability (calculated at the discount rate), are charged to the statement of financial activities within staff costs. The actuarial gains and losses on the Plan are recognised immediately as other recognised gains and losses.

The assets of the Plan are measured at fair value at the Balance Sheet date. Liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Where the scheme is determined to be in a deficit position, this is recognised in full as a liability. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme. The Scheme closed to future accruals on 31 May 2024.

The NHS Pension Scheme is a multi-employer defined benefit scheme. Contributions have been accounted for in the period to which they relate, as if it were a defined contribution scheme, as it is not possible to identify our share of the underlying assets and liabilities.

The King's Fund Group Personal Pension Plan is a defined contribution scheme and contributions have been accounted for in the period to which they relate.

2 Accounting policies (continued)

Intangible assets

Intangible assets costing more than £5,000, including any incidental expenses of acquisition, are capitalised and recorded at cost. The anticipated life has been taken as five years.

Tangible assets

Tangible assets costing more than £5,000, including any incidental expenses of acquisition, are capitalised and recorded at cost.

Depreciation is calculated so as to write off the cost of the tangible assets on a straight-line basis over the expected useful economic lives of the assets concerned, which are taken as:

Plant and machinery:

Electrical installations	3 to 30 years

Mechanical installations	5 to 30 years

Lifts	30 years

Furniture, fittings and equipment:

Catering equipment	3 to 20 years

Furniture and fittings	5 to 20 years

ICT hardware and software	2 to 5 years

Office equipment	3 to 10 years

Freehold buildings	50 years

Freehold land is not depreciated.

Financial instruments

The King's Fund has financial assets and financial liabilities of a kind that qualifies as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at settlement value or amortised cost comprise trade and other creditors, and fixed-interest loan.

Investments, including bonds and cash held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

2 Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates. Assets and liabilities are translated at rates applying at the Balance Sheet date. All differences are taken to the statement of financial activities.

Funds

Expendable endowment: the expendable endowment is maintained to generate income for the benefit of The King's Fund. The capital sum may be spent at the discretion of the Trustees.

Restricted funds: funds received in relation to a restricted grant can only be used for that purpose.

Unrestricted funds: unrestricted funds include the net book value of the tangible fixed assets, the intangible fixed assets of the charity, investments and net current assets, less the pension reserve. The split between these categories is shown in note 19. The King's Fund has the power to spend its unrestricted funds within its objects as it sees fit.

3 Taxation

No corporation tax is payable by The King's Fund as it is able to make use of the tax exemptions on income and capital gains available to charities. No corporation tax is payable by the subsidiary company, KEHF Limited, as it is expected that each year an amount equal to its taxable profits will be paid to The King's Fund under the Gift Aid scheme.

4 Income and expenditure on charitable activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2024 £000	Total 2023 £000
Commissioned work	484	2,182	11	-	2,677	3,520
Grants	160	1	-	-	161	290
Course places or event tickets	-	2,206	-	390	2,596	2,393
Other	48	485	117	-	650	171
Total income	692	4,874	128	390	6,084	6,374
Direct expenditure	2,705	4,449	1,925	441	9,520	9,151
Support departments (4a)	1,682	1,737	1,465	434	5,318	5,547
Total expenditure	4,387	6,186	3,390	875	14,838	14,698

4a Support departments

Facilities (1)	589	608	513	152	1,862	1,862
Communications (2)	142	147	124	37	450	434
Other support (3)	951	982	828	245	3,006	3,251
Total cost of support departments	1,682	1,737	1,465	434	5,318	5,547

- Facilities costs have been apportioned based on average headcount of the various departments during the year.
- Communication costs have been apportioned based on average headcount of the various departments during the year.
- Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

The comparatives for 2023 can be seen in note 23.

5 Income from other trading activities

	2024 £000	2023 £000
Income from other trading activities comprises:		
External conference and catering services	3,331	3,176
Income from sponsorship and partnership	674	819
Income from tenants	571	573
Income from non-charitable consultancy	31	37
	4,607	4,605

6 Income from investments

	2024 £000	2023 £000
Income from securities and cash assets comprises:		
Equities	1,721	1,754
Bonds	318	365
Cash	6	29
Infrastructure	153	-
Investment properties	789	1,261
	2,987	3,409

7 Expenditure on other trading activities

	2024 £000	2023 £000
Expenditure on other trading activities comprises:		
External conference and catering services	3,243	2,973
Cost associated with sponsorship and partnerships	625	541
Cost associated with tenants	24	15
Cost associated with non-charitable consultancy	28	29
	3,920	3,558

8 Raising funds costs

	2024 £000	2023 £000
Expenditure on raising funds costs comprises:		
Fees paid to managers, custodians, administrators and advisers for the discharge of their duties in connection with the investment portfolio and properties	429	492
Interest expense on the loan	534	534
Property repairs and maintenance	212	188
	1,175	1,214

9 Employees

	2024 £000	2023 £000
Wages and salaries	8,922	8,914
Social security costs (including apprenticeship levy)	1,023	1,008
Pension costs (before final salary pension adjustments)	1,542	1,403
Total emoluments before final salary pension adjustments	11,487	11,325
Final salary pension adjustments	(91)	(1)
Total emoluments after final salary pension adjustments	11,396	11,324

Included in the above pension costs is £38,000 (2023: £101,000) relating to the current employer service costs of the defined benefit pension scheme and £58,000 (2023: £110,000) relating to settlement agreement payments.

9 Employees (continued)

Average number of staff:

	2024	2023
Research and analysis	31	31
Developing individuals, teams and organisations	32	33
Promoting understanding	27	28
Bringing people together	8	7
Other trading activities	12	11
Facilities	13	14
Communications	6	5
Other support departments	23	23
Total	152	152

The number of employees with remuneration (employee benefits excluding employer pension costs) exceeding £60,000 were:

	2024	2023
£60,000-£69,999	14	6
£70,000-£79,999	5	11
£80,000-£89,999	8	5
£90,000-£99,999	4	3
£100,000-£109,999	9	10
£110,000-£119,999	2	2
£120,000-£129,999	-	2
£130,000-£139,999	2	1
£160,000-£169,999	1	-
£180,000-£189,999	-	1

Contributions were made to The King's Fund Staff Pension and Life Assurance Plan, which is a defined benefit scheme, for four (2023: three) higher-paid employees and to the NHS Pension Scheme, which is also a defined benefit scheme, for three (2023: four) higher-paid employees. Contributions to The King's Fund Staff Pension and Life Assurance Plan ceased as at 31 May 2024 due to closure of the scheme to future accruals. Contributions totalling £759,000 (2023: £477,000) were made to The King's Fund Group Personal Pension Plan, which is a defined contribution scheme, for 41 (2023: 32) higher-paid employees.

The total employee benefits, including employer pension costs, received by the Chief Executive in 2024 were £209,440. (There was a change of CEO during 2023; benefits received across both posts: £216,810).

The key management personnel of the charity comprise the Trustees and the Senior Management Team. None of the Trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. During 2024, there was no Trustee reimbursement for expenses (one Trustee reimbursement during 2023: £534). The total employee benefits, including employer pension costs and national insurance, received by the key management personnel in 2024 were £1,164,000 (2023: £1,183,000).

10 Governance costs

	2024 £000	2023 £000
Auditor's remuneration		
External audit fees (charity)	29	28
External audit fees (KEHF Limited)	7	6
	36	34

Fees totalling £1,450 (2023: £3,800) were payable to the auditors for taxation services in 2024, required for the trading subsidiary (2023: for both charity and trading subsidiary).

11 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Furniture, fittings and equipment £000	2024 Total assets £000
Cost				
At 1 January	55,350	4,896	3,069	63,315
Additions	-	10	603	613
Disposals	-	(403)	(154)	(557)
At 31 December 2024	55,350	4,503	3,518	63,371
Depreciation				
At 1 January	4,851	4,070	2,358	11,279
Charge for the year	483	197	358	1,038
Disposals	-	(403)	(154)	(557)
At 31 December 2024	5,334	3,864	2,562	11,760
Net book value at 31 December 2024	50,016	639	956	51,611
Previous year	50,499	826	711	52,036

Freehold land and buildings represent the Fund's offices at 11–13 Cavendish Square, London W1G 0AN. When adopting FRS 102, the Fund has chosen to use the fair value of the freehold land and buildings as its deemed cost as at 1 January 2014. Within the above total, the amount attributable to the freehold land is £33,600,000 based on the valuation completed by Savills plc.

As at 31 December 2024, The King's Fund had no capital commitments (2023: £0).

12 Intangible fixed assets

	2024 £000	2023 £000
Cost		
At 1 January	818	892
Additions	252	117
Disposals	(607)	(191)
At 31 December 2024	463	818
Amortisation		
At 1 January	699	887
Charge for the year	45	3
Disposals	(607)	(191)
At 31 December 2024	137	699
Net book value at 31 December 2024	326	119
Previous year	119	5

Intangible assets relate to costs expended on the Fund's enterprise resource planning project, website and other software.

13 Fixed asset investments

	2024 Total £000	2023 Total £000
Securities:		
Equities	147,775	141,719
Index-linked bonds	8,041	5,788
Fixed-interest bonds	-	2,622
Private-equity funds	1,228	2,345
Infrastructure	8,460	4,003
Cash and cash equivalents	1,878	2,354
Investment properties	27,301	27,301
Consolidated total	194,683	186,132
Shareholding in subsidiary company	50	50
Charity total	194,733	186,182

13 Fixed asset investments (continued)

A loan of £20,000,000 was taken out in 2021. This has been fully invested in the securities portfolio and has helped to increase the value of the investments held. For more information about the loan see note 17.

Within the total securities, £159,770,000 is classified as Level 1 as defined by IFRS 7, that is, 'the investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date'. The remaining £5,734,000 is classified as Level 3, that is, 'the investment is measured using unobservable inputs at the reporting date'. The Level 3 amount comprises various private equity funds and one fund invested in Infrastructure. No readily identifiable market price is available for these unquoted funds and therefore they are included as the most recent valuations provided by the manager.

The Fund has freehold interest in two investment properties. The Old Basing Estate is a mixed agricultural estate extending to approximately 981 acres and has been included at Fair Value of £14,951,000 (2023: £14,951,000) from a management review of the external valuation in December 2023. In 2015 the Fund purchased a freehold interest in properties at 7–10 Dean's Mews, which adjoin the Fund's offices at 11–13 Cavendish Square. They have been included at a value of £12,350,000 from a management review of the external valuation in September 2022 (2023: £12,350,000).

A reconciliation of the movement in the market value of the Fund's investments during the year is as follows:

	2024 £000	2023 £000
Opening balance at 1 January	186,132	180,159
Net monies disinvested	(5,823)	(3,670)
Increase on revaluation	14,374	9,643
	194,683	186,132
Shareholding in subsidiary company	50	50
Closing balance at 31 December 2024	194,733	186,182

14 Subsidiary company

KEHF Limited, a company registered in England number 2754697, began trading on 2 August 2007 having previously been reported as a dormant company.

The authorised share capital of the company is 50,000 shares of £1 each. The King's Fund owns all of the shares and is therefore the sole member of the company. The company has five directors comprising two King's Fund Trustees, a King's Fund Facilities and Estates committee member and two King's Fund employees.

The activities undertaken by the company comprise the letting of conference space within the premises of The King's Fund to third parties, along with the provision of catering and other related services. In addition, KEHF Limited manages sponsorship arrangements including with partners and supporters, and consulting activities that are outside the charitable objects.

In the year to 31 December, the company had income of £4,126,000 (2023: £4,118,000) and incurred expenditure of £3,742,000 (2023: £3,467,000) thereby generating an operating profit of £384,000 (2023: £651,000). The directors have made donations in the year of £384,000 to The King's Fund through Gift Aid. The resultant accumulated surplus of KEHF Limited at 31 December 2024 was £6,000 (2023: £6,000).

Excluding KEHF Limited's results, the charity's total income in 2024 was £11,416,000 (2023: £12,409,000) and the charity's net increase in funds was £8,113,000 (2023: net increase of £4,736,000).

15 Debtors

	Consolidated 2024 £000	Consolidated 2023 £000	Charity 2024 £000	Charity 2023 £000
Trade debtors	870	794	628	576
Amounts owed by KEHF Limited	-	-	192	96
Prepayments and accrued income	672	898	633	863
Other debtors	12	4	12	4
Donations from KEHF Limited	-	-	45	152
	<u>1,554</u>	<u>1,696</u>	<u>1,510</u>	<u>1,691</u>

16 Creditors: amounts falling due within one year

	Consolidated 2024 £000	Consolidated 2023 £000	Charity 2024 £000	Charity 2023 £000
Trade creditors	484	489	330	324
Amounts owed to KEHF Limited	-	-	27	7
Deferred income - see analysis below	2,980	3,051	2,378	2,464
Taxation and social security	12	308	12	308
Other creditors and accruals	602	680	585	667
	4,078	4,528	3,332	3,770
	Balance at 1 January 2024 £000	Released during the year £000	Additional deferrals £000	Balance at 31 December 2024 £000
Deferred income analysis				
Programme fees received in advance	2,464	(2,464)	2,378	2,378
Charity total	2,464	(2,464)	2,378	2,378
Other deferred income including KEHF Limited	587	(587)	602	602
Consolidated total	3,051	(3,051)	2,980	2,980

17 Creditors: amounts falling due after more than one year

	Consolidated 2024 £000	Consolidated 2023 £000	Charity 2024 £000	Charity 2023 £000
Loan from MetLife falling due in over five years	20,000	20,000	20,000	20,000
	20,000	20,000	20,000	20,000

A 30-year loan was taken out on 14 May 2021 to enhance the long-term value of The King's Fund's investments and has been invested in line with the strategic asset allocation. The loan is repayable in full at the end of the loan period in May 2051. In the interim, the interest is payable in November and May. The future interest payable is as follows:

	2024 £000	2023 £000
Not later than one year	534	534
Later than one year and not later than five years	2,136	2,136
Later than five years	11,414	11,948
Total	14,084	14,618

18 Pension schemes

The King's Fund Staff Pension and Life Assurance Plan

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The Plan was open to all employees of The King's Fund who were not members of another scheme until it was closed to new members on 28 February 2008. The scheme closed for employee and employer contribution on 31 May 2024 so as at 31 December 2024 there were no active members (2023: 12).

	2024 £000	2023 £000
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	53,757	57,412
Present value of plan liabilities	(40,036)	(44,229)
Net Plan asset	13,721	13,183
Amount not recognised as asset due to limit in FRS 102 paragraph 28.22	(13,721)	(13,183)
Net defined benefit asset	-	-

The surplus linked to the defined benefit scheme is not considered to be recoverable and therefore has not been recognised in the financial statements in accordance with FRS 102.

	2024 £000	2023 £000
The movement in defined benefit obligations over the year was as follows:		
Present value of obligations at start of year	44,229	43,662
Current employer service cost	38	101
Employee contributions	29	70
Liabilities extinguished on curtailments	(76)	-
Interest costs	2,011	2,036
Actuarial losses/(gains)	(3,647)	891
Benefits paid	(2,550)	(2,531)
Closing value of the plan liability	40,036	44,229

	2024 £000	2023 £000
The movement in the fair value of assets over the year was as follows:		
Opening fair value of plan assets	57,412	54,287
Return on plan assets in excess of/(lower than) interest income	(3,799)	2,938
Interest income on planned assets	2,660	2,550
Employee contributions	29	70
Employer contributions	82	197
Administration costs	(77)	(99)
Benefits paid	(2,550)	(2,531)
Closing fair value of plan assets	53,757	57,412

18 Pension schemes (continued)

	2024 £000	2023 £000
Total (expense) recognised in the statement of financial activities:		
Current employer service cost	(38)	(101)
Net interest on the net defined benefit obligation	47	4
Return on Plan assets excluding interest income	(3,799)	2,938
Actuarial gains/(losses) arising from change in assumptions	3,647	(891)
Amount not recognised as asset due to limit in FRS 102, paragraph 28.22	61	(2,047)
Curtailments	77	-
Administrative expenses	(77)	(99)
Total expense recognised in the statement of financial activities	(82)	(196)
	2024	2023
Proportion of total Plan assets by asset class:		
Equities (including property)	17%	14%
Bonds	50%	53%
Index-linked	30%	31%
Cash and equivalents	3%	2%

The overall expected rate of return on the Plan assets is determined by applying each asset type's expected long-term rate of return to that asset type's market value and calculating a weighted average rate of return over all asset types.

	2024 £000	2023 £000
Actual return on Plan assets	(1,139)	5,487
The principal actuarial assumptions used at the balance sheet date:		
Discount rate	5.45%	4.55%
Rate of increase in salaries	n/a	2.35%
RPI inflation	3.15%	3.05%
CPI inflation	2.45%	2.35%
Rate of increase in pension payments:		
Service prior to 1 April 2000	4.20%	4.20%
Service after 1 April 2000	3.05%	3.00%
Life expectancy at 65 for:		
male aged 65	22.7	22.4
female aged 65	24.4	24.4
male aged 45	23.9	23.6
female aged 45	25.8	25.8

The King's Fund expects no further contributions to be made to the Plan in the year ending 31 December 2025 due to the closure of the scheme to future accruals. The last full valuation of the scheme was 1 April 2024.

18 Pension schemes (continued)

NHS Pension Scheme

The Fund contributes to the NHS Pension Scheme, a defined benefit scheme, for five (2023: six) eligible members of staff as at 31 December 2024. In 2024 The Fund contributed £64,000 (2023: £69,000) to the scheme. The employer's contribution rate is set by the Government Actuary at 14.38 per cent.

The King's Fund Group Personal Pension Scheme

The Fund contributed to the Group Personal Pension Scheme, a defined contribution scheme established in 2008, for 145 (2023: 139) members of staff as at 31 December 2024. The Fund contributed £1,397,000 (2023: £1,137,000) to the scheme.

The employer's contribution rates are double each individual employee's contribution rate within the range from 6 per cent to 12 per cent of pensionable salary.

The pension charges for the period are shown below:

	2024 £000	2023 £000
The King's Fund Staff Pension and Life Assurance Plan	82	197
NHS Pension Scheme	64	69
The King's Fund Group Personal Pension Scheme	1,396	1,137
Total charges	1,542	1,403

19 Split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2024 £000	Total funds 2023 £000
Tangible assets	-	-	51,611	51,611	52,036
Intangible assets	-	-	326	326	119
Investments: securities	145,829	-	21,553	167,382	158,831
Investments: property	14,079	-	13,222	27,301	27,301
Net current liabilities	-	(12)	(1,223)	(1,235)	(1,014)
Long-term liabilities	-	-	(20,000)	(20,000)	(20,000)
Pension fund reserve	-	-	-	-	-
Total funds	159,908	(12)	65,489	225,385	217,273

20 Movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted funds:					
Department of Health and Social Care with University of York	(7)	125	(136)	-	(18)
The Human Side to Digital Infrastructure	-	35	(29)	-	6
RCN enquiry into the lived experiences of nurses and midwives	1	1	(1)	(1)	-
Total restricted funds	(6)	161	(166)	(1)	(12)

The contract with the Department of Health and Social Care (DHSC) – run jointly with the University of York – is to provide a fast response research and analytical facility. During 2024, we worked on five projects under the call-off contract that we have in partnership with the University of York, for rapid research to support DHSC's policy needs. Reports of all projects are on our website and in the public archive for the contract at www.york.ac.uk/prepare. There is currently a deficit due to timing differences of funding received versus activities completed, which will be recovered in future years.

The other grants were from the RCN Foundation and The Health Foundation, the latter of which there is currently a negative balance due to timing differences of funding received versus activities completed, which will be fully spent in 2025.

To see the comparatives for 2023 please see note 23b.

21 Related party transactions

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, KEHF Limited, as set out below.

- In 2024, the charity charged KEHF Limited management fees totalling £426,000 (2023: £395,000). This is calculated as a percentage of staffing costs.
- In 2024, the charity charged KEHF Limited licence fees totalling £897,000 (2023: £841,000). This is calculated as a percentage of room hire income from external conference and catering services.
- In 2024, KEHF Limited charged the charity administration fees totalling £73,000 (2023: £72,000). This is calculated as a percentage of internal room hire costs.
- As at 31 December 2024, KEHF Limited owed the charity £45,000 of additional gift aid (2023: £152,000). For the total gift aid payable in the year, see note 14 above.

22 Lessor operating leases

The future minimum lease payments under non-cancellable operating leases for each of the following periods are set out below:

	2024	2023
	£000	£000
Not later than one year	1,119	656
Later than one year and not later than five years	915	563
Total	<u>2,034</u>	<u>1,219</u>

Operating lease commitments relate to the minimum future rental income for both investment and non-investment properties.

23 Comparative statements

23a Comparative split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2023 £000
Tangible assets	-	-	52,536	52,036
Intangible assets	-	-	119	119
Investments: securities	133,769	-	25,062	158,831
Investments: property	14,079	-	13,222	27,301
Net current assets/(liabilities)	-	(6)	(1,008)	(1,014)
Long-term liabilities	-	-	(20,000)	(20,000)
Total funds	147,848	(6)	69,431	217,273

23b Comparative movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year 2023 £000
Restricted funds:					
Department of Health and Social Care with University of York	-	212	(219)	-	(7)
The National Lottery Community Fund (renamed Big Lottery)	5	30	(35)	-	-
Other	-	48	(47)	-	1
Total restricted funds	5	290	(301)	-	(6)

The contract with the Department of Health and Social Care (DHSC) – run jointly with the University of York – is to provide a fast response research and analytical facility. During 2024, we worked on seven projects under the call-off contract that we have in partnership with the University of York, for rapid research to support DHSC's policy needs. Reports of all projects are on our website and in the public archive for the contract at www.york.ac.uk/prepare. There is currently a deficit due to timing differences of funding received versus activities completed, which will be recovered in future years.

In 2018, a grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading Leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768. And in 2021 we received another top-up grant of £29,500, bringing the total budget of the project to £494,268 and this included an extension of the project to 2024, recognising the Covid-19 delays. This programme was completed in 2024.

The remaining grant was from the RCN Foundation (£48,000).

23 Comparative statements (continued)

23c Comparative consolidated statement of financial activities

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2023 £000
Income and endowments from:					
Donations and legacies		12	-	-	12
Charitable activities					
Research and analysis		578	212	-	790
Developing individuals, teams and organisations		4,871	78	-	4,949
Promoting understanding		135	-	-	135
Bringing people together		500	-	-	500
Total charitable activities	4	6,084	290	-	6,374
Other trading activities	5	4,605	-	-	4,605
Investments	6	3,409	-	-	3,409
Other		167	-	-	167
Total		14,277	290	-	14,567
Expenditure on:					
Charitable activities					
Research and analysis		4,010	219	-	4,229
Developing individuals, teams and organisations		6,120	82	-	6,202
Promoting understanding		3,442	-	-	3,442
Bringing people together		825	-	-	825
Total charitable activities	4	14,397	301	-	14,698
Other trading activities	7	3,558	-	-	3,558
Raising funds costs	8	963	-	251	1,214
Total		18,918	301	251	19,470
Operating (deficit)		(4,641)	(11)	(251)	(4,903)
Net gain on investments		2	-	9,641	9,643
Net income/(expenditure)		(4,639)	(11)	9,390	4,740
Actuarial gain/(loss) on defined benefit pension scheme	18	-	-	-	-
Net movement in funds		(4,639)	(11)	9,390	4,740
Reconciliation of funds:					
Total funds brought forward	19	74,070	5	138,458	212,533
Total funds carried forward	19	69,431	(6)	147,848	217,273

23 Comparative statements (continued)

23d Comparative consolidated statement of financial activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2023 £000
Commissioned work	578	2,906	36	-	3,520
Grants	212	78	-	-	290
Course places or event tickets	-	1,893	-	500	2,393
Other	-	72	99	-	171
Total income	790	4,949	135	500	6,374
Direct expenditure	2,492	4,353	1,873	433	9,151
Support departments (23e)	1,737	1,849	1,569	392	5,547
Total expenditure	4,229	6,202	3,442	825	14,698

23e Support departments

Facilities (1)	583	621	527	131	1,862
Communications (2)	136	144	123	31	434
Other support (3)	1,018	1,084	919	230	3,251
Total cost of support departments	1,737	1,849	1,569	392	5,547

- 1 Facilities costs have been apportioned based on average headcount of the various departments during the year.
- 2 Communication costs have been apportioned based on average headcount of the various departments during the year.
- 3 Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

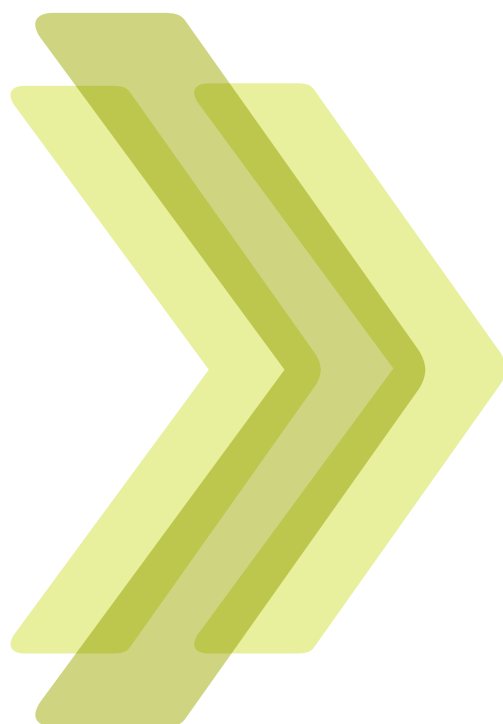
THE KING'S FUND

England & Wales - Charity number 1126980

Accounts

Trustees' annual report and accounts

**For the year ended
31 December 2023**



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Message from the Chair and the Chief Executive

The past 12 months were another successful and impactful year for The King's Fund. It was also a year of change for the organisation. After 10 years at The King's Fund, five as our Chief Executive, Richard Murray announced his retirement. Richard's leadership of the organisation had a profound impact on the delivery of health and care in England. His broad knowledge and strong values were an asset to The King's Fund and he left the organisation in a stronger position to continue our mission.

In August 2023 we were delighted to announce Sarah Woolnough as our new Chief Executive. Sarah brings considerable experience in driving impact for patients, the public and the organisations she has served.

Over the course of 2023, we delivered a programme of high-impact work. We marked **75 years since the creation of the NHS, the founding of the modern system for social care, and the arrival of Caribbean migrants aboard the HMT Empire Windrush**. We published an agenda-setting **analysis comparing international health and care systems**. We were closely involved in the development of the NHS Long Term Workforce Plan, the first comprehensive long-term strategy for staffing the NHS. After a decade of The King's Fund spearheading the shift towards more collaborative leadership in health and care, we combined 10 years of insight to publish a **report on the behaviours, skills and leadership practices** needed for health and care organisations to collaborate well.

Our **analysis of the British Social Attitudes survey** revealed that in 2022 public satisfaction with both the NHS and social care was at its lowest level since the survey began 40 years ago. These record low levels of public satisfaction are symptomatic of a health and care system facing significant challenges.

In this context, and going into 2024, The King's Fund has a crucial role to play in analysing the challenges, seeking out the solutions, and shaping the policies and practice that will improve patient care and people's health.

The 2024 general election presents a significant opportunity for The King's Fund to inform and shape the health and care debate, providing the authoritative and dispassionate analysis we are best known for. In the year ahead our work will seek to shape the policies of the next government, to strengthen our profile and reputation, and to ensure our relationships are resilient to all electoral outcomes.

In delivering our work on the general election, we will maintain a clear focus on our strategic priorities. In addition to work on national policy, we will continue to shape the implementation of integrated care systems, to maintain focus on the essential role local services play in supporting people who face the worst health outcomes, and to support people and leaders to grow and develop a sustainable workforce across health and care.

2024 will bring opportunities and challenges for how best we deliver our work and ensure we have the greatest impact.

We will accelerate our adoption of new and emerging technologies. This will affect all aspects of our organisation: how we conduct our research; how we deliver our leadership and organisational development offers and our events; how we disseminate our work; and how we can become more efficient.

We will build further on our progress in becoming a more diverse and inclusive organisation, for example, by developing a robust and consistent approach to the collection and reporting of diversity and inclusion data. We will also align our external work to support the health and care system to become more diverse and inclusive, with our internal work to make The King's Fund a more diverse and inclusive organisation.

The year ahead looks set to bring challenge and uncertainty for health and care services and the people who rely on them. But undoubtedly, it will also be a year of opportunities for The King's Fund to drive debate on seemingly intractable problems, to identify innovations that can unlock change, and to make further strides towards our vision that the best possible health and care is available to all.



Lord Kakkar
Chair



Sarah Woolnough
Chief Executive

Objectives and activities

Our charitable objects, vision and values

The **objects** of The King's Fund, as set out in our Royal Charter, are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, on health care in London. Health care organisations means all those organisations involved in the commissioning, monitoring or supply and provision of health care.

Health care organisations in London operate within the English health and care system and so our work primarily focuses on England, with a wider reach across the UK and beyond where we can learn, develop and share new ideas and innovations.

Our **vision** is that the best possible health and care is available to all. We aim to be a catalyst for change and to inspire improvements in health and care by:

- generating and sharing ideas and evidence
- offering rigorous analysis and independent challenge
- bringing people together to discuss, share and learn
- supporting and developing people, teams and organisations
- helping people to make sense of the health and care system.

Our **values** underpin the work we do.

**We are committed
to our purpose
and independence**



We will focus on making the greatest possible impact to achieve our vision of better health and care for all, always contributing from a position of independence.

**We act with
integrity**



We will be honest, bold and challenging, seeking diverse perspectives and experiences, engaging in constructive dialogue and calling out injustice.

**We are
collaborative
and inclusive**



We will ensure that everyone feels respected, valued and supported, recognising that we will achieve more by working together and collaborating with others.

**We are positive
and engaged**



We will celebrate success, value learning and promote positive cultures that support people to work at their best.

**We strive for
excellence**



We will strive to produce work of the highest quality, continuously learning to improve everything we do.

Our 2020-25 strategic priorities

Our work spans the breadth of health and care policy and practice, giving us a unique understanding of the strategic context for health and care now and in the future. Within this, we focus our resources where we believe we can maximise our impact. Our current strategy identifies three strategic priorities that form the basis for our work programmes:

- Healthy places and communities
- Tackling the worst health outcomes
- Supporting people and leaders.

In addition to our three strategic priorities, our work on the foundations of health and care uses our knowledge of the health and care system and the relationships we hold to provide independent analysis, respond to key developments, and make sense of the complex and changing health and care landscape.



Our impact

We are committed to evaluating and reporting on our impact. We use several levers to bring about change.

- We explain policy and make sense of the health and care system to support people working in and with the system.
- We shine a light on issues where change is needed through our research and analysis, prompting and informing policy change locally and nationally.
- We offer new thinking, sharing ideas and examples to inform and inspire the future of health and care.
- We work directly with people, teams and organisations to help them develop more effective ways of working and grow the leadership capabilities they need.
- We bring together people with different backgrounds, experiences and perspectives through our events, programmes and networks, using our building to provide safe and stimulating spaces where people can learn and build relationships.
- We advise, support and challenge local and national leaders, applying our thinking, knowledge and understanding to the issues they are facing.

In the next section, we outline our achievements during 2023 and how we have used these levers to deliver impact through our work.

Achievements and performance

Healthier places and communities

Health and wellbeing are profoundly influenced by what happens in places and communities and by how the services operating in a place interconnect. Health and care organisations, local government and other local agencies need to work more closely together, co-ordinating the services they deliver to people. They also need to work in partnership with citizens and communities, and harness the vital contribution of the voluntary, community and social enterprise (VCSE) sector. The King's Fund continues to be at the forefront of work in this area, supporting developments in integrated care, population health and place-based working by building the evidence base, influencing policy and assisting with local implementation.

The overall purpose of the Healthier places and communities programme is to help support effective place-based working that leads to improved health and wellbeing. The programme's objectives for this strategy period are:

- better partnership working and alignment between local authorities, the NHS and the VCSE sector
- national policies, regulatory structures and funding flows that reinforce effective place-based working
- communities having more power to drive improvements in the health and care outcomes that matter most to them.

A priority for the Healthier places and communities programme in 2023 was to influence the development of integrated care systems (ICSs) and other forms of partnership working in health and care. Our work on this included direct support to leaders in ICSs, place-based partnerships and primary care networks; research reports on overcoming the barriers to **embedding VCSE sector organisations within ICSs** and on the role of **district councils in ICSs**; and our annual ICS summit – a face-to-face event for ICS leaders and people seeking to work with them.

One of the key objectives of the Healthier places and communities programme is to support health and care organisations to work with local people in ways that empower communities – and to act on the insights they have to offer. In 2023 we worked with the Heads of Patient Experience (HOPE) network to help local systems make **understanding and improving patient experience** a priority. We also held an online event on community-led and patient-centred approaches to health and care.

We provided practical support to help local systems take a population health approach to their work. Our work on population health also included an in-person event bringing together local experts and international speakers to explore current and future approaches population health, and an online event on healthy homes and communities examining how the housing and health sectors can work together to improve population health.

Tackling the worst health outcomes

Some groups within the UK population have significantly poorer health outcomes and worse experiences of using health and care services than others. This is a longstanding injustice that has been underlined by the Covid-19 pandemic and deepened by the current cost-of-living crisis.

The overarching purpose of the Tackling the worst health outcomes programme is to work with people with lived experience, communities and services to improve health and care for people with the worst health outcomes. The programme's objectives for this strategy period are:

- health and care policy and practice are shaped by the lived experiences of those with the worst health outcomes
- widespread adoption of health and care policy and practices that improve the health and wellbeing of people with the worst health outcomes
- better joint working between the health and care system and its partners to improve the health and wellbeing of people with the worst health outcomes.

In support of these goals, in 2023 we published research about critical issues for health and care systems, specific service areas and specific population groups. This included what can be done to **improve digital inclusion, approaches to tackling the elective care backlog in an inclusive way, how commissioners can work to improve end-of-life care and address inequalities for people who die at home, and the impact of Independent Care (Education) and Treatment Reviews.**

We incorporated lived experience into our research methods to increase the quality and impact of our work. One powerful example is an **interactive long read** sharing people's experiences of digital technology in health and care that was published as part of our digital inclusion work.

Our explainer **What are health inequalities?** continues to be the most popular piece of content on The King's Fund website, and blogs and podcasts relating to health inequalities have above-average popularity. In 2023, we updated sensemaking content

about **health inequalities** for people from ethnic minority groups, and published analysis of inequalities in **mortality** and **health outcomes** data that highlighted widening inequalities.

Our conferences gave a platform to a diverse range of speakers who are working to tackle health inequalities and the worst health outcomes. We held a virtual conference, Health inequalities: from evidence to action, an in-person **conference on cardiovascular disease** (a follow up to our 2022 report on cardiovascular disease in England) and our first **women's health conference** (in person), which focused on addressing disparities in access, experience and quality of care for women.

We continued to support local systems and places in the vital task of turning their ambition to tackle health inequalities into action. This included supporting primary care networks and place-based leads to develop projects for tackling health inequalities and improving population health.

Our Healthy Communities Together (HCT) programme is an example of bringing together policy research and leadership and organisational development practice work to support partnerships between local statutory and VCSE organisations that work to improve the health and wellbeing of local communities and share learning. During 2023 we shared insights from our work in **Transforming power relationships in partnership working** and involved HCT programme members in various events and conferences. The programme enters its final year in 2024 and we have started to plan how we will manage that and ensure a legacy.

Supporting people and leaders

The workforce crisis in health and care poses the single greatest risk to access to and quality of care. The crisis was compounded by the Covid-19 pandemic which exacerbated long-term issues such as staff shortages, chronic excessive workloads, burnout, and inequalities experienced by staff from Black and ethnic minority backgrounds.

Leaders and teams at all levels in the health and care system continue to face complex challenges while also tackling the backlog of care, staff retention and health and wellbeing, and the implementation of the changes in the Health and Care Act 2022 with the focus on integrating services and greater collaboration.

The aim of the programme is to create a healthier, more inclusive and effective health and care workforce. In 2023, our focus included drawing attention to staff retention and the evidence for creating workplace cultures that support people's health and wellbeing and address deep-rooted, longstanding inequalities.

With partners, we continued to advocate for a funded, national workforce plan for the NHS and social care, and the development of supporting workforce policies that are coherent, focused on the right priorities and effective in addressing them. On 30 June 2023, NHS England published the NHS Long Term Workforce Plan, setting out the long-term strategic direction for the NHS workforce in England. We published **an explainer** setting out the main commitments in the plan and providing our view of what they mean, highlighting the opportunities and challenges for the health care system as the plan is put into practice.

We published new practice research, **The practice of collaborative leadership**, drawing on ten years of work on collaboration and integration within local systems. The research drew on interviews and survey data from senior leaders working in integrated care boards, NHS providers, local government and the VCSE sector, and shared insights and evidence about how to collaborate well.

Our dedicated team continued to provide essential leadership and organisational development support to individuals and leaders, including those working within VCSE organisations. Across our diverse portfolio of open programmes, client commissions, and grant initiatives, we supported leaders seeking to address complex challenges and pressures. As part of our commitment to develop our anti-racist leadership practice, we have a multi-year learning partnership with brap (a charity that focuses on transforming the way people think and do equality) to review and develop our core offers to people and leaders in the health and care system. We continue to partner with GSK for the GSK IMPACT Awards 2023 which provide funding, training and development for VCSE organisations doing excellent work to improve people's health and wellbeing.

Working with the RCN Foundation we conducted new research: our **Follow your compassion** project developed an ethnographic record of the working lives of 22 newly qualified and registered nurses and midwives across the UK in 2023. The project is a companion piece to **The courage of compassion** (2020) research by The King's Fund and RCN Foundation which described the core workplace needs of nurses and midwives, and what must be done to meet them.

We held our 10th annual leadership and workforce summit with the theme of bringing our humanity to work which received very positive feedback, and in the autumn we held a virtual event, **Those who dare: thinking differently about the health and care workforce**, in which we showcased projects and case studies aimed at encouraging others to explore innovative and positively disruptive approaches to meeting challenges facing the health and social care workforce.

We broadcast six **leadership and workforce podcasts** during the year including episodes in which we sought to challenge the narrative on the role of NHS managers; explored the role of young leaders in health and care; and spoke to Joy Warmington MBE on anti-racism, leadership and the courage to speak out.

We continued to evolve our digital learning offers including work to reach people and organisations in the VCSE sector, people early in their careers and people from minoritised groups. We launched our third free online self-directed leadership course, **Systems go! Cross-sector partnering for change in health and care**.

Foundations of health and care

Our broad knowledge of the health and care system and the relationships we hold across the system underpin all our work. We know that our stakeholders and audiences value the work we do to provide independent analysis, explain key issues and respond to emerging developments across the breadth of health and care. For that reason, we maintain a focus on the foundations of the health and care system, the basic building blocks that facilitate high-quality services and a healthy population.

The health and social care system remained under considerable strain in 2023, with consistent media and political focus on lengthening waits for care, staffing shortages and financial pressures.

In spring 2023, The King's Fund and Nuffield Trust published **new data from the British Social Attitudes** (BSA) survey on public satisfaction with the NHS and social care. The analysis showed that satisfaction with the NHS had slumped to just 29%, the lowest ever-recorded in the 40-year history of the survey. The findings underlined the state of health and care services and garnered widespread interest, with coverage across mainstream media and political leaders repeatedly citing the results.

Throughout the year we continued to analyse and assess the state of health and care services, including with the publication of Social care 360, our popular annual assessment of the social care sector.

Early summer 2023 marked 75 years since the founding of the NHS. To coincide with this milestone, The King's Fund published a major assessment of **the English health service and how it compares internationally**. This agenda-setting analysis drove debate around the future of the NHS. Alongside this work, The King's Fund, Nuffield Trust and Health Foundation joined forces to **call on political leaders to embrace the long-term planning** needed to ensure the sustainability of England's health and care services.

The NHS anniversary led to high-profile commentary on the merits or otherwise of a tax-funded system free at the point of use and available to all. To bring some evidence to this often ideological debate, The King's Fund published **an assessment** of the commonly proposed alternative health service models.

2023 also marked the 75th anniversary of the creation of the social care system and the 75th anniversary of the arrival of HMT Empire Windrush, which came to symbolise post-war immigration and the many thousands of overseas workers who went on to staff Britain's public services. The King's Fund celebrated these milestones through a series of blogs, events and an online exhibition.

Throughout 2023 political attention began turning to the next general election, expected in 2024. The King's Fund has increased engagement with the political parties to help inform their policies ahead of the nation going to the polls. In early autumn we published our **three election priorities** for a future government: to improve access to out-of-hospital care, to make health and care a more attractive place to build a career, and to tackle the biggest risk factors affecting people's health.

Throughout the year we welcomed senior political figures to events at The King's Fund, including some who used the opportunity to announce major health and care policies. In July, we supported the publication of *A covenant for health*, a report arguing for political parties to adopt public health policies in their future manifestos. To launch the work, we hosted a panel discussion event with senior representatives from the three main English political parties. We held a similar event in autumn focused on the workforce challenges a future government must grapple with, with panellists including senior national leaders and parliamentarians.

As we move into 2024 the election looms large, with significant opportunities to improve health and care policy and enhance the health of the nation.

Internal change

In 2023 we redesigned our physical workspace to support our post-pandemic ways of working. This involved moving away from assigned desks; increasing the amount of collaboration space; and providing more flexible spaces for virtual meetings. We delivered continuous improvements to our ways of working, systems and digital tools with a focus on maximising the value of the Fund's information and minimising risk. We built on the innovations we have begun to mainstream online learning offers, and designed a new website that was delivered in early 2024. Our staff survey saw very high levels of participation and gave us the priorities for our change work in 2024.

Diversity and inclusion continued to be a key focus during 2023 and the progress in this area is outlined below (see page 18).

Plans for 2024

Healthier places and communities

Supporting successful implementation of integration reforms and the shift to system-working will remain a major priority for the Healthier places and communities programme in 2024. There is a significant risk that these reforms fail to deliver the improved partnership-working envisaged as a result of system pressures, embedded cultures and behaviours, and other barriers. Alongside these risks, there are also opportunities to better implement the integration reforms, such as the increased emphasis being placed by political parties and policy bodies on prevention, and the opportunities created by new digital technologies.

In this context, in 2024 The King's Fund will continue its work on healthier places on communities by:

- supporting system reforms to stay 'on track' and influencing the national narrative to ensure ICSs and other partnership bodies are given the time and support needed to live up to their potential
- supporting ICSs to take a population health approach, including by strengthening links between ICSs and the public health system
- supporting the adoption of community-focused and person-centred approaches to care that make use of wider community assets and that seek to empower patients, service users and carers
- building on political momentum around shifting the focus of the health and care system towards a greater emphasis on prevention.

Specific ambitions in 2024 include:

- publishing the findings of ongoing research examining the development of ICSs since they took on their new statutory form in 2022
- examining how digital tools can be used to support the shift to system-working
- helping local leaders to increase the focus on prevention and influencing national conversations on prevention to ensure there is sufficient focus on tackling the upstream determinants of health
- working with the Centre for Local Economic Strategies to explore how devolution policy in English regions can support action on population health and health inequalities.

Tackling the worst health outcomes

The health and care system is struggling to focus on addressing health inequalities, despite this being a priority in legislation and policy. There is a risk that people with the worst health outcomes and those who experience health inequalities are disproportionately affected as recovery efforts focus on meeting access targets at the expense of equity.

In 2024, The King's Fund will champion and support work to address health inequalities and tackle the worst health outcomes by:

- working to ensure these areas remain a priority for politicians, policy-makers, and health and care systems by sharing local learning about what works and highlighting national policy changes needed to drive transformation at scale
- supporting the health and care system to bring lived experience to bear on policy and practice
- providing leadership support to NHS, local authority and VCSE organisations and sharing insights gained from this work
- continuing to develop research and sensemaking work on four population groups: disabled people, including people with learning disabilities; women from ethnic minority backgrounds; inclusion health groups; and left behind neighbourhoods
- consolidating and sharing our accumulated knowledge from the work of the Tackling the worst health outcomes programme.

Specific ambitions in 2024 include:

- work to understand lessons from the Grenfell community about how the wider health and care system can work with people and communities
- an explainer on the health of women from ethnic minority backgrounds
- research on NHS administration and inequalities
- research into the impact of poverty on NHS services
- commissioned work to support local systems to develop their work on inequalities and think through their own aspirations, plans and practical approaches
- bringing together our learning from policy and practice during this strategy period about what works to tackle the worst health outcomes.

Supporting people and leaders

We will continue to focus on developing insights on the primary systemic factors, such as culture, inclusion and equity, that are fundamental to creating change and transformation in complex emergent systems. Building on our core business activities, The King's Fund will continue to:

- use evidence-based research and practice to promote the conditions required to grow and sustain a sustainable workforce across health and care
- focus on how contemporary leadership and organisational development approaches can support organisations and systems to adapt and evolve by developing the necessary conditions to promote healthy, inclusive and compassionate places to work for the delivery of safe and effective care
- support clinical and care professional leaders to successfully collaborate and learn in complex emergent systems as inclusive multi-professional leadership is critical to the design and delivery of integrated care that can meet the needs of local communities
- further develop and test The King's Fund's digital learning offers and capabilities to enable us to extend our reach to minoritised groups and those earlier in their management and leadership careers.

Specific ambitions in 2024 include:

- a new series of outputs on workforce, including in response to the key elements of the NHS Long Term Workforce Plan. Our work will continue to focus on the cultural and systemic conditions required to support the development and retention of staff
- a series of outputs on attracting and retaining young people into the social care workforce, a project that began in 2023
- a new open programme on anti-racist leadership and a free online self-directed digital course on anti-racism, developed with one of our partner organisations, brap
- an online self-directed introductory course to organisational development to support people managing and leading ongoing change within their organisations and systems
- continuing research and testing of digital leadership learning offers for health and care staff across sectors, aimed primarily at those early in their careers.

Foundations of health and care

The high level aims of the programme are to support The King's Fund to understand the context within which it seeks to deliver its strategic priorities; maintain our relevance and reputation as influencers of policy and practice; directly influence improvements to the building blocks that make for good health and care; and support our audiences to make sense of the overarching health and care system.

In 2024 many of the basic building blocks that make for a good health and care system – the foundations of health and care – are in a parlous state. Funding is tight, demand is high, morale is low, and wider political, economic, and technological uncertainty will have consequences for the sector. Amid the uncertainty, we know there will be a general election, which presents opportunities for policy change.

In 2024, our work supporting the foundations of health and care will:

- shape the policies of the next government and build strong relationships with a new parliament and potentially revamped government machine
- use our independence to provide evidence-based and authoritative commentary and analysis – bringing clarity to complex and potentially difficult debate
- explore new areas of work for The King's Fund, namely life sciences.

Specific ambitions in 2024 include:

- general election: deliver an agile programme of activity to influence the policies of the next government, strengthen our profile and reputation as a trusted source of authoritative analysis, and ensure our stakeholder relationships are resilient to all potential election outcomes
- publishing the findings of our major project researching the barriers and enablers to creating a more primary- and community-focused health service. We will build on this work with subsequent research and analysis
- aggregating and analysing the latest social care data for our Social care 360 output, providing a succinct assessment of the state of the sector. In an expansion of this model, publish Mental health 360, and consider applying this approach to other aspects of health and care
- publishing the findings of the 2023 British Social Attitudes survey on satisfaction with the NHS and social care. This will be particularly important analysis in an election year

- undertaking new research assessing the connection between the NHS and the life sciences sector, including how best to foster collaboration and mutually beneficial partnerships that bring about improvements for patients.

Internal change

In 2024 we will continue with our ambition to be a better, fairer workplace by enhancing how we collect and use diversity and inclusion data, developing our people management skills and learning opportunities more broadly, ensuring our HR processes and policies are up to date and fit for purpose, and keeping a focus on the wellbeing of our team. Our Future Fund programme will advance our digital transformation ambitions in both our internal and external work. We will continue to value and invest in our building as a key asset and develop our approach to sustainability.

Our commitment to diversity and inclusion

The King's Fund is strongly committed to becoming an organisation where diversity is welcomed, embraced and valued, and inclusion is not only at the heart of how we treat our staff but how we think about our external work. Our diversity and inclusion vision – working towards a better, fairer workplace and health and care system – closely aligns with The King's Fund's strategy.

Measuring progress

We are keen to be transparent about the progress we are making on our journey to becoming a more diverse and inclusive organisation. We measure our progress against targets we have set, by monitoring the diversity of our staff and by using external benchmarking tools to track our performance. It is important to note that a consistent and consolidated approach to the collection of 'special category' (protected characteristic) data is a key priority in 2024.

Decision-maker targets

We have committed to publishing progress against targets to increase diversity among our Board and committees, General Advisory Council and senior decision-makers, and to publish data on the diversity of our staff. Our targets were first set to be met by 2022 and now the aim to is maintain performance to 2027.

The position at the end of 2023 is below.

	Target (%)	Board and committees (15)	Senior decision-makers (22)	General Advisory Council (21)
Female	50% (by 2027)	40% (6)	73% (16)	62% (13)
Black and ethnic minority	20% (by 2027)	20% (3)	18% (4)	52% (11)

The data shows we have lost ground in terms of gender parity in the Board and committee group due to two female Trustees recently standing down or coming to the end of their term. The vacancies present an opportunity to redress the balance. The representation from people with a Black and ethnic minority background in the senior decision-makers group remains unchanged from 2022.

We have one all-male committee, which has a vacancy.

Speaker and event targets

We have committed to publishing progress against targets we have set to increase diversity among those who represent the Fund externally.

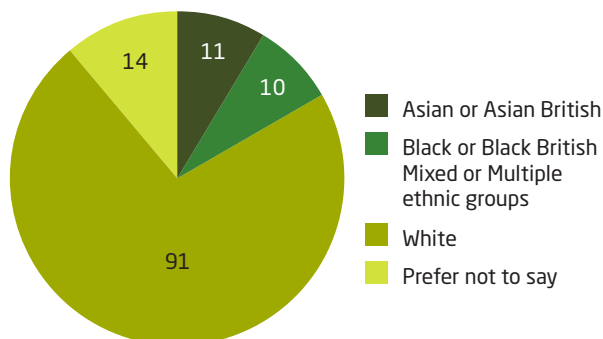
	Target (%)	Event speakers (%)
Female	50%	60%
Black and ethnic minority	20%	24%

The data shows that we exceeded our targets regarding both gender and ethnicity, and we will strive to continue that momentum in 2024. We had one all-male panel in 2023.

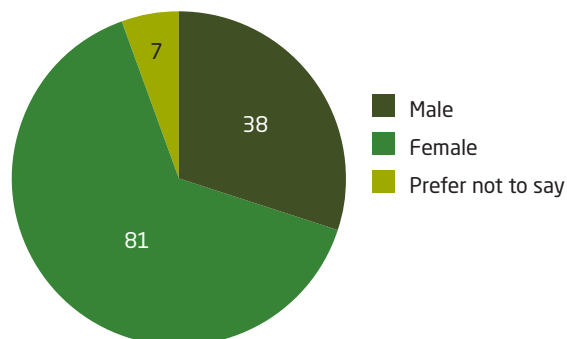
Our staff

We collect data from our staff to enable us to track the diversity of the organisation over time. Data was most recently collected as part of our 2023 staff survey. It was provided anonymously and, where necessary, smaller numbers of respondents were grouped together to allow reporting. 126 out of 148 staff completed the survey. In each category of data there was an option of 'Prefer not to say'.

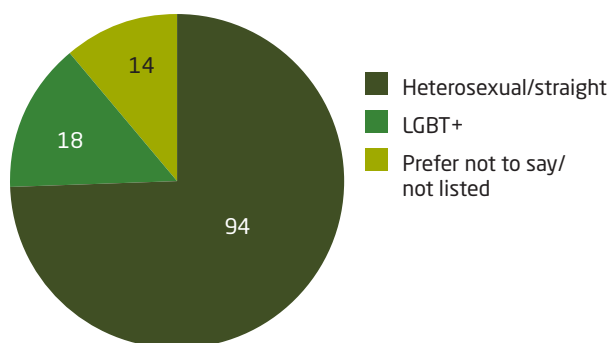
Ethnic origin



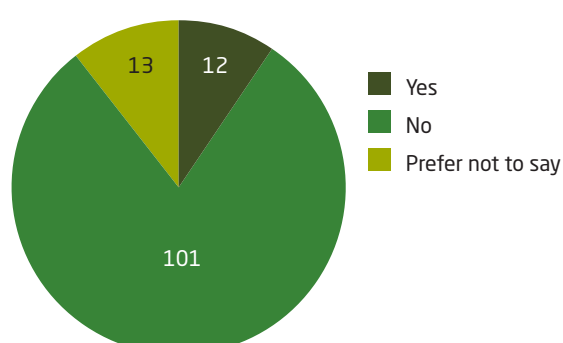
Gender identity



Romantic/sexual orientation



Disability



External benchmarking

To help benchmark where we are on our inclusion journey, we use two external assessments.

The Employers Network for Equality and Inclusion's Talent Inclusion and Diversity Evaluation (TIDE)

TIDE assesses organisational performance and progress across multiple categories of diversity including race and disability. In 2022, we were assessed at the 'embed' level and scored 60%. In 2023 the Fund scored 57% and rolled back to the 'realise' level. While this is a small downwards trend, the Fund was without a Head of Diversity and Inclusion for several months, which may have contributed.

Stonewall's UK Workplace Equality Index (WEI)

The WEI measures progress on lesbian, gay, bi and trans inclusion in the workplace. In 2023 we ranked in Stonewall's Top 100 employers at number 75. We also received a Gold Award for our work in bi and trans inclusion, as well as our focus on intersectionality. Our staff networks were praised during our benchmarking meeting, as was our external engagement. The King's Fund ranked 6th out of the 27 companies in the third sector that submitted and 8th out of the 38 companies in health and care.

Our work programme

We have a wide-ranging programme of work to support us in becoming a more diverse and inclusive organisation, including our commitments to addressing slavery and colonialism through our [published action plan](#).

Our work programme is framed around four key thematic priorities for diversity and inclusion. Following are some 2023 highlights within those themes.

- Representation and using our power: we use our influence in the health and care system to showcase diverse voices, implement diverse practices, and impact under-represented communities. This includes a session at our annual conference on race, migration and the NHS 75 years on from Windrush, and marching in Pride with placards that highlighted health inequalities faced by the LGBTQ+ community.
- Empowering our team: we support our people through robust policies, procedures and transparent reporting. We started an organisational policy review with a particular focus on embedding diversity and inclusion.

- Embedding allyship: we champion collaboration, cross-Fund working and continuous learning to ensure our work is inclusive and accessible. This includes our staff networks and guest speakers.
- Supporting our team: we provide training, pastoral care and resources for people involved in inclusion work and people from under-represented communities. This has included training for our staff network leads, and those particularly active in diversity and inclusion work across the Fund.

Report on progress against slavery and colonialism action plan

In 2023, we met our commitment to publish an action plan to address the injustices today of our historical links to colonialism and slavery. The action plan committed us to action in four key areas. A brief update on progress is below.

- Embedding anti-racism across the health and care system: we co-designed a new anti-racism course for the health and care system with brap and we started research on a project about lessons from Grenfell Tower fire and working with people and communities.
- Widening access to our leadership development programmes: work is planned in 2024 to improve our data collection around the applicant process to identify actions to improve diversity across our leadership and organisational development open programmes. A review of our approach to bursaries will commence in Q2 2024.
- Diversifying the charity and health policy talent pipeline: we have undertaken recruitment for several posts including a placement through Health Data Research UK's Black internship programme and recruitment to positive action posts in Library and Policy.
- Reflecting a more diverse history of health and care: we published our successful Open Wounds exhibition, created in collaboration with Tottenham Rights, on our website and we marked the anniversary of the docking of HMT Empire Windrush with an online exhibition, breakfast event and podcast.

A look ahead to 2024

There are eight key areas of focus for diversity and inclusion at the Fund in 2024.

- People management by ensuring our people management and leadership approach incorporates inclusion and wellbeing.
- Staff network refresh by reviewing our intranet (EDDIE), the support of staff network leads, and the learning and development offer to members of networks.
- Policy and procedure review that will ensure our internal HR policies and processes are up to date, fit for purpose and accurately reflect our commitments to inclusivity and accessibility.
- Anti-racism training will be piloted through a new anti-racism training offer in 2024, building on the first mandatory training in 2022.
- Workforce and customer diversity profile will be improved by developing a robust and consistent approach to the collection and reporting of information.
- Diversity and inclusion thought leadership where we will continue to incorporate diversity and inclusion considerations into our external portfolio of work and showcase our own inclusion journey.
- Mental health and wellbeing focus within our diversity and inclusion and organisational development priorities, beginning with the review of the existing draft policy.
- Directorate objectives: each directorate will select diversity and inclusion objectives to support progress.

Financial review

Review of income and expenditure for the year ended 31 December 2023

Total income increased in the year to £14.6 million (£13.3 million in 2022), of which £6.4 million (£6.1 million in 2022) was generated from charitable activities and £8.2 million (£7.2 million in 2022) was derived from other sources, namely investments, donations and legacies, and other trading activities.

Income growth in 2023 was driven by conference and catering (running our venue), where income increased to £3.2 million (£2.5 million in 2022), and charitable activities, where income increased by £0.3 million to £6.4 million. Investment income (dividends and income from our investment properties) grew by £0.1 million to £3.4 million.

Costs increased in 2023 as income increased but remained tightly managed to maintain the withdrawal from the endowment within the agreed budgeted parameters. Total expenditure of the Fund in 2023 was £19.5 million (£17.8 million in 2022).

Expenditure on charitable activities increased to £14.7 million, (£13.5 million in 2022), mostly due to the increased costs of generating charitable income. Expenditure on other trading activities increased to £3.6 million (£3.0 million in 2022) because of the increased activity to generate income.

The average number of staff employed by the Fund during the year was 152, an increase of 7 from 2022.

We budget for operating deficits, which are set at a level with a view to maintaining the long-term value of the investment capital in real terms. The Fund's operating deficit for the year was £4.9 million (£4.5 million in 2022). This operation deficit in 2023 was in line with our budget but was higher than 2022 partly because of inflation increasing our costs by more than the additional income we generated. Investment gains in 2023 were £9.6 million (£14.2 million loss in 2022). Further details on investment performance are set out below.

Net assets at 31 December 2023

The Fund's consolidated net assets at 31 December 2022 were £217.3 million (£212.5 million in 2022). This increase is largely because of the £9.6 million investment gain, which more than covered our operating deficit.

Net assets at 31 December 2023 comprise fixed assets of £238.3 million and net current liabilities of £1.0 million. There is no defined benefit pension scheme liability as the assets within the scheme are higher than the liabilities. In line with FRS102, these are not recognised as it is considered that the surplus in the defined benefit pension scheme is not recoverable (this is detailed further below in our accounting policies). Fixed assets comprise tangible fixed assets of £52.0 million and fixed asset investments of £186.1 million.

During the year, the book value of tangible fixed assets decreased by £0.5 million due to depreciation of £1.0 million exceeding capital expenditure of £0.5 million. The main items of capital spend during the year were office improvements and IT investments.

The value of fixed asset investments increased during the year by £5.9 million due to the strong performance of our invested portfolio.

Loan

In May 2021 The King's Fund entered into a 30-year loan arrangement with MetLife for £20 million as the interest payable on the loan is most likely to be lower than the investment returns. The interim loan repayments are interest only with the capital amount only being payable on the maturity of the loan in May 2051.

Investment performance

The strategic allocation and the actual allocation at the end of the financial year are shown below.

Asset class	Strategic allocation %	Minimum %	Maximum %	Actual allocation 2023 %	Actual allocation 2022 %
Cash	0	0	8	1.3	2.6
Bonds	5	3	9	4.5	6.7
Total cash and bonds	5	5	11	5.8	9.3
Developed market equities	55	48	62	64.8	61.0
Emerging market equities	10	7	13	11.4	12.0
Private equity	10	0	12	1.2	1.5
Total equities	75	72	77	77.4	74.5
Infrastructure	5	0	7	2.1	0
Property	15	12	18	14.7	16.2
Total alternatives	20	12	22	16.8	16.2
Total	100			100.0	100.0

In December 2022 the Board approved a new strategic asset allocation to further diversify the portfolio and better manage the endowment through the inflationary environment we are now in, which includes investing in private equity and infrastructure. This is now reflected in the table above. We ended the year slightly overweight in developed market equities, which is due to market movements and we will address this in 2024.

The value of the Fund's total investments at 31 December 2023, comprising publicly quoted equity and bonds, private equity and property, was £186.1 million (£180.2 million in 2022). These investments produced income, net of investment management fees and loan interest, of £2.2 million during the year and this income, together with £3.7 million of investment capital, was withdrawn during the year to cover the Fund's cashflow needs. After allowing for these withdrawals, the investments generated a total gain of £9.6 million (5.2%).

Donations and legacies

The Fund gratefully acknowledges donations and/or legacies received from the following during the past year: His Majesty King Charles III, C Tilby, The Bawden Fund, D Emmerson and George Handley.

Financial strategy and reserves

The Fund's financial strategy is guided by its policies on expenditure, reserves and investments. The Fund's policy on expenditure is to ensure that it has sufficient resources to meet its charitable objectives over the medium term. The Fund generates money from a variety of activities that support or are complementary to its core purpose and make best use of its assets. As the money the Fund generates is insufficient to cover its total expenditure, a proportion is drawn from investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the stewardship of the Fund's long-term mission. Trustees take a risk-based approach, which aims to balance the Fund's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Fund's total reserves at 31 December 2023 were £217.3 million. As set out in note 19 to the accounts, £148 million of this represents the expendable endowment (all of which is included in fixed asset investments). Restricted funds have a deficit of £6,000 due to timings of funding received and activities carried out and will be recovered in future years. The remaining £69 million represents unrestricted funds, £52.0 million of which could only be realised by disposing of fixed assets that are currently used by the Fund in its activities.

The Fund's policy on reserves is based on recognising the long-term nature of its work and the continuing need for financial support. The expendable endowment, restricted funds and the unrestricted reserves are managed as a pooled investment with the intention of providing financial support today and for the foreseeable future. The Trustees consider reserves to be at an appropriate level.

The Fund's policy on investments is to take a long-term approach, investing globally across a range of assets with the intention of preserving its value in real terms after allowing for expenditure. As a charity committed to improving health we do not have any direct or indirect investments in the tobacco industry.

The Fund's investment strategy is to manage the portfolio based on a total return, that is, income and capital combined. The Fund has an asset allocation that is geared towards equities because of their higher expected returns in the long term, while maintaining an appropriate level of liquidity to meet expenditure commitments in the near future. The reference date for the purpose of assessing the real value of the investments is 1 October 2019. Trustees review the amount that they spend from investments periodically, balancing the expected demand for resources with the likelihood of future investment returns. The Trustees recognise that each year the Fund will need to withdraw the investment income and some of the investment capital to bridge the gap between its annual income and expenditure, and they set the budget accordingly.

Between 1 October 2019 (the reference date) and 31 December 2023, after income and capital withdrawals, and removing the loan, the value of the Fund's investments is a loss of £24.0 million in real terms (using the Consumer Price Index). Our investment strategy allows for periods of short-term losses, such as those we experienced in 2022, to maximise long-term returns.

Who funds us

Our independence is very important to us. On our website we have further [analysis of the income we obtain from the variety of sources](#) mentioned above which gives more information about where our funding comes from.

How The King's Fund is constituted and governed

Our charitable objects

The King's Fund is incorporated by Royal Charter and is governed by the provisions and byelaws of the Charter. The Charter sets out the charitable objects of the Fund, which are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, on health care in London. In this context, 'health care organisations' means those organisations involved in the commissioning, monitoring, or supply and provision of health care.

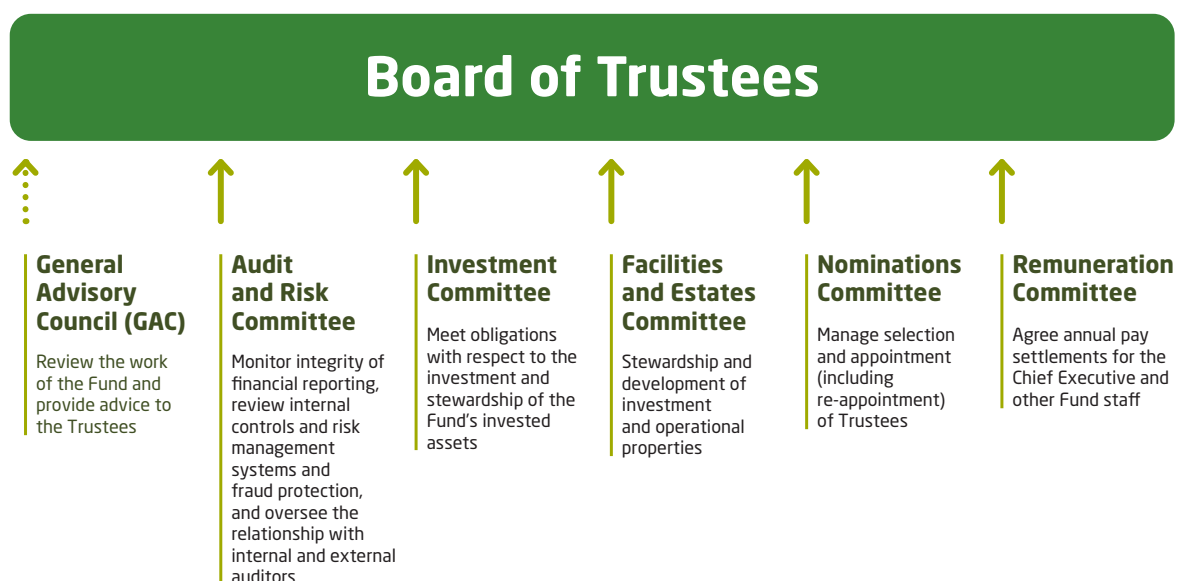
Working for the public benefit

Our vision that the best possible health and care is available to all ensures that we work for the benefit of the public. We aim to deliver our vision and mission through a strategic plan and annual operational plans, which are approved by the Fund's Trustees. In approving these plans, the Trustees are mindful of the Charity Commission's general guidance on public benefit and their duty to ensure the Fund is carrying out its purpose in relation to this. In particular, the Trustees consider how activities will contribute to the aims and objectives they have set.

Governing body and committees

The Board of Trustees agrees the organisation's overall strategic direction, in line with its charitable objectives, and scrutinises management functions delegated to the Senior Management Team. A framework sets out the authority delegated to the Chief Executive by the Board of Trustees. The Board of Trustees meets four times a year. One of the meetings is designated the Annual General Meeting, at which the Trustees' Annual Report and Accounts for the preceding year are considered and approved.

The Board of Trustees also delegates some of its work to sub-committees as outlined below and set out on page 38.



The General Council (known as the General Advisory Council or GAC), established in accordance with the Royal Charter meets twice a year. Members act as a source of intelligence on the key issues and challenges in the health system and use their collective expertise to reflect on the Fund's activities and impact. The members of the GAC are appointed by the President on the recommendation of the Chief Executive for a period of up to three years which can be extended to further three-year terms. Details of the current members of the GAC, and those who served during the year, are set out on page 36.

Trading subsidiary

KEHF Ltd is a wholly owned trading subsidiary of The King's Fund. The principal activities of the company include those that are not the primary purpose of or within the Fund's charitable objectives, including the letting of conference facilities owned by The King's Fund and related catering services, sponsorship for some of the Fund's events and income from corporate partners and supporters. 100% of the taxable profits of KEHF Ltd are paid to The King's Fund, under the Gift Aid scheme. A list of directors, who are appointed by The King's Fund, is included on page 39. Details are included on page 64 of the financial statements.

Recruitment and appointment of Trustees

Trustees are appointed in line with the byelaws set out in the Charter. They serve for an initial term of three years and may be re-appointed for a second term and, exceptionally, a third term. Appointment as a Trustee is open to any suitably qualified member of the public.

The Nominations Committee meets annually to review forthcoming exits from the Board, compare this to a skills audit and take decisions on any necessary recruitment.

Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Fund and their responsibilities as a Trustee. They are invited into the Fund to meet colleagues and get to know our work and our building. The Chair of Trustees usually meets with each Trustee annually to review performance in the past year and to discuss the year ahead.

Details of the Fund's current Trustees, and those who served during the year, are set out on page 37.

Board review/evaluation

The Board usually reviews its performance annually at an awayday when Trustees reflect on how well they are fulfilling their duties. Trustees consider the Board's balance of skills, experience and knowledge, its diversity in the widest sense, how the board works together and other factors relevant to its effectiveness.

They use the principles of organisational purpose, leadership, integrity, decision-making, board effectiveness, diversity, openness and accountability as included in the Charity Governance Code to ensure high standards of governance and to support continuous improvement.

Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, who is responsible for delivering the strategic direction and day-to-day management of the Fund. The Chief Executive, together with the Senior Management Team, develops strategy, plans, programmes and policies for the Fund, which the Board approves.

The framework for the Chief Executive, sets out the authority delegated to the Chief Executive. It is reviewed by the Board of Trustees every three years and when a new Chief Executive is appointed.

Senior Management Team

The Senior Management Team (SMT) works within the framework set by the strategic plan and the annual operational plan, which sets out the detailed work programme using a list of strategic priorities as headings. The SMT monitors, reviews and takes action to ensure performance against strategic goals and on risks and issues escalated by the Portfolio Board and the Operations Committee.

Details of the current members of the Senior Management Team, and those who served during the year, are set out on page 39.

Portfolio Board

Portfolio Board provides strategic oversight of the Fund's three programmes and foundational work:

- Supporting people and leaders
- Tackling the worst health outcomes
- Healthier places and communities
- Foundations of health and care.

Operations Committee

The Operations Committee oversees projects related to systems, processes and infrastructure. It is supported by a Business Improvement Forum and helps the Fund achieve the greatest impact using our business systems and ways of working.

Risk management

The King's Fund is unavoidably exposed to risk, either due to factors in the external environment, or through the opportunities we choose to pursue and the activities we carry out that enable us to deliver on our vision, mission and strategic goals. Our Risk Management Policy sets out how we identify and actively manage the risks we are exposed to and our approach allows us visibility and control over the key corporate risks that affect the organisation as a whole.

We use a process that categorises and scores each risk by considering its cause, likelihood, impact and mitigation. Based on this we determine whether further action needs to be taken. Risks are grouped according to whether their impact will be on our strategic focus, ability to influence, reputation, internal capability or our financial sustainability as outlined in the figure below.



Members of the Audit and Risk Committee and the Board of Trustees are satisfied with the procedures that are in place to review the risks, ratings, controls and actions to mitigate the Fund's exposure to risk, as set out in the table below.

Risk area	Management of risk
Strategic focus and prioritisation	There is a risk that our strategy lacks focus, is difficult to deliver and fails to have an impact. As we implement our strategy for 2020–25 we have sought to maintain the high level of visibility and engagement that staff had during its development. We review our strategic focus through our 'rolling planning' approach to enable a short-term (as well as long-term) view of overall activities and responsiveness to change. Internal governance arrangements are aligned to our strategy. This includes oversight of the portfolio of programmes, performance and impact. We are building our capacity to be more responsive through new ways of working to horizon scan, identify opportunities for sense-making and foundational work and plan over the longer term. We ensure that decision-making around income generation is aligned to our strategic priorities as far as possible.
Ability to influence	There is a risk that our external activities fail to influence and prevent us from delivering impact. Flexibility is deliberately left in the operational plan each year to allow the Fund to respond to new or additional opportunities. Decision-making about new work ensures that we support the health and care system during the significant challenges faced during the recovery from the Covid-19 pandemic, economic challenges arising from the cost-of-living crisis and ongoing turbulence. We ensure that we continue to publish an appropriate volume of high-quality policy work, maintain a high media profile and continue to track data about our reach and impact. We ensure we adequately anticipate, plan and prepare for the future by keeping updated on changing digital models employed by other relevant organisations and competitors, keeping abreast of opportunities provided by digital technology that may support improved delivery of our outputs, and preparing for a degree of staff change as we evolve and adapt to hybrid working.
Our reputation	There is a risk that we lose our reputation for credibility and quality and that our independence, ethics and values are questioned. The Fund keeps up to date with all legal and regulatory requirements and recommended practice. We make disclosures about our income sources, decision-making and independence on our website. Policies, agreements and contracts set out the Fund's position, ensure the quality of our outputs, address ethical issues and recognise the origin of funding. All staff and Trustees are encouraged to understand and adhere to the values, ethics and culture of the organisation.

Risk area	Management of risk
Internal capability	There is a risk that we are unable to deliver our operational commitment effectively and efficiently and that staff wellbeing and engagement suffers. We have worked on developing proactive and transparent internal comms focusing on wellbeing. Specialist support already in place (ie, a staff counsellor and network of mental health first aiders) is highlighted frequently. We ensure leaders and people managers are informed in supporting employee health and wellbeing. We have built capability in specific areas such as our established group of mental health first aiders. We invest in building our internal capabilities through supporting learning and development, as well as valuing and practising openness, collaboration and inclusivity. There is a cross-Fund focus on continuous improvement and the development of effective systems, processes and ways of working. A business continuity plan is in place to ensure that the Fund can continue operating after a major incident or external event, even if the building is inaccessible for a prolonged period. This was updated in 2023. The IT infrastructure is designed to maximise resilience, and policies and processes are in place to ensure appropriate use and security of data.
Financial sustainability	There is a risk that our endowment loses value in real terms and that there is a significant short- or medium-term loss of income. The Fund's investments are actively managed and reviewed by an Investment Committee, which sets a strategic asset allocation and associated performance benchmark and balances risk against benchmark returns with a diversified portfolio of asset classes. Investment performance is visible to Trustees and the Senior Management Team in the monthly review of finances. Short- and long-term financial plans are maintained, and progress is monitored regularly by the Senior Management Team and Trustees. Oversight of the defined benefit pension scheme is maintained and is considered alongside other financial risks.

Risk appetite

The amount and type of risk that the Fund is willing to take in order to meet its strategic objectives is determined by the Trustees and is reviewed annually using a framework based on the five key risk areas summarised above. Our approach to risk appetite and management aids decision-making as it highlights areas of opportunity and concern, supports understanding and challenge of the risk controls in place and helps to determine how much further effort is required to mitigate key risks in the risk register.

Maintaining our independence

Our independence is important to us. Our reputation is founded on the objectivity of our work, independence from outside interests and freedom to determine our own priorities. We protect this independence in a number of ways.

Our funding

Our funding comes from a diverse range of sources, protecting us against dependence on any particular source of income. As a charitable foundation, we have an endowment – funds maintained and invested since we were established in 1897 – which generates an annual income. As set out in our financial strategy, we draw on this each year to provide a consistent stream of funding to support our work. In 2023, the charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Our remaining funding mainly comes from a mixture of income-generating charitable activity (including leadership and organisational development services, our events and funded research and policy analysis), and commercial activities (including hiring our venue and renting office space in our building). The income from these activities comes from a diverse range of sources including commercial organisations, national and local NHS organisations, the voluntary and community sector, and national and local government. More detail is provided in the Consolidated Statement of Financial Activities.

On our website we have further [analysis of the income we generate](#) from the variety of activities mentioned in the Financial Review section above.

How we set policy

We have [robust arrangements in place](#) to assure the quality and independence of our research, policy analysis and other published work. Responsibility for our public positioning rests with the Chief Executive who works closely with directors and other colleagues to agree our position on relevant issues. The board discusses our public positioning with the Senior Management Team on a regular basis but is not involved in determining our position on individual policy issues.

Our partnerships

We maintain partnerships with a range of organisations through our [Corporate Partners and Supporters scheme](#). These relationships are governed by [our ethical collaboration policy](#), which includes provisions to protect our independence.

Conflicts of interest policy

Trustees, committee members and senior members of staff are required to recognise and deal appropriately with conflicts of interest. Our Conflicts of Interest Policy, which is reviewed annually by the Audit and Risk Committee, sets out our approach. We recognise that even the perception that there is a conflict of interest could damage our reputation. Trustees, members of committees established by the Board of Trustees, members of the board of KEHF Ltd, senior members of staff (the Senior Management Team) and any other people as requested by the Trustees complete declarations of all interests annually. All interests, rather than just those which the person completing the declaration considers relevant, are declared. This avoids the exclusion of any interests that others may perceive to be potential conflicts.

The Fund's **register of all interests** is reported to the Audit and Risk Committee and to the Board of Trustees annually. It is made available to the Fund's auditors and is published on the Fund's website.

Remuneration policy

The King's Fund believes that to attract and retain the calibre of staff we need to deliver our charitable objectives our remuneration policy should provide salaries that are competitive in our sector; be considered fair, equitable and transparent; allow for pay progression over time; and deliver arrangements that are sustainable within the available resources.

The Fund operates an incremental pay scale for most of its staff, underpinned by a factors-based job evaluation system. The scale comprises grades from 1 to 8c, each with a minimum and maximum point and normally five incremental points in between. Salaries are reviewed annually, and the Fund has the option to increase scale points by an agreed percentage. Any such increase takes effect from the following 1 January. The Board of Trustees has delegated responsibility for determining matters of pay and pay-related benefits to its Remuneration Committee.

The Committee meets routinely in the winter to agree the following year's percentage increase and arrangements for executive pay. In agreeing the pay award, the Committee considers indicators in the wider economy; the levels of award that have been made by organisations the Fund compares itself with; and affordability. At the meeting held in October 2023, the Committee was mindful of affordability as well as higher (although reducing) levels of inflation. As a result, it recommended an increase of 3% in January 2024 which Trustees agreed.

Reference and administrative details

Registered office

The King's Fund
11–13 Cavendish Square
London
W1G 0AN

Charity number

1126980

Company number

RC000826

Patron

Her Majesty Queen Elizabeth II [until September 2022]
His Majesty King Charles III [from May 2024]

President

His Majesty King Charles III

General Council

Professor Kamran Abbasi, Editor in Chief, *The BMJ* [to December 2023]
Lord Victor Adebawale CBE, Chair and Co-Founder, Visionable
Samantha Allen, Chief Executive, North East and North Cumbria Integrated Care System
Professor Kate Arden, Hon Professor, University of Salford; Visiting Professor, University of Chester; and independent public health consultant
Samira Ben Omar, independent consultant, community collaboration
Karen Bonner, Chief Nurse and Director for Infection Prevention and Control, Buckinghamshire Healthcare NHS Trust
Rachel Burnham, Director of Operations, Guy's & St Thomas' NHS Foundation Trust
Stephen Chandler, Interim Executive Director for People, Transformation and Performance, Oxfordshire County Council
Dr Navina Evans CBE, Chief Workforce Training and Education Officer, NHS England
Jatinder Harchawal MBE FRPharmS, Chief Pharmacist, University College London Hospitals NHS Foundation Trust

Dr Chris Hilton, Chief Operating Officer (Local and Specialist Services), West London NHS Trust [from January 2024]

John James OBE, Chief Executive, Sickle Cell Society

Dr Nikita Kanani MBE, Medical Director for Primary Care, NHS England [to December 2023]

Shigufta Khan, Chief Executive, The Wish Centre

Fatima Khan-Shah, West Yorkshire inclusivity champion

Dr Gabrielle Mathews, foundation doctor

Professor Nicholas Mays, Professor of Health Policy, London School of Hygiene and Tropical Medicine

Jane McGrath, Chief Executive, We Coproduce

Jonathan McShane, Chair, Terrence Higgins Trust

Sarah Pickup OBE, Deputy Chief Executive, Local Government Association

Anna Quigley, Research Director, Ipsos

Dr Yasmin Razak, GP Partner North Kensington and Clinical Director, Neohealth

Matthew Skinner, Chief Executive, Care City [from January 2024]

Hardev Virdee, Group Chief Financial Officer, Barts Health NHS Trust

Dr Justin Varney, Director of Public Health, Birmingham City Council

Board of Trustees

The Trustees who served during the year and since the year end are:

Professor Mark Britnell

Alan Brown

Richard Clark

Dame Ruth Carnall [to April 2023]

Dr Jane Collins

Dominic Dodd

Professor Kamila Hawthorne MBE

Dr Annalisa Jenkins

Rt Hon Professor Lord Kakkar KBE PC (Chair)

Dr Stephanie Kuku

Rt Hon Jacqui Smith

Professor Carolyn Wilkins OBE [to December 2023]

Sub-committees

The committee members serving during the year and since the year end are as follows.

Investment Committee

Alan Brown (Chair)
Richard Clark
Sarah Fromson [from March 2023]
Robert Holmes
Rt Hon Professor Lord Kakkar KBE PC
Dr Stephanie Kuku
John McLaughlin

Remuneration Committee

Alan Brown
Dominic Dodd (Chair)
Rt Hon Professor Lord Kakkar KBE PC

Nominations Committee

Alan Brown
Dominic Dodd
Rt Hon Professor Lord Kakkar KBE PC (Chair)

Audit and Risk Committee

Dominic Dodd (Chair)
Jane Collins
Dr Annalisa Jenkins
Professor Kamilla Hawthorne

Facilities and Estates Committee

Alan Brown
Richard Clark (Chair)
Andy Doyle
Rt Hon Professor Lord Kakkar KBE PC
Anna Rule

KEHF Ltd Board of Directors

Alan Brown (Chair)

Dominic Dodd

Anna Rule

Matthew Tolchard

Richard Murray [to January 2024]

Sarah Woolnough [from January 2024]

Company secretary – Lucy Johnson-Brown [to February 2023]

Company secretary – Paul Clough [from February 2023]

Senior Management Team

Chief Executive – Sarah Woolnough [from January 2024]

Director of Policy – Sally Warren

Director of Finance and Operations – Paul Clough

Director of Leadership and Organisational Development – Suzie Bailey

Director of Communications (interim) – Andrew McCracken

Director of Communications (interim) – Deena Maggs

Director of HR – Shirley Collier

Key advisers

Bankers

National Westminster Bank Plc

250 Regent Street

London W1B 3BN

Solicitors

Farrer & Co LLP

66 Lincoln's Inn Fields

London WC2A 3LH

Mills and Reeve LLP

24 King William Street

London EC4R 9AT

Actuaries

Buck Consultants Limited

160 Queen Victoria Street

London EC4V 4AN

Auditor

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

Investment adviser

Stanhope Capital LLP
35 Portman Square
London W1H 6LR

Investment Property Manager

Savills plc
33 Margaret Street
London W1G 0JD

Basing Estate Monitoring Agent

Bidwells
25 Old Burlington Street
London W1S 3AN

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and Accounts in accordance with applicable law and regulations.

Under charity law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of their net outgoing resources for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees



Lord Kakkar

Chair

15 July 2024

AUDITOR'S REPORT AND ACCOUNTS

Independent auditor's report to the Trustees of The King's Fund

Opinion

We have audited the financial statements of The King's Fund for the year ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2023 and of the group's net movement in funds for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity or
- sufficient accounting records have not been kept or
- the parent charity financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 41, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, tax legislation, employment law, GDPR and health and safety and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Charities Act 2011, the Charities SORP and FRS 102.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of income and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- reviewing the controls and procedures of the Charity to ensure these were in place throughout the year
- evaluating management's controls designed to prevent and detect irregularities
- reviewing and testing journals entries made in the year, particularly those made as part of the year-end financial reporting process
- challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the [Financial Reporting Council's website](#). This description forms part of our auditor's report.

Use of our report

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

A handwritten signature in black ink that reads "Haysmacintyre LLP". The signature is written in a cursive, flowing style.

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London EC4R 1AG
22 July 2024

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

Consolidated statement of financial activities

for the year ended 31 December 2023

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2023 £000	Total 2022 £000
Income and endowments from:						
Donations and legacies		12	-	-	12	3
Charitable activities						
Research and analysis		578	212	-	790	1,206
Developing individuals, teams and organisations		4,871	78	-	4,949	4,378
Promoting understanding		135	-	-	135	98
Bringing people together		500	-	-	500	402
Total charitable activities	4	6,084	290	-	6,374	6,084
Other trading activities	5	4,605	-	-	4,605	3,936
Investments	6	3,409	-	-	3,409	3,277
Other		167	-	-	167	-
Total		14,277	290	-	14,567	13,300
Expenditure on:						
Charitable activities						
Research and analysis		4,010	219	-	4,229	4,434
Developing individuals, teams and organisations		6,120	82	-	6,202	5,309
Promoting understanding		3,442	-	-	3,442	2,963
Bringing people together		825	-	-	825	804
Total charitable activities	4	14,397	301	-	14,698	13,510
Other trading activities	7	3,558	-	-	3,558	3,022
Raising funds costs	8	963	-	251	1,214	1,274
Total		18,918	301	251	19,470	17,806
Operating (deficit)		(4,641)	(11)	(251)	(4,903)	(4,506)
Net gain/(loss) on investments		2	-	9,641	9,643	(14,223)
Net income/(expenditure)		(4,639)	(11)	9,390	4,740	(18,729)
Actuarial gain on defined benefit pension scheme	18	-	-	-	-	1,736
Net movement in funds		(4,639)	(11)	9,390	4,740	(16,993)
Reconciliation of funds:						
Total funds brought forward	19	74,070	5	138,458	212,533	229,526
Total funds carried forward	19	69,431	(6)	147,848	217,273	212,533

All of the operations represented by the information above are continuing.

The notes on pages 52 to 73 form part of these financial statements

Balance sheets

as at 31 December 2023

	Notes	Consolidated 2023 £000	Consolidated 2022 £000	Charity 2023 £000	Charity 2022 £000
Fixed assets:					
Tangible assets	11	52,036	52,508	52,036	52,508
Intangible assets	12	119	5	119	5
Investments	13	186,132	180,159	186,182	180,209
Total fixed assets		238,287	232,672	238,337	232,722
Current assets:					
Debtors	15	1,696	1,820	1,691	1,835
Cash at bank and in hand		1,818	3,353	1,009	2,620
Total current assets		3,514	5,173	2,700	4,455
Liabilities:					
Creditors: Amounts falling due within one year	16	(4,528)	(5,312)	(3,770)	(4,647)
Net current (liabilities)		(1,014)	(139)	(1,070)	(192)
Total assets less current liabilities		237,273	232,533	237,267	232,530
Creditors: Amounts falling due after more than one year	17	(20,000)	(20,000)	(20,000)	(20,000)
Net assets excluding pension liability		217,273	212,533	217,267	212,530
Defined benefit pension scheme liability	18	-	-	-	-
Total net assets		217,273	212,533	217,267	212,530
The funds of the charity:					
Expendable endowment funds		147,848	138,458	147,848	138,458
Restricted funds	20	(6)	5	(6)	5
Unrestricted funds		69,431	74,070	69,425	74,067
Total unrestricted funds	19	69,431	74,070	69,425	74,067
Total charity funds	19	217,273	212,533	217,267	212,530

Approved on behalf of the Board of Trustees and authorised for issue on 15 July 2024.



Alan Brown
Treasurer

The notes on pages 52 to 73 form part of these financial statements.

Consolidated cashflow statement

as at 31 December 2023

	Notes	2023 £000	2022 £000
Net cash (used in) operating activities	A	(6,756)	(4,124)
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,409	3,277
Investment management fees		(680)	(740)
Purchase of tangible fixed assets		(527)	(129)
Purchase of intangible fixed assets		(117)	-
Net sale of investments		3,670	2,572
Net cash provided by investing activities		5,755	4,980
Cash flows from financing activities:			
Interest on loan		(534)	(534)
Net cash (spent on) financing activities		(534)	(534)
Change in cash and cash equivalents in the reporting period	B	(1,535)	322
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities			
		2023 £000	2022 £000
Net income/(expenditure) for the reporting period		4,740	(18,729)
Adjustments for:			
Investment income		(3,409)	(3,277)
Net (gain)/loss on investments		(9,643)	14,223
Investment management fees		680	740
Interest on the loan		534	534
Depreciation and amortisation charges		978	1,062
Other finance cost of the pension scheme		(4)	28
GMP equalisation charges		99	-
Current service cost less contributions to the pension scheme		(96)	85
Decrease in debtors		124	486
(Decrease)/Increase in creditors		(759)	724
Net cash (used in) operating activities		(6,756)	(4,124)
B. Movement of cash and cash equivalents			
	At 1 January 2023 £000	Movement £000	At 31 December 2023 £000
Cash at bank and in hand	3,353	(1,535)	1,818

Notes to the accounts

for the year ended 31 December 2023

1 Charity information

The Charity (registered number 1126980) is incorporated by Royal Charter and is governed by the provisions and byelaws of the charter; any revocation, alteration or additions to the byelaws must be approved by the Privy Council.

The charity has a wholly owned subsidiary trading company, KEHF Limited (company registration number 2754697).

The address of the registered office of both The King's Fund and KEHF Limited is 11-13 Cavendish Square, London, W1G 0AN.

2 Accounting policies

The principal accounting policies adopted and critical areas of judgements are as follows.

Basis of preparation

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts of The King's Fund and KEHF Limited are consolidated, on a line-by-line basis, to produce the Consolidated Accounts. No separate Statement of Financial Activities has been presented for The King's Fund but the charity's total income and net movement in funds in the year are set out in note 14.

2 Accounting policies (continued)

Basis of preparation (continued)

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity-only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Going concern

The Fund's planning process, including financial projections, takes into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Fund has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have, therefore, been prepared on the basis that the charity is a going concern.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the accounts recognised in the financial statements are summarised below.

- Pension liabilities: the charity recognises the liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 18. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme, hence, at the moment, it is not recognised as it is considered that the surplus in the defined benefit pension scheme is not recoverable.

2 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

- Valuation of investment properties: The charity's Basing investment properties are stated at their fair values. These are based on an external valuation as at the 31 December 2023 as disclosed in note 13. The Deans Mews investment property is based on an external valuation as at September 2022 with a management update as disclosed in note 13.
- Private equity investments are valued at the most recent investment manager valuations.
- Income recognition: When accounting for project income in line with the percentage completion basis set out below, the percentage of completion of a project is estimated using the actual costs incurred, including time spent, as a proportion of total planned costs.

Other accounting policies

Donations and legacies

Donations and legacies are recognised in the Statement of Financial Activities when they become receivable, that is when it is reasonably certain that they will be received and where the value can be measured with sufficient reliability.

Grants receivable

Grants receivable are recognised in the Statement of Financial Activities in full in the year in which they become receivable, that is when the conditions for receipt have been met.

Investment income

Income from investments is accounted for when dividends and interest are receivable and includes recoverable taxation. Income received, but not distributed, by pooled funds is included as part of the net gains/losses on investment assets in the Statement of Financial Activities.

Other income recognition

Project income is recognised on a percentage completion basis in relation to actual costs spent at the Balance Sheet date as a proportion of total planned costs over the life of the project. Projected losses on projects are provided as soon as they can be reasonably foreseen.

2 Accounting policies (continued)

Other income recognition (continued)

All other income is included in the Statement of Financial Activities when The King's Fund is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The costs of certain support departments are allocated to the principal activities on the basis set out in note 4.

Pension costs

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The current service costs of the Plan, together with the net interest on the net defined benefit liability (calculated at the discount rate), are charged to the Statement of Financial Activities within staff costs. The actuarial gains and losses on the Plan are recognised immediately as other recognised gains and losses.

The assets of the Plan are measured at fair value at the Balance Sheet date. Liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Where the scheme is determined to be in a deficit position, this is recognised in full as a liability. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme.

The NHS Pension Scheme is a multi-employer defined benefit scheme. Contributions have been accounted for in the period to which they relate, as if it were a defined contribution scheme as it is not possible to identify our share of the underlying assets and liabilities.

The King's Fund Group Personal Pension Plan is a defined contribution scheme and contributions have been accounted for in the period to which they relate.

2 Accounting policies (continued)

Intangible assets

Intangible assets relate to the enterprise resource planning project. Once brought into use, they are amortised on a straight-line basis over the anticipated life of the benefits arising from the completed project. The anticipated life has been taken as five years.

Tangible assets

Tangible assets costing more than £5,000, including any incidental expenses of acquisition, are capitalised and recorded at cost.

Depreciation is calculated so as to write off the cost of the tangible assets on a straight-line basis over the expected useful economic lives of the assets concerned which are taken as:

Plant and machinery:

Electrical installations	3 to 30 years

Mechanical installations	5 to 30 years

Lifts	30 years

Furniture, fittings and equipment:

Catering equipment	3 to 20 years

Furniture and fittings	5 to 20 years

ICT hardware and software	2 to 5 years

Office equipment	3 to 10 years

Freehold buildings	50 years

Freehold land is not depreciated.

Financial instruments

The King's Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at settlement value or amortised cost comprise trade and other creditors, and fixed-interest loan.

Investments, including bonds and cash held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

2 Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates. Assets and liabilities are translated at rates applying at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

Funds

Expendable endowment: The expendable endowment is maintained to generate income for the benefit of The King's Fund. The capital sum may be spent at the discretion of the Trustees.

Restricted funds: Funds received in relation to a restricted grant that can only be used for that purpose.

Unrestricted funds: Unrestricted funds include the net book value of the tangible fixed assets, the intangible fixed assets of the charity, investments and net current assets, less the pension reserve. The split between these categories is shown in note 19. The King's Fund has the power to spend its unrestricted funds within its objects as it sees fit.

3 Taxation

No corporation tax is payable by The King's Fund as it is able to make use of the tax exemptions on income and capital gains available to charities. No corporation tax is payable by the subsidiary company, KEHF Limited, as it is expected that each year an amount equal to its taxable profits will be paid to The King's Fund under the Gift Aid scheme.

4 Income and expenditure on charitable activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2023 £000	Total 2022 £000
Commissioned work	578	2,906	36	-	3,520	3,306
Grants	212	78	-	-	290	497
Course places or event tickets	-	1,893	-	500	2,393	2,202
Other	-	72	99	-	171	79
Total income	790	4,949	135	500	6,374	6,084
Direct expenditure	2,492	4,353	1,873	433	9,151	8,233
Support departments (4a)	1,737	1,849	1,569	392	5,547	5,277
Total expenditure	4,229	6,202	3,442	825	14,698	13,510

4a Support departments

Facilities (1)	583	621	527	131	1,862	1,680
Communications (2)	136	144	123	31	434	497
Other support (3)	1,018	1,084	919	230	3,251	3,100
Total cost of support departments	1,737	1,849	1,569	392	5,547	5,277

- 1 Facilities costs have been apportioned based on average headcount of the various departments during the year.
- 2 Communication costs have been apportioned based on average headcount of the various departments during the year.
- 3 Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

The comparatives for 2022 can be seen in note 23.

5 Income from other trading activities

	2023 £000	2022 £000
Income from other trading activities comprises:		
External conference and catering services	3,176	2,537
Income from sponsorship and partnership	819	774
Income from tenants	573	506
Income from non-charitable consultancy	37	119
	4,605	3,936

6 Income from investments

	2023 £000	2022 £000
Income from securities and cash assets:		
Equities	1,754	2,258
Bonds	365	271
Cash	29	21
Investment properties	1,261	727
	3,409	3,277

7 Expenditure on other trading activities

	2023 £000	2022 £000
Expenditure on other trading activities comprises:		
External conference and catering services	2,973	2,640
Cost associated with sponsorship and partnerships	541	269
Cost associated with tenants	15	6
Cost associated with non-charitable consultancy	29	107
	3,558	3,022

8 Raising funds costs

	2023 £000	2022 £000
Expenditure on raising funds costs comprises:		
Fees paid to managers, custodians, administrators and advisers for the discharge of their duties in connection with the investment portfolio and properties	492	360
Interest expense on the loan	534	534
Property repairs and maintenance	188	380
	1,214	1,274

9 Employees

	2023 £000	2022 £000
Wages and salaries	8,914	8,103
Social security costs (including apprenticeship levy)	1,008	988
Pension costs (before final salary pension adjustments)	1,403	1,146
Total emoluments before final salary pension adjustments	11,325	10,237
Final salary pension adjustments	(1)	113
Total emoluments after final salary pension adjustments	11,324	10,350

Included in the above pension costs is £101,000 (2022: £272,000) relating to the current employer service costs of the defined benefit pension scheme and £110,000 relating to settlement agreement payments (2022: £0).

9 Employees (continued)

Average number of staff:

	2023	2022
Research and analysis	31	33
Developing individuals, teams and organisations	33	31
Promoting understanding	28	24
Bringing people together	7	6
Other trading activities	11	10
Facilities	14	11
Communications	5	6
Other support departments	23	24
Total	152	145

The number of employees with remuneration (employee benefits excluding employer pension costs) exceeding £60,000 were:

	2023	2022
£60,000 - £69,999	6	8
£70,000 - £79,999	11	8
£80,000 - £89,999	5	8
£90,000 - £99,999	3	7
£100,000 - £109,999	10	5
£110,000 - £119,999	2	1
£120,000 - £129,999	2	3
£130,000 - £139,999	1	-
£180,000 - £189,999	1	-
£190,000 - £199,999	-	1

Contributions were made to The King's Fund Staff Pension and Life Assurance Plan, which is a defined benefit scheme, for 3 (2022: 4) higher-paid employees and to the NHS Pension Scheme, which is also a defined benefit scheme, for 4 (2022: 4) higher-paid employees. Contributions totalling £477,000 (2022: £450,000) were made to The King's Fund Group Personal Pension Plan, which is a defined contribution scheme, for 32 (2022: 31) higher-paid employees.

There was a change of Chief Executive during 2023. The combined total employee benefits received across both posts in 2023, including employer pension costs, were £216,810 (2022: £224,198).

The key management personnel of the charity comprise the Trustees and the Senior Management Team. None of the Trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. One Trustee was reimbursed for expenses incurred totalling £534 (2 Trustees reimbursements during 2022: £210). The total employee benefits, including employer pension costs and National Insurance, received by the key management personnel in 2023 were £1,183,000 (2022: £1,071,000).

10 Governance costs

	2023 £000	2022 £000
Auditor's remuneration		
External audit fees (Charity)	28	25
External audit fees (KEHF Limited)	6	6
	34	31

Additionally, fees totalling £3,800 (2022: £3,400) were payable to the auditors for taxation services in 2023 required for both the charity and the trading subsidiary.

11 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Furniture, fittings and equipment £000	2023 Total assets £000
Cost				
At 1 January	55,350	4,765	3,220	63,335
Additions	-	141	386	527
Disposals	-	(10)	(537)	(547)
At 31 December	55,350	4,896	3,069	63,315
Depreciation				
At 1 January	4,368	3,886	2,573	10,827
Charge for the year	483	194	298	975
Disposals	-	(10)	(513)	(523)
At 31 December	4,851	4,070	2,358	11,279
Net Book Value				
At 31 December	50,499	826	711	52,036
Previous year	50,982	879	647	52,508

Freehold land and buildings represent the Fund's offices at 11–13 Cavendish Square, London W1G 0AN. When adopting FRS 102, the Fund has chosen to use the fair value of the freehold land and buildings as its deemed cost as at 1 January 2014. Within the above total, the amount attributable to the freehold land is £33,600,000 based on the valuation completed by Savills plc.

As at 31 December 2023, The King's Fund had no capital commitments (2022: £0).

12 Intangible fixed assets

	2023 £000	2022 £000
Cost		
At 1 January	892	918
Additions	117	-
Disposals	(191)	(26)
At 31 December	818	892
Amortisation		
At 1 January	887	887
Charge for the year	3	26
Disposals	(191)	(26)
At 31 December	699	887
Net book value		
31 December	119	5
Previous year	5	31

Intangible assets relate to costs expended on the Fund's enterprise resource planning project, website and other software.

13 Fixed asset investments

	2023 Total £000	2022 Total £000
Securities:		
Equities	141,719	131,493
Index Linked bonds	5,788	5,703
Fixed Interest bonds	2,622	6,444
Private equity funds	2,345	2,672
Infrastructure	4,003	-
Cash and cash equivalents	2,354	4,630
Investment properties	27,301	29,217
Consolidated total	186,132	180,159
Shareholding in subsidiary company	50	50
Charity total	186,182	180,209

13 Fixed asset investments (continued)

A loan of £20,000,000 was taken out in 2021, this has been fully invested in the securities portfolio and has helped to increase the value of the investments held. For more information about the loan see note 17.

Within the total securities, £150,129,000 is classified as Level 1 as defined by IFRS 7, that is 'the investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date'. The remaining £2,345,000 is classified as Level 3, that is 'the investment is measured using unobservable inputs at the reporting date'. The Level 3 amount comprises two Private Equity Funds of Funds. No readily identifiable market price is available for these unquoted funds and therefore they are included at the most recent valuations provided by the manager.

In respect of the above private equity funds, the managers have confirmed that all future commitments to both funds have been waived and have therefore deemed the shares to be fully paid. One of the funds will continue to return cash to investors before its final closure in 2025, the other has now fully closed and is in liquidation with final payments due once this process has been completed.

The Fund has freehold interest in two investment properties. The Old Basing Estate is a mixed agricultural estate extending to approximately 981 acres and has been included at Fair Value of £14,951,000 (2022: £16,867,000) based on a valuation by Savills as at 31 December 2023. In 2015 the Fund purchased a freehold interest in properties at 7–10 Dean's Mews which adjoin the Fund's offices at 11–13 Cavendish Square. They have been included at a value of £12,350,000 from a management review of the external valuation in September 2022 (2022: £12,350,000).

A reconciliation of the movement in the market value of the Fund's investments during the year is as follows:

	2023	2022
	£000	£000
Opening balance at 1 January	180,159	196,954
Net monies invested/(disinvested)	(3,670)	(2,572)
Increase/(decrease) on revaluation	9,643	(14,223)
	186,132	180,159
Shareholding in subsidiary company	50	50
Closing balance at 31 December	186,182	180,209

14 Subsidiary company

KEHF Limited, a company registered in England number 2754697, began trading on 2 August 2007 having previously been reported as a dormant company.

The authorised share capital of the company is 50,000 shares of £1 each. The King's Fund owns all the shares and is therefore the sole member of the company. The company has five directors comprising two The King's Fund Trustees, a The King's Fund Facilities and Estates committee member and two The King's Fund employees.

The activities undertaken by the company comprise the letting of conference space within the premises of The King's Fund to third parties, along with the provision of catering and other related services. In addition, KEHF Limited manages sponsorship arrangements including with partners and supporters, and consulting activities that are outside the charitable objects.

In the year to 31 December, the company had income of £4,118,000 (2022: £3,496,000) and incurred expenditure of £3,467,000 (2022: £2,909,000) thereby generating an operating profit of £651,000 (2022: £587,000). The directors have made donations in the year of £651,000 to The King's Fund through Gift Aid. The resultant accumulated surplus of KEHF Limited at 31 December 2023 is £6,000 (2022: £3,000).

Excluding KEHF Limited's results, the Charity's total income in 2023 was £12,409,000 (2022: £11,466,000) and the Charity's net increase in funds was £4,658,000 (2022: net decrease of £16,993,000).

15 Debtors

	Consolidated	Consolidated	Charity	Charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	794	1,063	576	819
Amounts owed by KEHF Limited	-	-	96	211
Prepayments and accrued income	898	750	863	711
Other debtors	4	7	4	7
Donations from KEHF Limited	-	-	152	87
	1,696	1,820	1,691	1,835

16 Creditors: amounts falling due within one year

	Consolidated 2023 £000	Consolidated 2022 £000	Charity 2023 £000	Charity 2022 £000
Trade creditors	489	588	324	463
Amounts owed to KEHF Limited	-	-	7	10
Deferred income - see analysis below	3,051	3,591	2,464	3,068
Taxation and social security	308	401	308	401
Other creditors and accruals	680	732	667	705
	4,528	5,312	3,770	4,647
	Balance at 1 January 2023 £000	Released during the year £000	Additional deferrals £000	Balance at 31 December 2023 £000
Deferred income analysis				
Programme fees received in advance	3,068	(3,068)	2,464	2,464
Charity total	3,068	(3,068)	2,464	2,464
Other deferred income including KEHF Limited	523	(523)	587	587
Consolidated total	3,591	(3,591)	3,051	3,051

17 Creditors: amounts falling due after more than one year

	Consolidated 2023 £000	Consolidated 2022 £000	Charity 2023 £000	Charity 2022 £000
Loan from MetLife falling due in over 5 years	20,000	20,000	20,000	20,000
	20,000	20,000	20,000	20,000

A 30-year loan was taken out on 14 May 2021 to enhance the long-term value of The King's Fund investments and has been invested in line with the strategic asset allocation. The loan is repayable in full at the end of the loan period in May 2051, in the interim the interest is payable in November and May. The future interest payable is as follows:

	2023 £000	2022 £000
Not later than one year	534	534
Later than one year and not later than five years	2,136	2,136
Later than five years	11,948	12,482
Total	14,618	15,152

18 Pension schemes

The King's Fund Staff Pension and Life Assurance Plan

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The Plan was open to all employees of The King's Fund who were not members of another scheme until it was closed to new members on 28 February 2008, as at 31 December 2023 there were 12 active members (2022: 14).

	2023 £000	2022 £000
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	57,412	54,287
Present value of plan liabilities	(44,229)	(43,662)
Net plan asset	13,183	10,625
Amount not recognised as asset due to limit in FRS102 paragraph 28.22	(13,183)	(10,625)
Net defined benefit asset	-	-

The surplus linked to the defined benefit scheme is not considered to be recoverable and therefore has not been recognised in the financial statements in accordance with FRS 102.

	2023 £000	2022 £000
The movement in defined benefit obligations over the year was as follows:		
Present value of obligations at start of year	43,662	66,654
Current employer service cost	101	272
Employee contributions	70	74
Interest costs	2,036	1,214
Actuarial losses/(gains)	891	(22,479)
Benefits paid	(2,531)	(2,073)
Closing value of the plan liability	44,229	43,662
	2023 £000	2022 £000
The movement in the fair value of assets over the year was as follows:		
Opening fair value of plan assets	54,287	65,031
Return on plan assets in excess of/(lower than) interest income	2,938	(10,118)
Interest income on planned assets	2,550	1,186
Employee contributions	70	74
Employer contributions	197	187
Administration costs	(99)	-
Benefits paid	(2,531)	(2,073)
Closing fair value of plan assets	57,412	54,287

The Plan has pension liabilities which are insured with a value of approximately £0 (2022: £14,000). The value of these liabilities has been excluded from both the assets and the liabilities since the liability is matched directly by an asset of equal value.

18 Pension schemes (continued)

	2023 £000	2022 £000
Total (expense) recognised in the Statement of Financial Activities:		
Current employer service cost	(101)	(272)
Net interest on the net defined benefit obligation	4	(28)
Return on Plan assets excluding interest income	2,938	(10,118)
Actuarial (losses)/gains arising from change in assumptions	(891)	22,479
Amount not recognised as asset due to limit in FRS102 paragraph 28.22	(2,047)	(10,625)
Administrative expenses	(99)	-
Total (expense)/income recognised in the Statement of Financial Activities	(196)	1,436
	2023	2022
Proportion of total Plan assets by asset class:		
Equities (including property)	14%	58%
Bonds	53%	32%
Index-linked	31%	10%
Cash and equivalents	2%	0%

The overall expected rate of return on the Plan assets is determined by applying each asset type's expected long-term rate of return to that asset type's market value and calculating a weighted average rate of return over all asset types.

	2023 £000	2022 £000
Actual return on Plan assets	5,487	(8,932)
The principal actuarial assumptions used at the balance sheet date:		
Discount rate	4.55%	4.80%
Rate of increase in salaries	2.35%	2.45%
General price inflation	2.35%	2.45%
Rate of increase in pension payments:		
Service prior to 1 April 2000	4.20%	4.20%
Service after 1 April 2000	3.00%	3.05%
Life expectancy at 65 for		
male aged 65	22.4	22.9
female aged 65	24.4	24.8
male aged 45	23.6	24.1
female aged 45	25.8	26.2

The King's Fund expects contributions of £80,000 to be made to the Plan in the year ending 31 December 2024 (excluding contributions made by employees).

18 Pension schemes (continued)

NHS Pension Scheme

The Fund contributes to the NHS Pension Scheme, a defined benefit scheme, for 6 (2022: 7) eligible members of staff as at the 31 December. In 2023 The Fund contributed £69,000 (2022: £71,000) to the scheme. The employer's contribution rate is set by the Government Actuary at 14.4%.

The King's Fund Group Personal Pension Scheme

The Fund contributes to the Group Personal Pension Scheme, a defined contribution scheme established in 2008, for 139 (2022: 116) members of staff as at 31 December. The Fund contributed £1,137,000 (2022: £888,000) to the scheme. The employer's contribution rates are double each individual employee's contribution rate within the range from 6% to 12% of pensionable salary.

The pension charges for the period are shown below:

	2023 £000	2022 £000
The King's Fund Staff Pension and Life Assurance Plan	197	187
NHS Pension Scheme	69	71
The King's Fund Group Personal Pension Scheme	1,137	888
Total charges	1,403	1,146

19 Split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2023 £000	Total funds 2022 £000
Tangible assets	-	-	52,036	52,036	52,508
Intangible assets	-	-	119	119	5
Investments: Securities	133,769	-	25,062	158,831	150,942
Investments: Property	14,079	-	13,222	27,301	29,217
Net current assets/ (liabilities)	-	(6)	(1,008)	(1,014)	(139)
Long-term liabilities	-	-	(20,000)	(20,000)	(20,000)
Pension fund reserve	-	-	-	-	-
Total funds	147,848	(6)	69,431	217,273	212,533

To see the comparatives for 2022 please see note 23a.

20 Movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted funds:					
Department of Health and Social care with University of York	-	212	(219)	-	(7)
The National Lottery Community Fund (renamed Big Lottery)	5	30	(35)	-	-
RCNF enquiry into the lived experiences of nurses and midwives	-	48	(47)	-	1
Total restricted funds	5	290	(301)	-	(6)

The contract with the Department of Health and Social Care (DHSC) – run jointly with the University of York – is to provide a fast response research and analytical facility. During 2023, we worked on seven projects under the call-off contract that we have in partnership with the University of York, for rapid research to support DHSC's policy needs. Reports of all projects are on our website and in the public archive for the contract at www.york.ac.uk/prepare. There is currently a deficit due to timing differences of funding received versus activities completed which will be recovered in future years.

In 2018 a grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading Leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768 and in 2021 we received another top-up grant of £29,500 bring the total of the project to £494,268 and this included an extension of the project to 2023 recognising the Covid-19 delays. This programme was completed in 2023.

The remaining grant was from Royal College of Nursing Foundation (£48,000).

To see the comparatives for 2022 please see note 23b.

21 Related party transactions

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, KEHF Limited, as set out below.

- In 2023 the Charity charged KEHF Limited management fees totalling £395,000 (2022: £335,000). This is calculated as a percentage of staffing costs.
- In 2023 the Charity charged KEHF Limited licence fees totalling £841,000 (2022: £688,000). This is calculated as a percentage of room hire income from external conference and catering services
- In 2023 KEHF Limited charged the Charity administration fees totalling £72,000 (2022: £52,000). This is calculated as a percentage of internal room hire costs.
- As at the 31 December 2023 KEHF owed the Charity £152,000 of additional gift aid (2022: £86,000). For the total gift aid payable in the year see note 14 above.

22 Lessor operating leases

The future minimum lease payments under non-cancellable operating leases for each of the following periods are set out below.

	2023	2022
	£000	£000
Not later than one year	656	804
Later than one year and not later than five years	563	871
Total	<u>1,219</u>	<u>1,675</u>

Operating lease commitments relate to the minimum future rental income for both investment and non-investment properties.

23 Comparative statements

23a Comparative split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2022 £000
Tangible assets	-	-	52,508	52,508
Intangible assets	-	-	5	5
Investments: Securities	124,379	-	26,563	150,942
Investments: Property	14,079	-	15,138	29,217
Net current assets/ (liabilities)	-	5	(144)	(139)
Long-term liabilities	-	-	(20,000)	(20,000)
Total funds	138,458	5	74,070	212,533

23b Comparative movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year 2022 £000
Restricted funds:					
Department of Health with University of York	(7)	402	(395)	-	-
The National Lottery Community Fund (renamed Big Lottery)	(2)	60	(53)	-	5
Other	(4)	35	(40)	9	-
Total restricted funds	(13)	497	(488)	9	5

During 2022 we undertook eight projects, as in 2021. The contract is intended to support up to five projects per year and with these additional projects we have now used up the underspend carried forward from the previous contract. The Department of Health and Social Care has agreed additional funding for future years in case this high level of demand continues. Projects in 2022 included a high-profile report on reducing waiting lists and waiting times, and covered diverse topics ranging from end-of-life care to support for unpaid carers and free milk for pre-school children.

In 2018 a new grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading Leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768 and in 2021 we received another top-up grant of £29,500 bringing the total of the project to £494,268 and this included an extension of the project to April 2023 recognising the Covid-19 delays. The programme started in 2018 and £494,847 of funding had been received by 31 December 2021, which is the total income for the project. We recognised £60,190 in 2022 leaving £30,408 to be delivered and recognised in 2023.

The other grants were from Healthwatch England (£25,000) and Lloyds Bank Foundation (£10,000).

23 Comparative statements (continued)

23c Comparative consolidated statement of financial activities

		Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2022 £000
Income and endowments from:					
Donations and legacies		3	-	-	3
Charitable activities					
Research and analysis		804	402	-	1,206
Developing individuals, teams and organisations		4,308	70	-	4,378
Promoting understanding		98	-	-	98
Bringing people together		377	25	-	402
Total charitable activities	4	5,587	497	-	6,084
Other trading activities	5	3,936	-	-	3,936
Investments	6	3,277	-	-	3,277
Total		12,803	497	-	13,300
Expenditure on:					
Charitable activities					
Research and analysis		4,039	395	-	4,434
Developing individuals, teams and organisations		5,246	63	-	5,309
Promoting understanding		2,963	-	-	2,963
Bringing people together		774	30	-	804
Total charitable activities	4	13,022	488	-	13,510
Other trading activities	7	3,022	-	-	3,022
Raising funds costs	8	1,036	-	238	1,274
Total		17,080	488	238	17,806
Operating (deficit)		(4,277)	9	(238)	(4,506)
Net gain on investments		(722)	-	(13,501)	(14,223)
Net income/(expenditure)		(4,999)	9	(13,739)	(18,729)
Transfers between funds		(9)	9	-	-
Actuarial gain/(loss) on defined benefit pension scheme		1,736	-	-	1,736
Net movement in funds		(3,272)	18	(13,739)	(16,993)
Reconciliation of funds:					
Total funds brought forward	19	77,342	(13)	152,197	229,526
Total funds carried forward	19	74,070	5	138,458	212,533

23 Comparative statements (continued)

23d Comparative consolidated statement of financial activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2022 £000
Commissioned work	804	2,483	19	-	3,306
Grants	402	70	-	25	497
Course places or event tickets	-	1,825	-	377	2,202
Other	-	-	79	-	79
Total income	1,206	4,378	98	402	6,084
Direct expenditure	2,581	3,569	1,616	467	8,233
Support departments (4a)	1,853	1,740	1,347	337	5,277
Total expenditure	4,434	5,309	2,963	804	13,510

23e Support departments

Facilities (1)	590	554	429	107	1,680
Communications (2)	174	164	127	32	497
Other support (3)	1,089	1,022	791	198	3,100
Total cost of support departments	1,853	1,740	1,347	337	5,277

- 1 Facilities costs have been apportioned based on average headcount of the various departments during the year.
- 2 Communication costs have been apportioned based on average headcount of the various departments during the year.
- 3 Other support departments include Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

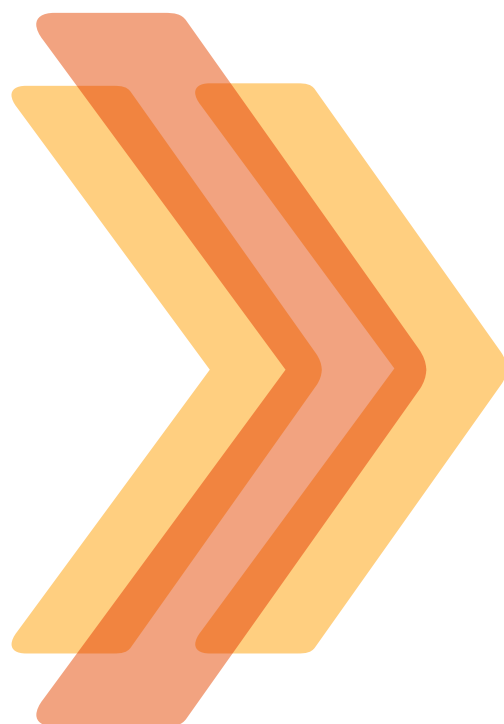
THE KING'S FUND

England & Wales - Charity number 1126980

Accounts

Trustees' annual report and accounts

**For the year ended
31 December 2022**



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Message from the Chair and the Chief Executive



2022 has been a tough year for those that rely on health and care and also for those that work in it. Though the successive waves of the Omicron variants of Covid-19 have not been on the scale of 2020 and 2021, they have remained disruptive. Added to this, the realisation of the fragility of the NHS and its partners has only grown during the year and

industrial action (both inside and outside the NHS) has added to the sense of crisis. It came as little surprise that winter 2022–23 was exceptionally difficult.

Against this backdrop The King's Fund has continued to make progress across its key priorities but also produced work designed to directly tackle the crisis. Under the Healthier places and communities programme, we have continued to work with integrated care systems and published on **the early days of the new statutory structures** brought in by the 2022 Health and Care Act. Given the complexity of the new structures and arrangements we have also produced a suite of publications designed to help people navigate the new health and care world, including a wholly **new animation describing the reformed system**. As part of this priority, we have also continued to support those looking to work with local people to empower their communities. For another of our priorities, Tackling the worst health outcomes, we updated our **explainer content on health inequalities** (the most popular content on our website) and shared major new research on **partnership working between disabled people and people working in health and care**. Under our Supporting people and leaders priority, we launched our second self-directed learning programme on **leading for staff health and wellbeing** as well as working with local stakeholders and continuing our successful open programmes. We also published **our first output from Healthy Communities Together**, our multi-year partnership with The National Lottery Community Fund.

The first part of 2022 also involved work to support the passage of the Health and Care Act. This included extensive briefings, roundtables and work with partners such as NHS Confederation and NHS Providers. As part of our Foundations of health and care programme of work, we undertook specific work to support those working to address the current crisis in the health and care sector, including a report on **strategies to reduce elective waiting times**. In partnership with the Nuffield Trust, we published the results of **the British Social Attitudes survey on public satisfaction with the NHS**, which acted as a major wake-up call as to the depth of the current difficulties.

2022 saw us make much more intensive use of the venue, despite disruption, particularly from industrial action on public transport. We also limited the use of the venue and postponed conferences during the mourning period for Her Majesty Queen Elizabeth II. However, despite these shocks – and strongly supported by another year of very strong performance from the Leadership and Organisational Development team – the Fund did extremely well on income and managed its costs. This has enabled us to draw a firm line under the financial turbulence of 2020 and 2021 when finances were affected by Covid-19. 2022 was also a year of delivery on our diversity and inclusion agenda, including delivering anti-racism training for all staff and our first ever appearance in London Pride. Finally, we also marked a series of anniversaries this year: 25 years of the GSK IMPACT awards, 40 years of our Top Manager Programme, and 125 years of the Fund itself. All were marked by their own events.

We have a busy 2023 ahead of us, with plans to make progress on all our strategic priorities as well as to ensure we make a major contribution to tackling the current crisis in health and care. There will also be significant internal changes, as we develop a new website and begin refurbishing our Cavendish Square offices. As the current Chief Executive will retire later in 2023, Trustees will also be recruiting a successor.

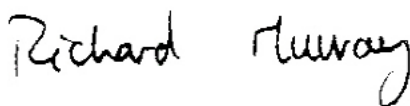
A rigorous recruitment exercise during 2021 saw the appointment of five new Trustees; four were appointed at the end of 2021 and the fifth, Professor Kamila Hawthorne, took up her position in February 2022. During 2022, the Nominations Committee met to review the reappointment of Trustees coming to the end of their terms. Lord Kakkar was reappointed for a second three-year term as Chair from January 2023. Trustees approved the reappointment of Dominic Dodd (who chairs the Audit and Risk Committee) for a third and final three-year term from December 2022; Dr Jane Collins for a third term of two years from February 2023; Rt Hon Jacqui Smith for a third term of two years from February 2023; Professor Mark Britnell for a second three-year term from April 2023; and Professor Carolyn Wilkins for a second three-year term from April 2023.

Dame Ruth Carnall came to the end of her third and final term in April 2023, and Trustees are very grateful to her for serving as a Trustee for nine years, eight of them as Vice Chair. At a meeting held in March 2023, the Nominations Committee recommended the appointment of Dominic Dodd to take over as Vice Chair in April 2023, which Trustees approved.

We are also indebted to our non-trustee Committee members who serve on the Investment, and Facilities and Estates Committees. John McLaughlin, Ted Holmes, Anna Rule and Andy Doyle bring valuable expertise that has helped the Fund navigate a challenging external environment during the year. In March 2023, Sarah Fromson was appointed to the Investment Committee and brings an impressive amount of specialist strategic investment experience.



Lord Kakkar
Chair



Richard Murray
Chief Executive

Our year in numbers



Research and analysis: ideas and evidence

26

Publications

78

Blogs

11

Podcast episodes

Research and analysis: independent challenge

11,620

**Mentions in
online media**

703

**Pieces of coverage
in national, broadcast
and trade media**

55

**Parliamentary
mentions**

Bringing people together

35

Conferences
and events

15,000

Event delegates

17

Corporate partners
and supporters

Developing individuals, teams and organisations

50

Commissions
to support
organisations

520

Participants in
open programmes

10,000

Learners using
our online courses

Promoting understanding

110,800

Views of
'How does the NHS
in England work?'

2,328,000

Website users

163,000

Twitter followers

Objectives and activities

Our charitable objects, vision and values

The **objects** of The King's Fund as set out in our Royal Charter are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, upon health care in London. Health care organisations means all those organisations involved in the commissioning, monitoring or supply and provision of health care.

Our **vision** is that the best possible health and care is available to all. We aim to be a catalyst for change and to inspire improvements in health and care by:

- generating and sharing ideas and evidence
- offering rigorous analysis and independent challenge
- bringing people together to discuss, share and learn
- supporting and developing people, teams and organisations
- helping people to make sense of the health and care system.

Our **values** underpin the work we do.

**We are committed
to our purpose
and independence**



We will focus on making the greatest possible impact to achieve our vision of better health and care for all, always contributing from a position of independence.

**We act with
integrity**



We will be honest, bold and challenging, seeking diverse perspectives and experiences, engaging in constructive dialogue and calling out injustice.

**We are
collaborative
and inclusive**



We will ensure that everyone feels respected, valued and supported, recognising that we will achieve more by working together and collaborating with others.

**We are positive
and engaged**



We will celebrate success, value learning and promote positive cultures that support people to work at their best.

**We strive for
excellence**



We will strive to produce work of the highest quality, continuously learning to improve everything we do.

Our 2020-24 strategic priorities

Our work spans the breadth of health and care policy and practice, giving us a unique understanding of the strategic context for health and care now and in the future. Within this, we focus our resources where we believe we can maximise our impact. Our current strategy identifies three strategic priorities that form the basis for our work programmes:

- Healthy places and communities
- Tackling the worst health outcomes
- Supporting people and leaders.

In addition to our three strategic priorities, our work on the foundations of health and care uses our knowledge of the health and care system and the relationships we hold to provide independent analysis, respond to key developments, and make sense of the complex and changing health and care landscape.



Our impact

It can be challenging for an organisation that is not directly involved in service delivery or policy-making to measure its impact. Nevertheless, we are committed to evaluating and reporting on our impact. We use several levers to bring about change.

- We explain policy and make sense of the health and care system to support people working in and with the system.
- We shine a light on issues where change is needed through our research and analysis, prompting and informing policy change locally and nationally.
- We offer new thinking, sharing ideas and examples to inform and inspire the future of health and care.
- We work directly with people, teams and organisations to help them develop more effective ways of working and grow the leadership capabilities they need.
- We bring together people with different backgrounds, experiences and perspectives through our events, programmes and networks, using our building to provide safe and stimulating spaces where people can learn and build relationships.
- We advise, support and challenge local and national leaders, applying our thinking, knowledge and understanding to the issues they are facing.

In the next section, we outline our achievements during 2022 and how we have used these levers to deliver impact through our work.

Achievements and performance

2022 has been a year of significant change and uncertainty in the external environment, both politically and economically. As health and care services started to exit the most acute period of the Covid-19 pandemic, the performance of the sector has rarely been out of the spotlight, with challenges in urgent and emergency care, primary care, social care, mental health and elective (planned) care.

Despite the challenges in the sector and more widely, The King's Fund has continued to develop and have impact over the past year. The new digital learning offer on leading for staff health and wellbeing has been well received, our conferences and events continued to receive excellent feedback, and we engaged extensively with the Department of Health and Social Care, and with Parliament on influencing the content of the Health and Care Act 2022. 2022 was also a year of significant anniversaries at the Fund, marking 25 years of our GSK IMPACT awards, 40 years of the Top Manager Programme and 125 years of the Fund itself. We hosted Open Wounds in our building, an exhibition by Tottenham Rights on the links between slavery, institutional racism and health.

Healthier places and communities

Health and wellbeing are profoundly influenced by what happens in places and communities and by how the services operating in a place interconnect. Health and care organisations, local government and other local agencies need to work more closely together, co-ordinating the services they deliver to people. They also need to work in partnership with citizens and communities, and harness the vital contribution of the voluntary and community sector (VCS). These principles are at the heart of a population health approach, which aims to improve health outcomes, promote wellbeing and reduce health inequalities across local populations.

The King's Fund has been at the forefront of developing integrated care, population health and place-based working, building the evidence base, influencing policy and supporting local implementation. We will build on this work, bringing together our unique combination of skills and expertise in policy and leadership development to shape healthier places and communities. We will help those working to improve health and wellbeing in the places in which they live and work by supporting them to collaborate across different organisations, and to draw on the diversity and strengths of their communities.

Key objectives

The Healthier places and communities programme identified the following objectives for this strategy period:

- supporting local organisations and communities to work together to improve health and wellbeing
- helping people in the health and care system to develop the relational skills needed to work collectively across organisational boundaries
- ensuring the role of local government, the VCS, and patients and users in improving health and care is fully recognised and harnessed
- understanding the role that digital technologies play in joining up services and giving people greater control over their health and wellbeing
- influencing policy and legislation to support the development of closer partnership-working locally and remove the barriers that can prevent this from happening.

A priority for the Healthier places and communities programme in 2022 was to influence the development of integrated care systems (ICSs) and other forms of partnership-working in health and care. Our work on this included:

- direct support to leaders in ICSs, place-based partnerships and primary care networks
- a research report examining **The first days of statutory integrated care systems**
- contributing to inquiries on ICSs held by the House of Commons Health and Social Care Committee and the Public Accounts Committee
- two virtual conferences on integrated care and ICSs
- sense-making content on the Fund's website explaining the role of **integrated care systems, place-based partnerships** and **provider collaboratives**
- advisory work for NHS England on the role of social care providers in ICSs.

One of the key objectives of the Healthier places and communities programme is to support health and care organisations to work with local people in ways that empower communities – and to act on the insights they have to offer. In 2022 our work on this included:

- research examining how NHS trusts can take a **strategic approach to working with local volunteers** in a way that maximises the added value to patients
- content to make sense of **how the health and care system hears from people and communities**
- a virtual conference on **community-centred approaches to health and wellbeing**.

Our work aims to support health and care organisations to understand how they can have a positive impact on population health. Our work on this in 2022 included:

- practical support for local leaders clarifying how the role of ICSs in population health can reinforce and add value to the work of local authority public health teams, and vice versa
- virtual conferences on **population health** and **homes and health**
- content explaining **What is a population health approach?**

Tackling the worst health outcomes

It is well known that some groups in the population have significantly poorer health outcomes and worse experiences of using health and care services than others. This is a longstanding injustice and one that has been brought to the fore by the Covid-19 pandemic, which had an impact on different groups in different ways with some groups experiencing much higher mortality rates than others. Within this context the health and care system is giving greater priority to tackling the worst health outcomes, with reducing health inequalities emerging as clear focus in recovery plans.

The overarching purpose of the Tackling the worst health outcomes programme is to work with people with lived experience, communities and services to improve health and care for people with the worst health outcomes.

Key objectives

To deliver this purpose, the Tackling the worst health outcomes programme identified the following three objectives for this strategy period:

- health and care policy and practice are shaped by the lived experiences of those with the worst health outcomes
- widespread adoption of health and care policy and practices that improve the health and wellbeing of people with the worst health outcomes
- better joint working between the health and care system and its partners to improve the health and wellbeing of people with the worst health outcomes.

During 2022, we strengthened our role as a 'go to' source of information on health inequalities through our key data analyses and sensemaking. Our updated **health inequalities explainer** was the most viewed page on our website in 2022, and 'health inequalities' was consistently among the five most searched terms on our website.

In 2022 we made good progress in taking forward the recommendations of the 2021 review of the Tackling the worst outcomes programme. In March we published **Equity and endurance**, which shared lessons from previous initiatives to tackle health inequalities. We also began some work on the population groups identified following the review, including **key research** on partnership working between disabled people and people working in the health and care system. Our **Time for action on poverty** conference in December, which links well with our 'left behind neighbourhoods' group, recorded the highest 'net promoter score' (the gold standard measure of customer experience) of any The King's Fund event over the past year.

We continued our work with systems and organisations locally to support their efforts to tackle the worst health outcomes. Examples include work with One Bromley, supporting 14 organisations to develop their skills and approach to improving the health and wellbeing of their population, and work with NHS Midlands and 11 ICSs to develop an approach to tackling health inequalities across the East and West Midlands.

In 2022, **Healthy Communities Together**, our partnership with The National Lottery Community Fund entered its second phase. The programme supports partnership working in local areas between the VCS, the NHS and local authorities, and phase two is focused on implementing five partnerships' plans for improving health and wellbeing, reducing inequalities and empowering communities. As well as bringing the sites together to share learning, we have begun sharing lessons from the programme more widely, including with the publication of **A reflective learning framework for partnering** in June.

Supporting people and leaders

The workforce crisis in health and care poses the single greatest risk to access to and quality of care. The aim of this strategic priority is to create a healthier, more inclusive and effective workforce. Addressing staff shortages will require a transformation in the way care is delivered and the development of new roles and capabilities. It will also mean making health and care organisations better places to work, creating supportive, compassionate and inclusive cultures, and addressing the unacceptable levels of stress, bullying and discrimination that currently exist. We will work alongside health and care leaders to ensure there are enough people with the right skills to deliver high-quality, person-centred care, now and in the future.

Key objectives

To deliver this purpose, the Supporting people and leaders programme identified the following objectives for this strategy period:

- promoting a whole-system view of the workforce for health and care, realising the full contribution that can be made by people using services, volunteers and others
- supporting people working in health and care to embed collective, compassionate and inclusive leadership practices and create enabling, supportive organisational cultures
- supporting leaders, organisations and systems to deliver the transformational changes needed across health and care
- providing evidence and insights to enable people working in health and care to make best use of digital technologies
- understanding staff shortages, the driving forces behind them and how they can be addressed.

In 2022, the focus on the needs of the workforce across health and care intensified. Staff retention and wellbeing remain top priorities for leaders in the health and social care system.

We continued to deliver much needed leadership and organisational development support to people and leaders, including in the VCS. Through our range of open programmes, client commissions and grant programmes, our skilled team continued to adapt support offers, providing psychologically safe spaces for leaders to meet and discuss the complex challenges and pressures they are experiencing.

We celebrated three major milestones in 2022: the 25th anniversary of the GSK IMPACT awards, the 40th anniversary for our **Top Manager Programme** (TMP), which develops senior system leaders, and the redesign of our flagship women's leadership programme, **Circles**, previously known as Athena.

We used the TMP 40th celebrations, with many of the extensive alumni, to launch the Open Wounds exhibition focusing on inclusion and anti-racism. The exhibition was developed and curated in partnership with Tottenham Rights, a community-led initiative that continues to address issues around social justice and accountability.

We continued to increase our reach to learners at different points in their careers through the launch of our second self-directed learning programme, **Leading well for staff health and wellbeing in the NHS** in October. By the end of 2022, we had reached more than 12,500 learners through our digital learning offers.

On national work, we continued to influence workforce and leadership policy and delivery through a series of professional networks, commissioned work, events and written outputs, including publishing a new **explainer on compassionate leadership**. We continued to collaborate with partners, including the Health Improvement Alliance Europe and the Five Nations networks. In partnership with Imperial Healthcare NHS Trust, we co-hosted a monthly conversation on kindness in health care with expert international health and care contributors.

Foundations of health and care

Our broad knowledge of the health and care system and the relationships we hold across the system form the foundation of our work. We know that our stakeholders and audiences highly value the work that we do to provide independent analysis, explain key issues and respond to developments across the breadth of health and care.

Our areas of focus include shaping and influencing the external debate on access to services; legislative reform of health and care; the funding envelope for the health and care system; and social care funding reform. We have maintained our high profile on these issues in 2022 through our responsive analysis, proactive reports and sense-making content that helps our audiences understand the complexities of the health and care system.

Key objectives

The purpose of our work programme on the Foundations of health and care is to:

- help us understand the context within which we are trying to achieve our strategic priorities, ensuring they take account of developments in how the health and care system is structured and funded
- maintain our relevance and reputation as influencers of policy and practice, by seeking to shape and influence external debate on important topical issues that have a profound impact on the health and care system
- directly influence improvements to the building blocks that make for good health and care.

2022 was a year of great volatility and uncertainty for the economy, the government, and the health and care system. In that context, The King's Fund played an important role in helping people make sense of rapid changes to the health and care system, and we led debate on the threats and opportunities to the core building blocks that make for good health and care.

In the early part of the year, we worked to influence the shape of the Health and Care Act, which passed in to law in April 2022. The legislation created a new architecture for the health and care system and The King's Fund provided strategic advice to ministers, national bodies and other stakeholders on the implications of the reforms. We also worked closely with parliamentarians to enhance measures in the Health and Care Bill to support better workforce planning, accountability and governance, and a greater focus on health inequalities, securing several amendments to the legislation. Once the Bill passed into law, we began publishing content to support the sector to **understand the changes**, including an extremely popular new **animation explaining how the NHS in England works**, which within six months of publication had amassed more than 100,000 views.

Throughout 2022, health and care services struggled to meet demand and many patients struggled to access the care they needed, leading to heightened debate about the future of the NHS. In March, The King's Fund, jointly with the Nuffield Trust, brought clarity and evidence to the debate through our **analysis of the British Social Attitudes survey**. The results showed that, while satisfaction with the NHS had dropped to its lowest level in 25 years, public faith in the founding principles

of the health service remained strong. Throughout the year we continued to produce evidence and analysis to inform the increasingly heated debates about the future of health and care services, including through our well-received **assessment of common myths about health and care in England**.

Throughout 2022, we updated our popular explainer content on how the health and care system is organised; ran updated versions of our highly successful **Health and care explained** virtual conference and **The NHS explained** online course; and published our Social care 360 report on the key trends in the adult social care sector in England.

We ended 2022 with publication of a major new **report assessing strategies to reduce waiting times for elective care**. The agenda-setting research looked at past efforts to bring elective care backlogs under control and had impact at the highest level, with both the government and opposition citing the work at several sessions of Prime Ministers Questions towards the end of the year.

Internal change

2022 was the third year of our five-year strategy and of working through programme groups, which were set up to support the input of diverse views and insight to increase impact. We carried out a review of programme working to feed into our developing approach to understand the Fund's impact. We continued to test and adopt new hybrid ways of working and will look to develop a digital vision around skills, tools and ways of working for the future. Diversity and inclusion continued to be a key focus during 2022 and the progress in this area is outlined below (see page 23).

Plans for 2023

The NHS, social care and public health are under extreme pressure, with performance against all the key measures far below expected standards. 2022 ended with the toughest winter in the health and care system's history, with workforce shortages and performance challenges combining with a cost-of-living crisis driving increased demand for health and care services. 2023 will continue to be a challenging year for the health and care system and those working in it, as they look to support people using and accessing health and social care services.

This is combined with an unstable broader environment on politics, the economy and public spending. There are some significant milestones in the year ahead, with the 75th anniversaries of the creation of the NHS, the founding of the modern system of social care, and the arrival of Caribbean migrants aboard the Empire Windrush. In the political space, attention will turn more firmly to the development of party manifestos, creating a key opportunity to influence.

The external environment is significantly different to that we would have predicted when we wrote our strategy in 2019. But our priorities remain relevant and important for the system in this new context. Our approach for 2023 is to balance making progress with our longer-term strategic aims, adding value to a system under pressure, while meeting our income requirements and retaining flexibility to respond to a volatile and uncertain external environment.

Internally, we will continue to focus on strengthening our commitment to becoming a more diverse and inclusive organisation, adapting our ways of working in the post-pandemic context and accelerating our use of digital technology.

In this section, we describe what our programmes aim to achieve in 2023.

Healthier places and communities

The purpose of our work on healthier places and communities is to support effective collaborative working in local places and systems that leads to improved health and wellbeing. 2023 presents both opportunities and challenges for our work in this area. There are significant opportunities created by the introduction of statutory ICSs and other policy interventions that seek to reinforce partnership working across the health and care system. However, the wider economic and political context risks undermining the positive benefit that these reforms could deliver.

A key focus for our work in 2023 is therefore supporting successful implementation of the integration reforms, in particular by ensuring ICSs are implemented in a way that lives up to the original vision. We will work to ensure that ICSs function as effective partnerships that harness the full set of resources available across the NHS, local government and other partners, with the goal of improving population health.

In the context of the deteriorating economic outlook, a further focus in 2023 will be championing the vital partnership between the statutory sector and VCS organisations in supporting communities during the cost-of-living crisis and working in partnership to reduce the impacts of the crisis on population health.

Specific commitments in 2023 include:

- publishing practical guidance on embedding VCS organisations within ICSs
- research examining how ICSs are tackling some of the major challenges facing the health and care sector
- providing practical support to help system leaders adopt a population health approach, and sharing the lessons learnt from their attempts to do so.

Tackling the worst health outcomes

The aim of this programme is to work with people with lived experience, communities and services to improve health and care for people with the worst health outcomes. Unavoidable, unfair and systematic differences in the health of different groups of people is a longstanding issue and one that has been underlined by the experience during and following the Covid-19 pandemic.

In 2023 the health and care system is facing significant pressures, including a substantial backlog of care and longstanding staff shortages. Within this context, we will work to ensure that tackling the worst health outcomes remains high on ICSs' agendas, using our voice to focus attention on health inequalities and bringing to life the experience of those with the worst health outcomes. We will also support the health and care system in bringing this lived experience to bear on policy and practice.

In 2023 we will support ICSs in their work to tackle the worst health outcomes, including by sharing learning and evidence and providing leadership support to those working in ICSs.

We will continue to implement the recommendations of the review of the Tackling the worst outcomes programme carried out in 2021, signalling our interest in four specific population groups: ethnic minority women; inclusion health groups; disabled people, including people with learning disabilities; and left-behind neighbourhoods.

Specific commitments in 2023 include:

- continuing to support partnerships between the NHS, VCS organisations and local authorities through the Healthy Communities Together programme and sharing learning from this work
- a shared learning programme with seven ICSs exploring practice to implement inclusion health at scale
- research into the approaches NHS organisations are taking to tackle the backlog in an inclusive way and reduce inequalities
- explainer content setting out evidence on the health of ethnic minority women (subject to funding)
- research building on our previous work on NHS admin, with a focus on inequalities and sharing good practice (subject to funding).

Supporting people and leaders

The aim of this programme is to create a healthier, more inclusive and effective health and care workforce. The workforce crisis poses the single greatest risk to access to and quality of care. According to the House of Commons Health and Social Care Committee in its July 2022 report, 'The National Health Service and the [adult] social care sector are facing the greatest workforce crisis in their history.' The crisis has been compounded by the Covid-19 pandemic which has exacerbated long-term issues such as staff shortages, chronic excessive workloads, burnout and inequalities experienced by staff from black and ethnic minority backgrounds.

Leaders and teams at all levels in the health and care system face complex challenges that they must navigate while also tackling the backlog of care, staff retention and health and wellbeing, and the implementation of the changes in the Health and Care Act 2022 that focus on integrating services and greater collaboration.

In 2023, the programme will continue to focus on the current and future workforce challenges. This will include a spotlight on staff retention (in both the NHS and social care) and the evidence for creating workplace cultures that support people's health and wellbeing and address deep-rooted, longstanding inequalities.

Specific commitments for 2023 include:

- continuing, with partners, to advocate for a funded, national workforce plan for the NHS and social care, and the development of supporting workforce policies that are coherent, focused on the right priorities and effective in addressing them
- publishing a series of digital outputs on strategic workforce issues with a focus on retention, offering policy and leadership recommendations including new insights on retaining and attracting young people in the social care workforce.
- partnering with an international health and care system to explore its approach to the developing and retaining its workforce as part of its work on equity
- continuing to raise the profile of our organisational development practice and ensuring our choices on new commissioned work (including the focus on collaborative leadership across systems) supports organisational learning and leads to increased research and thought leadership work
- evolving our online learning offers – to strengthen and advance the work including reaching those working in the VCS, people early in their careers and those who are part of minoritised groups
- developing a series of thought leadership pieces on the human aspects of the changes created using digital technologies in the delivery of services.

Foundations of health and care

Our broad knowledge of the health and care system and the relationships we hold across the system form the foundations that underpin all our work. We know that our stakeholders and audiences value the work we do to provide independent analysis, explain key issues and respond to developments across the breadth of health and care.

This foundational knowledge and work continues to be important in the current context. The health and social care system will remain under considerable pressure in 2023, with lengthening waits for care, staffing shortages and financial pressure a likely focus for external commentators and policy-makers. Within this context, our foundational work will take a strategic approach, taking into consideration the need to focus the Fund's limited resources on a defined set of topics selected for our ability to have impact.

Specific commitments in 2023 include:

- continuing our work to help our audiences make sense of the health and care system, including our Health and care explained events, our online The NHS explained course, our analysis of British Social Attitudes survey and our 360 reports on key trends in the health and social care sector
- providing analysis and commentary on key issues facing the sector, including the backlog of care, access to services, including in the run up to the 75th anniversaries of the founding of the NHS, the modern social care system and the arrival of the first Windrush generation
- exploring how the new health and care landscape and ICSs have an impact on the building blocks of the health and care system
- work to inform political party manifesto development ahead of the anticipated 2024 general election, drawing on the influencing aims under each strategic priority.

Internal change

We have three internal priorities for 2023.

Reimagining our workplace

In 2023 we will redesign our office space to support our post-pandemic ways of working. This will include moving away from assigned desks; increasing the amount of collaboration space; and providing more flexible spaces for virtual meetings. We will keep improving the tools that allow staff to collaborate including the AV equipment and provide appropriate training and guidance. We will support staff in effective people management and teamworking in remote and hybrid settings.

Digital transformation

In 2023 we will agree a roadmap for the Fund's digital transformation that sets out a vision for the future. We will continue the innovations we have begun to mainstream online learning offers, and design and deliver a new website. We will deliver continuous improvements to our ways of working, systems and digital tools with a focus on maximising the value of the Fund's information and minimising risk.

Diversity and inclusion

Our work in this area is highlighted below (see page 23).

Our commitment to diversity and inclusion

The King's Fund is strongly committed to becoming an organisation where diversity is welcomed, embraced and valued and all people are able to be themselves and thrive. We have a wide-ranging programme of work to support us in becoming a more diverse and inclusive organisation, led by our Head of Diversity and Inclusion and delivered by management and staff across the organisation.

Measuring progress

We are keen to be transparent about the progress we are making on our journey to becoming a more diverse and inclusive organisation. We measure our progress against targets we have set, by monitoring the diversity of our staff and by using external benchmarking tools to track our performance.

Targets

We have committed to publishing progress against targets we have set to increase diversity among our Board and committees, General Advisory Council and senior decision-makers,¹ and to publish data on the diversity of our staff. Our targets are:

- 50/50 gender balance among the Board and committees, senior decision-makers and the General Advisory Council by the end of 2020 and we will continue to monitor this target to ensure it is maintained
- 20 per cent Black and ethnic minority representation across the same groups by 2022
- no all-male committees.

The position at the end of 2022 is below.

	Target (%)	Board and committees (16)	Senior decision-makers (23)	General Advisory Council (23)
Female	50% (by 2020)	50% (8)	70% (16)	52% (12)
Black and ethnic minority	20% (by 2022)	19% (3)	17% (4)	39% (9)

¹ The senior decision-makers group currently comprises Trustees (12), non-Trustee committee members (4) and 24 senior staff.

The data shows that we met all our 2020 targets for gender diversity. For our 2022 targets, we exceeded our target for ethnic diversity among our General Advisory Council but narrowly missed the targets for our Board and Committees, and the senior decision-makers group. We do not have any all-male committees.

In December 2022, the Board of Trustees agreed to roll forward our targets for gender and black and ethnic minority representation for a further five years to 2027.

Our staff

We collect data from our staff to enable us to track the diversity of the organisation over time. We have not yet updated this for 2022. The staff survey in 2023 will enable us to collect staff data on diversity. The data for 2020 can be found in the **2020 Trustees' annual report**.

External benchmarking

To help benchmark where we are on our inclusion journey, we use two external assessments:

- The Employers Network for Equality and Inclusion's Talent Inclusion and Diversity Evaluation (TIDE)
- Stonewall's UK Workplace Equality Index (WEI).

TIDE

TIDE assesses organisational performance and progress across multiple categories of diversity including race and disability. In 2022, we completed our second TIDE submission. In 2021, we were assessed at the 'realise' level and scored 43 per cent. In 2022, we have progressed to the 'embed' level and scored 60 per cent, higher than the median score. Overall, in 2022 the Fund was placed 74th out of 155 participating organisations, achieving a Bronze award to mark our progress.

WEI

The WEI measures progress on lesbian, gay, bi and trans inclusion in the workplace. In 2022, we completed our third WEI submission. For the first time ever, we were placed in the Top 100 of employers in the UK. Our ranking of 75th was a significant improvement on the 482nd place we achieved when we first took part in the index. This resulted in us receiving a Gold Employer Award. Again, this indicates we are making good progress.

Our work programme

We have a wide-ranging programme of work to support us in becoming a more diverse and inclusive organisation.

Key objectives

We identified four key thematic priorities for diversity and inclusion in 2022:

- promoting representation and diverse voices, including through hosting Open Wounds (an exhibition curated by community group Tottenham Rights on the links between systemic racism and health) in our Cavendish Square building
- embedding allyship, including all staff undergoing anti-racism training
- empowering our team, through formalising our diversity and inclusion policy, and creating guidance to encourage dialogue around unprofessional behaviours
- improving our recruitment practice through a new recruitment handbook and introducing diversity and inclusive specific induction and exit processes.

Our commitment to diversity and inclusion is also reflected in our external work programme. For example, in 2022 we:

- ran the NHS London White Allies Programme as a partnership between The King's Fund and the equality and human rights charity, brap. Commissioned by NHS England, the six-day programme works with senior white leaders to deepen their understanding of racism in health and care and develop an awareness of the anti-racist role white leaders must play in systems change. To date 30 NHS trusts and more than 160 senior leaders have participated
- launched a new leadership programme for women, the Circles programme
- published a research project, with Disability Rights UK, on better partnership working between disabled people and people working in the health and care system
- started research projects, to be published in 2023, on inclusive approaches to tackling the elective backlog, and on overcoming digital inequity and exclusion.

In 2022, the Fund also made a public statement recognising its historical links to slavery and colonialism.

We will continue to work on the same core priorities in 2023, focusing on:

- representation and using our power, including through publishing an action plan in response to our historical links to slavery
- embedding allyship, by giving our team the tools to not only notice microaggressions when they are happening but step up as allies and active bystanders
- empowering our team, by helping managers to tackle unprofessional behaviours including providing clear feedback and resolving issues of inclusion in their teams
- supporting our team by normalising the use of internally trained mediators to facilitate conversations and reduce conflict.

Financial review

Review of income and expenditure for the year ended 31 December 2022

Total income increased in the year to £13.3 million (£11.4 million in 2021), of which £6.1 million (£5.8 million in 2021) was generated from charitable activities and £7.2 million (£5.6 million in 2021) was derived from other sources, namely investments, donations and legacies and other trading activities.

Income in 2022 continued to recover from the impact of Covid-19 driven by trading income which increased by £1.7 million to £3.9 million. This was mainly due to conference and catering (running our venue) income increasing to £2.6 million (£1.0 million in 2021), which is above the £2.5 million we generated in 2019 and is expected to grow further in 2023. Investment income also grew by £0.6 million to £3.3 million as there was fuller letting of our investment properties and dividends returned to normal.

Costs increased in 2022 as income increased but remained tightly managed to maintain the withdrawal from the endowment within the agreed budgeted parameters. Total expenditure of the Fund in 2022 was £17.8 million (£15.7 million in 2021).

Expenditure on charitable activities increased slightly to £13.5 million, (£13.0 million in 2021), with increases in research and analysis due to increased income and in developing individuals, teams and organisations as a result of investment in the team. Expenditure on other trading activities increased to £3.0 million (£1.7 million in 2021) as a result of increased activity to generate income.

The average number of staff employed by the Fund during the year was 145, an increase of 4 from 2021. This was primarily due to investing in staffing as the recovery from the pandemic continues. Total staff costs after final salary pension adjustments during the year were £10.3 million, an increase of 2.6 per cent compared with 2021. Further analysis is shown in note 9 to the accounts.

We budget for operating deficits which are set at a level with a view to maintaining the long-term value of the investment capital in real terms. The Fund's operating deficit for the year was £4.5 million, a slight increase from the £4.4 million operating deficit in 2021 as a result of the impacts described above. The withdrawal in 2022 was £0.9 million below our budget because the level of success in the income generation, which was better than budgeted, and delays in some projects (and the associated

expenditure) that will now happen in 2023. Markets were turbulent in 2022 and this drove net losses on investments during the year of £14.2 million, (£18.1 million gain in 2021). However, most of this has been recovered since the end of the year as markets continue to bounce back from the lows of September. Further details on investment performance are set out below.

Net assets at 31 December 2022

The Fund's consolidated net assets at 31 December 2022 were £212.5 million. This represents a decrease of £17.0 million (7.4 per cent) compared with the net assets at 31 December 2021. The decrease is due to the Fund's net loss during 2022 of £18.7 million (comprising the net loss on investments of £14.2 million and the operating deficit of £4.5 million) partially offset by the actuarial gain of £1.7 million on the defined benefit pension scheme, which was capped at £1.7 million due to the uncertainty of whether any gain will be recognisable by the organisation.

Net assets at 31 December 2022 comprise fixed assets of £232.7 million, net current liabilities of £0.1 million and no defined benefit pension scheme liability. Fixed assets comprise tangible fixed assets of £52.5 million and fixed asset investments of £180.2 million including assets held because of the £20 million long-term loan.

During the year, the book value of tangible fixed assets decreased by £0.9 million due to depreciation of £1.0 million exceeding capital expenditure of £0.1 million. The main items of capital spend during the year were to refresh laptops, continue the investment in audio-visual equipment for the venue, and update the CCTV.

The value of fixed asset investments decreased during the year by £16.8 million largely due to the market falls in the year (and the divestment in the year of £2.6 million). The losses were partially recovered by the end of 2022 and have since continued to recover.

Loan

In May 2021 The King's Fund entered into a 30-year loan arrangement with MetLife for £20 million as the interest payable on the loan is most likely to be lower than the investment returns. The interim loan repayments are interest only with the capital amount only being payable on the maturity of the loan in May 2051.

Investment performance

The strategic allocation and the actual allocation at the end of the financial year are shown below.

Asset class	Strategic allocation %	Minimum %	Maximum %	Actual allocation 2022 %	Actual allocation 2021 %
Cash	0			2.6	2.6
Government bonds	5			3.2	3.3
Corporate bonds	5			3.5	4.0
Total cash and bonds	10	8	13	9.3	9.9
UK equities	30	26	34	27.9	29.0
Overseas equities	30	26	34	33.1	33.5
Emerging market equities	15	12	18	12.0	12.4
Private equity	0	0	5	1.5	1.5
Total equities	75	72	77	74.5	76.4
Property	15	12	18	16.2	13.7
Total alternatives	15	12	18	16.2	13.7
TOTAL	100			100.0	100.0

In December 2022 the Board approved a new strategic asset allocation to further diversify the portfolio and better manage the endowment through the inflationary environment we are now in, which includes investing in private equity and infrastructure. This will be implemented, and therefore reported on, in the 2023 accounts.

The value of the Fund's total investments at 31 December 2022, comprising publicly quoted equity and bonds, private equity and property, was £180.2 million (£197.0 million in 2021), including the investment of the £20 million loan. These investments produced income, net of investment management fees and loan interest, of £2.0 million during the year and this income, together with £2.6 million of investment capital, was withdrawn during the year to cover the Fund's cashflow needs. After allowing for these withdrawals, the investments generated a total loss of £14.2 million (which is below the Fund's long-term objective as set out in the Financial strategy and reserves section below).

Donations and legacies

The Fund gratefully acknowledges donations and/or legacies received from the following during the past year: Her Majesty Queen Elizabeth II, C Tilby, M Rees, D Emmerson and anonymous donors.

Financial strategy and reserves

The Fund's financial strategy is guided by its policies on expenditure, reserves and investments. The Fund's policy on expenditure is to ensure that it has sufficient resources to meet its charitable objectives over the medium term. The Fund generates money from a variety of activities that support or are complementary to its core purpose and make best use of its assets. As the money the Fund generates is insufficient to cover its total expenditure, a proportion is drawn from investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the stewardship of the Fund's long-term mission. Trustees take a risk-based approach, which aims to balance the Fund's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Fund's total reserves at 31 December 2022 were £212.5 million. As set out in note 19 to the accounts, £138.5 million of this represents the expendable endowment (all of which is included in fixed asset investments), restricted funds have a surplus of £5,000 (a deficit of £13,000 in 2021) and the remaining £74.1 million represents unrestricted funds, £52.5 million of which could only be realised by disposing of fixed assets that are currently used by the Fund in its activities.

The Fund's policy on reserves is based on recognising the long-term nature of its work and the continuing need for financial support. The expendable endowment, restricted funds and the unrestricted reserves are managed as a pooled investment with the intention of providing financial support today and for the foreseeable future. The Trustees consider reserves to be at an appropriate level.

The Fund's policy on investments is to take a long-term approach, investing globally across a range of assets with the intention of preserving its value in real terms after allowing for expenditure. As a charity committed to improving health we do not have any direct or indirect investments in the tobacco industry.

The Fund's investment strategy is to manage the portfolio based on a total return, ie, income and capital combined. The Fund has an asset allocation that is geared towards equities because of their higher expected returns in the long term, while maintaining an appropriate level of liquidity to meet expenditure commitments in the near future. The reference date for the purpose of assessing the real value of the investments is 1 October 2019. Trustees review the amount that they spend from investments periodically, balancing the expected demand for resources with the likelihood of future investment returns. The Trustees recognise that each year the Fund will need to withdraw the investment income and some of the investment capital to bridge the gap between its annual income and expenditure, and they set the budget accordingly.

Between 1 October 2019 (the reference date) and 31 December 2022, after income and capital withdrawals and removing the loan, the value of the Fund's investments is a loss of £30.8 million in real terms (compared to the retail prices index). Our investment strategy allows for periods of short-term losses, such as the market movements in September 2022, to maximise the long-term returns.

How the Fund is constituted and governed

Our charitable objects

The King's Fund is incorporated by Royal Charter and is governed by the provisions and byelaws of the Charter. The Charter sets out the charitable objects of the Fund, which are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, on health care in London. In this context, 'health care organisations' means those organisations involved in the commissioning, monitoring or supply and provision of health care.

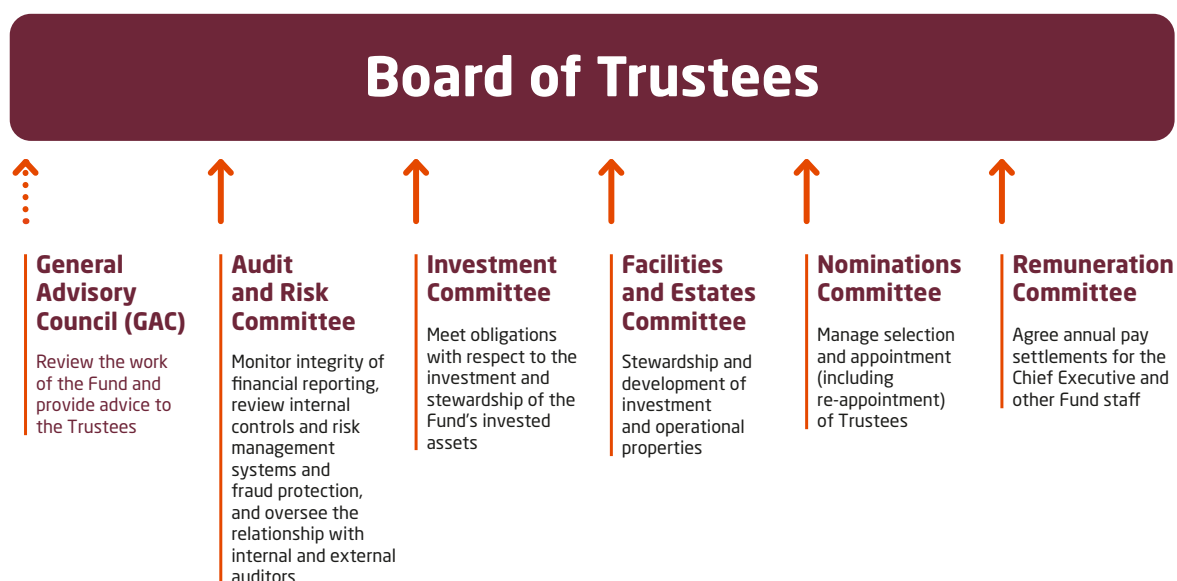
Working for the public benefit

Our vision that the best possible health and care is available to all ensures that we work for the benefit of the public. We aim to deliver our vision and mission through a strategic plan and annual operational plans, which are approved by the Fund's Trustees. In approving these plans, the Trustees are mindful of the Charity Commission's general guidance on public benefit and their duty to ensure the Fund is carrying out its purpose in relation to this. In particular, the Trustees consider how activities will contribute to the aims and objectives they have set.

Governing body and committees

The Board of Trustees agrees the organisation's overall strategic direction, in line with its charitable objectives, and scrutinises management functions delegated to the Senior Management Team. A framework sets out the authority delegated to the Chief Executive by the Board of Trustees. The Board of Trustees meets six times a year. One of the meetings is designated the Annual General Meeting, at which the Trustees' Annual Report and Accounts for the preceding year are considered and approved.

The Board of Trustees also delegates some of its work to sub-committees as outlined below and set out on page 33.



The General Council (known as the General Advisory Council or GAC), established in accordance with the Royal Charter meets twice a year. Members act as a source of intelligence on the key issues and challenges in the health system and use their collective expertise to reflect on the Fund's activities and impact. The members of the GAC are appointed by the President on the recommendation of the Chief Executive for a period of up to three years which can be extended to further three-year terms. Details of the current members of the GAC, and those who served during the year, are set out on page 41.

Trading subsidiary

KEHF Ltd is a wholly owned trading subsidiary of The King's Fund. The principal activities of the company include those that are not the primary purpose of or within the Fund's charitable objectives, including the letting of conference facilities owned by The King's Fund and related catering services, sponsorship for some of the Fund's events, and income from corporate partners and supporters. 100 per cent of the taxable profits of KEHF Ltd are paid to The King's Fund, under the Gift Aid scheme. A list of directors, who are appointed by The King's Fund, is included on page 44. Details are included on page 69 of the financial statements.

Recruitment and appointment of Trustees

Trustees are appointed in line with the byelaws set out in the Charter. They serve for an initial term of three years and may be re-appointed for a second term and, exceptionally, a third term. Appointment as a Trustee is open to any suitably qualified member of the public.

Historically, the Nominations Committee met on an *ad hoc* basis when vacancies arose, but it was agreed that from 2022 the Committee would meet annually to review forthcoming exits from the Board, compare this to a skills audit and take decisions on any necessary recruitment.

Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Fund and their responsibilities as a Trustee. They are invited into the Fund to meet colleagues and get to know our work and our building. The Chair of Trustees usually meets with each Trustee annually to review performance in the past year and to discuss the year ahead.

Details of the Fund's current Trustees, and those who served during the year, are set out on page 42.

Board review/evaluation

The Board usually reviews its performance annually at an awayday when Trustees reflect on how well they are fulfilling their duties. Trustees consider the Board's balance of skills, experience and knowledge, its diversity in the widest sense, how the Board works together and other factors relevant to its effectiveness.

They use the principles of organisational purpose, leadership, integrity, decision-making, board effectiveness, diversity, openness and accountability as included in the Charity Governance Code to ensure high standards of governance and to support continuous improvement. Trustees agreed that this could not be done effectively while meetings had to be held virtually and so decided to defer the Board effectiveness discussion in 2020 and 2021. The purpose and scope for the review was revised during 2022 and is planned for 2023.

Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, who is responsible for delivering the strategic direction and day-to-day management of the Fund. The Chief Executive, together with the Senior Management Team, develops strategy, plans, programmes and policies for the Fund, which the Board approves.

The framework for the Chief Executive, sets out the authority delegated to the Chief Executive. It is reviewed by the Board of Trustees every three years and when a new Chief Executive is appointed.

New internal governance arrangements were introduced at the start of 2020 to support and deliver the strategic priorities for 2020–24 and achieve the greatest impact via our programme, business and OD priorities.

Senior Management Team

The Senior Management Team (SMT) works within the framework set by the strategic plan and the annual operational plan, which sets out the detailed work programme using a list of strategic priorities as headings. The SMT monitors, reviews and takes action to ensure performance against strategic goals and on risks and issues escalated by the Portfolio Board and the Operations Committee.

Details of the current members of the Senior Management Team, and those who served during the year, are set out on page 44.

Portfolio Board

Portfolio Board provides strategic oversight of the Fund's three programmes and foundational work:

- Supporting people and leaders
- Tackling the worst health outcomes
- Healthier places and communities
- Foundations of health and care.

Operations Committee

The Operations Committee oversees projects related to systems, processes and infrastructure. It is supported by a Business Improvement Forum and helps the Fund achieve the greatest impact using our business systems and ways of working.

Risk management

The King's Fund is unavoidably exposed to risk, either due to factors in the external environment, or through the opportunities we choose to pursue and the activities we carry out that enable us to deliver on our vision, mission and strategic goals. Our Risk Management Policy sets out how we identify and actively manage the risks we are exposed to and our approach allows us visibility and control over the key corporate risks that affect the organisation as a whole.

We use a process that categorises and scores each risk by considering its cause, likelihood, impact and mitigation. Based on this we determine whether further action needs to be taken. Risks are grouped according to whether their impact will be on our strategic focus, ability to influence, reputation, internal capability or our financial sustainability as outlined in the figure below.



During the last quarter of 2022, a fundamental review of the Fund's key risks was carried out involving scenario-based discussions around risks and opportunities with directors, senior leaders, and staff across the Fund as well as with Trustees and the General Advisory Council (GAC). Members of the Audit and Risk Committee and the Board of Trustees are satisfied with the procedures that are in place to review the risks, ratings, controls and actions to mitigate the Fund's exposure to risk, as set out in the table below.

Risk area	Management of risk
Strategic focus and prioritisation	There is a risk that our strategy lacks focus, is difficult to deliver and fails to have an impact. As we implement our strategy for 2020–24 we have sought to maintain the high level of visibility and engagement that staff had during its development. We review our strategic focus through our 'rolling planning' approach to enable a short-term (as well as long-term) view of overall activities and responsiveness to change. Internal governance arrangements are aligned to our strategy. This includes oversight of the portfolio of programmes, performance and impact. We are building our capacity to be responsive through new ways of working established during 2022, to horizon-scan, identify opportunities for sense-making and foundational work and plan over the longer term. We ensure that decision-making around income generation is aligned to our strategic priorities as far as possible.
Ability to influence	There is a risk that our external activities fail to influence and prevent us from delivering impact. Flexibility is deliberately left in the operational plan each year to allow the Fund to respond to new or additional opportunities. Decision-making about new work ensures that we support the health and care system during the significant challenges faced during the recovery from the pandemic, economic challenges arising from the cost of living and ongoing turbulence. We ensure that we continue to publish an appropriate volume of high-quality policy work, maintain a high media profile and continue to track data about our reach and impact. We ensure we adequately anticipate, plan, and prepare for the future by keeping updated on changing digital models employed by other relevant organisations and competitors, keep abreast of opportunities provided by digital technology that may support improved delivery of our outputs and prepare for a degree of staff change as we evolve and adapt to hybrid working.
Our reputation	There is a risk that we lose our reputation for credibility and quality and that our independence, ethics and values are questioned. The Fund keeps up to date with all legal and regulatory requirements and recommended practice. We make disclosures about our income sources, decision-making and independence on our website. Policies, agreements and contracts set out the Fund's position, ensure the quality of our outputs, address ethical issues and recognise the origin of funding. All staff and Trustees are encouraged to understand and adhere to the values, ethics and culture of the organisation.

Risk area	Management of risk
Internal capability	There is a risk that we are unable to deliver our operational commitment effectively and efficiently and that staff wellbeing and engagement suffers. We have worked on developing proactive and transparent internal comms focusing on wellbeing. Specialist support already in place (ie, a staff counsellor and network of mental health first aiders) is highlighted frequently. We ensure leaders and people managers are informed in supporting employee health and wellbeing. We have built capability in specific areas such as our established group of mental health first aiders. We invest in building our internal capabilities through supporting learning and development, as well as valuing and practising openness, collaboration and inclusivity. There is a cross-Fund focus on continuous improvement and the development of effective systems, processes and ways of working. A business continuity plan is in place to ensure that the Fund can continue operating after a major incident or external event, even if the building is inaccessible for a prolonged period. This was updated in 2022 to incorporate the learning following the pandemic. The IT infrastructure is designed to maximise resilience, and policies and processes are in place to ensure appropriate use and security of data.
Financial sustainability	There is a risk that our endowment loses value in real terms and that there is a significant short- or medium-term loss of income. The Fund's investments are actively managed and reviewed by an Investment Committee, which sets a strategic asset allocation and associated performance benchmark and balances risk against benchmark returns with a diversified portfolio of asset classes. Investment performance is visible to Trustees and the Senior Management Team in the monthly review of finances. Short- and long-term financial plans are maintained, and progress is monitored regularly by the Senior Management Team and Trustees. Oversight of the defined benefit pension scheme is maintained and is considered alongside other financial risks.

Risk appetite

The amount and type of risk that the Fund is willing to take in order to meet its strategic objectives is determined by the Trustees and is usually reviewed annually using a framework based on the five key risk areas summarised above. Our approach to risk appetite and management aids decision-making as it highlights areas of opportunity and concern, supports understanding and challenge of the risk controls in place and helps to determine how much further effort is required to mitigate key risks in the risk register.

Maintaining our independence

Our independence is important to us. Our reputation is founded on the objectivity of our work, independence from outside interests and freedom to determine our own priorities. We protect this independence in a number of ways.

Our funding

Our funding comes from a diverse range of sources, protecting us against dependence on any particular source of income. As a charitable foundation, we have an endowment – funds maintained and invested since we were established in 1897 – which generate an annual income. As set out in our financial strategy, we draw on this each year to provide a consistent stream of funding to support our work. In 2022, the charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Our remaining funding mainly comes from a mixture of income-generating charitable activity (including leadership and organisational development services, our events and funded research and policy analysis), and commercial activities (including hiring our venue and renting office space in our building). The income from these activities comes from a diverse range of sources including commercial organisations, national and local NHS organisations, the voluntary and community sector, and national and local government. More detail is provided in the Consolidated Statement of Financial Activities.

On our [website](#) we have further analysis of the income we generate from the variety of activities mentioned in the Financial Review section above.

How we set policy

We have robust arrangements in place to assure the quality and independence of our research, policy analysis and other published work which are described on our [website](#). Responsibility for our public positioning rests with the Chief Executive who works closely with directors and other colleagues to agree our position on relevant issues. The Board discusses our public positioning with the Senior Management Team on a regular basis but is not involved in determining our position on individual policy issues.

Our partnerships

We maintain partnerships with a range of organisations through our [Corporate Partners and Supporters scheme](#). These relationships are governed by our [ethical collaboration policy](#), which includes provisions to protect our independence.

Conflicts of interest policy

Trustees, committee members and senior members of staff are required to recognise and deal appropriately with conflicts of interest. Our Conflicts of Interest Policy, which is reviewed annually by the Audit and Risk Committee, sets out our approach. We recognise that even the perception that there is a conflict of interest could damage our reputation. Trustees, members of committees established by the Board of Trustees, members of the board of KEHF Ltd, senior members of staff (the Senior Management Team) and any other people as requested by the Trustees complete declarations of all interests annually. All interests, rather than just those which the person completing the declaration considers relevant, are declared. This avoids the exclusion of any interests that others may perceive to be potential conflicts.

The Fund's Register of all Interests is reported to the Audit and Risk Committee and to the Board of Trustees annually. It is made available to the Fund's auditors and is published on [the Fund's website](#).

Remuneration policy

The King's Fund believes that to attract and retain the calibre of staff we need to deliver our charitable objectives our remuneration policy should provide salaries that are competitive in our sector; be considered fair, equitable and transparent; allow for pay progression over time; and deliver arrangements that are sustainable within the available resources.

The Fund operates an incremental pay scale for most of its staff, underpinned by a factors-based job evaluation system. The scale comprises grades from 1 to 8c, each with a minimum and maximum point and normally five incremental points in between. Salaries are reviewed annually, and the Fund has the option to increase scale points by an agreed percentage. Any such increase takes effect from the following 1 January. The Board of Trustees has delegated responsibility for determining matters of pay and pay-related benefits to its Remuneration Committee.

The Committee meets routinely in the winter to agree the following year's percentage increase and arrangements for executive pay. In agreeing the pay award, the Committee considers indicators in the wider economy; the levels of award that have been made by organisations the Fund compares itself with; and affordability. At the meeting held in October 2022, the Committee was mindful of the cost-of-living crisis caused by levels of inflation unprecedented in recent times and high energy costs. As a result, it recommended an increase of 5 per cent in January 2023 and a non-consolidated lump sum to be paid in December 2022, which Trustees agreed.

Reference and administrative details

Registered office

The King's Fund
11–13 Cavendish Square
London
W1G 0AN

Charity number

1126980

Company number

RC000826

Patron

Her Majesty Queen Elizabeth II [until September 2022]

President

His Royal Highness The former Prince of Wales

General Council

The members who served during the year and since the year end are:

Kay Boycott, Non-Executive Director, Imperial College Healthcare NHS Trust
[to December 2022]

Professor Yvonne Doyle CB, Regional Director, Public Health England
[to December 2022]

Hannah Farrar, Chief Executive, Carnall Farrar [to December 2022]

Ceinwen Giles, Director, Shine Cancer Support [to December 2022]

Professor Nick Harding OBE, Chief Medical Officer, Operose Health
[to December 2022]

Ben Page, Chief Executive, Ipsos [to December 2022]

Martin Reeves, Chief Executive, Coventry City Council [to December 2022]

Professor Kate Arden, Hon Professor Salford University, Visiting Professor,
Chester University, and independent public health consultant

Samantha Allen, Chief Executive, North East and North Cumbria Integrated Care System

Stephen Chandler, Corporate Director for Adult Services, Oxfordshire County Council

Fatima Khan-Shah, Senior Responsible Officer, Carers Worksteam, West Yorkshire and Harrogate Health and Care Partnership

Jonathan McShane, Chair, Terrence Higgins Trust

Hardev Virdee, Group Chief Financial Officer, Barts NHS Trust

Dr Navina Evans, Chief Executive, Health Education England

Lord Victor Adebawale CBE, Chair and Co-founder, Visionable

Sarah Pickup OBE, Deputy Chief Executive, Local Government Association

John James OBE, Chief Executive, Sickle Cell Society

Samira Ben Omar, independent consultant, community collaboration

Jatinder Harchowal MBE, Chief Pharmacist, UCL NHS Foundation Trust

Dr Kamran Abbasi, Editor-in-Chief, *The BMJ*

Dr Nikita Kanani MBE, Medical Director of Primary Care, NHS England

Professor Nicholas Mays, Professor of Health Policy, London School of Hygiene and Tropical Medicine

Members appointed from 2023:

Karen Bonner, Chief Nurse, Buckinghamshire NHS Trust

Rachel Burnham, Director of Operations, Guy's & St Thomas' NHS Foundation Trust

Jane McGrath, Chief Executive, We Coproduce

Shigufta Khan, Chief Executive, The Wish Centre

Gabrielle Matthews, foundation doctor

Anna Quigley, Research Director, Ipsos

Yasmin Razak, GP partner, North Kensington, and Clinical Director, Neohealth

Dr Justin Varney, Director of Public Health, Birmingham City Council

Board of Trustees

The Trustees who served during the year and since the year end are:

Professor Mark Britnell

Alan Brown

Richard Clark

Dame Ruth Carnall DBE [to April 2023]

Dr Jane Collins

Dominic Dodd

Professor Kamila Hawthorne MBE [from February 2022]

Dr Annalisa Jenkins

Rt Hon Professor Lord Kakkar KBE PC [Chair of the Board of Trustees]

Dr Stephanie Kuku

Rt Hon Jacqui Smith

Professor Carolyn Wilkins OBE [from February 2022]

Sub committees

The committee members serving during the year and since the year end are as follows.

Investment Committee

Alan Brown
Richard Clark [Chair of the Committee]
Sarah Fromson [from March 2023]
Robert Holmes
Rt Hon Professor Lord Kakkar KBE PC
Dr Stephanie Kuku
John McLaughlin

Remuneration Committee

Alan Brown
Dame Ruth Carnall [Chair of the Committee to April 2023]
Dominic Dodd
Rt Hon Professor Lord Kakkar KBE PC

Nominations Committee

Alan Brown
Dame Ruth Carnall
Rt Hon Professor Lord Kakkar KBE PC [Chair of the Committee]
Professor Carolyn Wilkins [from June 2022]

Audit and Risk Committee

Dr Jane Collins
Dominic Dodd [Chair of the Committee]
Professor Kamila Hawthorne MBE [from February 2022]
Dr Annalisa Jenkins

Facilities and Estates Committee

Alan Brown
Richard Clark [Chair of the Committee]
Andy Doyle
Rt Hon Professor Lord Kakkar KBE PC
Anna Rule

KEHF Ltd Board of Directors

Alan Brown [Chair of the Board of Directors from February 2022]

Dominic Dodd

Richard Murray

Anna Rule

Matthew Tolchard

Company secretary – Lucy Johnson-Brown [to February 2023]

Company secretary – Paul Clough [from February 2023]

Senior Management Team

Chief Executive – Richard Murray

Director of Policy – Sally Warren

Director of Finance and Operations – Paul Clough

Director of Leadership and Organisational Development – Suzie Bailey

Director of Communications and Information – Patrick South [to October 2023]

Director of HR – Shirley Collier

Key advisers

Bankers

National Westminster Bank Plc

250 Regent Street

London W1B 3BN

Solicitors

Farrer & Co LLP

66 Lincoln's Inn Fields

London WC2A 3LH

Mills and Reeve LLP

24 King William Street

London EC4R 9AT

Actuaries

Buck Consultants Limited

160 Queen Victoria Street

London EC4V 4AN

Auditor

Haysmacintyre LLP

10 Queen Street Place

London EC4R 1AG

Investment adviser

Stanhope Capital LLP
35 Portman Square
London W1H 6LR

Investment property manager

Savills plc
33 Margaret Street
London W1G 0JD

Basing Estate monitoring agent

Bidwells
25 Old Burlington Street
London W1S 3AN

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and Accounts in accordance with applicable law and regulations.

Under charity law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of their net outgoing resources for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees



Lord Kakkar

Chair

7 June 2023

AUDITOR'S REPORT AND ACCOUNTS

Independent auditor's report to the Trustees of The King's Fund

Opinion

We have audited the financial statements of The King's Fund for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2022 and of the group's net movement in funds for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity or
- sufficient accounting records have not been kept or
- the parent charity financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 46, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law, tax legislation, employment law, GDPR and health and safety and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Charities Act 2011, the Charities SORP and FRS 102.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of income and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- reviewing the controls and procedures of the Charity to ensure these were in place throughout the year
- evaluating management's controls designed to prevent and detect irregularities
- reviewing and testing journals entries made in the year, particularly those made as part of the year-end financial reporting process
- challenging assumptions and judgements made by management in their critical accounting estimates and challenge of the underlying assumptions.

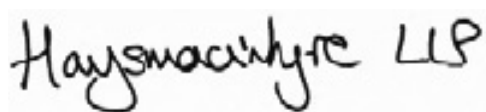
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Signed by:

A handwritten signature in black ink that reads "Haysmacintyre LLP". The signature is written in a cursive, flowing style.

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London, EC4R 1AG

21 June 2023

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

Consolidated statement of financial activities

for the year ended 31 December 2022

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2022 £000	Total 2021 £000
Income and endowments from:						
Donations and legacies		3	-	-	3	608
Charitable activities						
Research and analysis		804	402	-	1,206	810
Developing individuals, teams and organisations		4,308	70	-	4,378	4,393
Promoting understanding		98	-	-	98	96
Bringing people together		377	25	-	402	498
Total charitable activities	4	5,587	497	-	6,084	5,797
Other trading activities	5	3,936	-	-	3,936	2,226
Investments	6	3,277	-	-	3,277	2,680
Other		-	-	-	-	68
Total		12,803	497	-	13,300	11,379
Expenditure on:						
Charitable activities						
Research and analysis		4,039	395	-	4,434	4,190
Developing individuals, teams and organisations		5,246	63	-	5,309	4,908
Promoting understanding		2,963	-	-	2,963	2,864
Bringing people together		774	30	-	804	1,042
Total charitable activities	4	13,022	488	-	13,510	13,004
Other trading activities	7	3,022	-	-	3,022	1,742
Raising funds costs	8	1,036	-	238	1,274	997
Total		17,080	488	238	17,806	15,743
Operating (deficit) / surplus		(4,277)	9	(238)	(4,506)	(4,364)
Net (loss) / gain on investments		(722)	-	(13,501)	(14,223)	18,116
Net (expenditure)/income		(4,999)	9	(13,739)	(18,729)	13,752
Transfers between funds		(9)	9	-	-	-
Actuarial gain on defined benefit pension scheme	18	1,736	-	-	1,736	9,199
Net movement in funds		(3,272)	18	(13,739)	(16,993)	22,951
Reconciliation of funds:						
Total funds brought forward	19	77,342	(13)	152,197	229,526	206,575
Total funds carried forward	19	74,070	5	138,458	212,533	229,526

All of the operations represented by the information above are continuing.

The notes on pages 57 to 78 form part of these financial statements

Balance sheets

as at 31 December 2022

	Notes	Consolidated 2022 £000	Consolidated 2021 £000	Charity 2022 £000	Charity 2021 £000
Fixed assets:					
Tangible assets	11	52,508	53,415	52,508	53,415
Intangible assets	12	5	31	5	31
Investments	13	180,159	196,954	180,209	197,004
Total fixed assets		232,672	250,400	232,722	250,450
Current assets:					
Debtors	15	1,820	2,306	1,835	2,080
Cash at bank and in hand		3,353	3,031	2,620	2,601
Total current assets		5,173	5,337	4,455	4,681
Liabilities:					
Creditors: Amounts falling due within one year	16	(5,312)	(4,588)	(4,647)	(3,985)
Net current (liabilities)/assets		(139)	749	(192)	696
Total assets less current liabilities		232,533	251,149	232,530	251,146
Creditors: Amounts falling due after more than one year	17	(20,000)	(20,000)	(20,000)	(20,000)
Net assets excluding pension liability		212,533	231,149	212,530	231,146
Defined benefit pension scheme liability	18	-	(1,623)	-	(1,623)
Total net assets		212,533	229,526	212,530	229,523
The funds of the charity:					
Expendable endowment funds		138,458	152,197	138,458	152,197
Restricted funds		5	(13)	5	(13)
Unrestricted funds		74,070	78,965	74,067	78,962
Pension reserve		-	(1,623)	-	(1,623)
Total unrestricted funds	19	74,070	77,342	74,067	77,339
Total charity funds	19	212,533	229,526	212,530	229,523

Approved on behalf of the Board of Trustees and authorised for issue on 7 June 2023.



Alan Brown
Treasurer

The notes on pages 57 to 78 form part of these financial statements.

Consolidated cashflow statement

as at 31 December 2022

	Notes	2022 £000	2021 £000
Net cash (used in) operating activities	A	(4,124)	(4,887)
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,277	2,612
Investment management fees		(740)	(663)
Purchase of tangible fixed assets		(129)	(366)
Net purchase/(sale) of investments		2,572	(14,934)
Net cash provided by investing activities		4,980	(13,351)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	20,000
Interest on loan		(534)	(334)
Net cash provided (spent on)/by financing activities		(534)	19,666
Change in cash and cash equivalents in the reporting period	B	322	1,428
A. Reconciliation of net (expenditure)/income to net cash flow from operating activities			
		2022 £000	2021 £000
Net (expenditure)/income for the reporting period		(18,729)	13,752
Adjustments for:			
Investment income		(3,277)	(2,680)
Net loss/(gain) on investments		14,223	(18,116)
Investment management fees		740	663
Interest on the loan		534	334
Depreciation and amortisation charges		1,062	1,038
Other finance cost of the pension scheme		28	140
Current service cost less contributions to the pension scheme		85	190
Decrease/(increase) in debtors		486	(219)
Increase in creditors		724	11
Net cash (used in) operating activities		(4,124)	(4,887)
B. Movement of cash and cash equivalents			
	At 1 January 2022 £000	Movement £000	At 31 December 2022 £000
Cash at bank and in hand	3,031	322	3,353

Notes to the accounts

for the year ended 31 December 2022

1 Charity information

The Charity (registered number 1126980) is incorporated by Royal Charter and is governed by the provisions and byelaws of the charter; any revocation, alteration or additions to the byelaws must be approved by the Privy Council.

The charity has a wholly owned subsidiary trading company, KEHF Limited (company registration number 2754697).

The address of the registered office of both The King's Fund and KEHF Limited is 11-13 Cavendish Square, London W1G 0AN.

2 Accounting policies

The principal accounting policies adopted and critical areas of judgements are as follows.

Basis of preparation

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) – Second Edition issued October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts of The King's Fund and KEHF Limited are consolidated, on a line-by-line basis, to produce the Consolidated Accounts. No separate Statement of Financial Activities has been presented for The King's Fund but the charity's total income and net movement in funds in the year are set out in note 14.

2 Accounting policies (continued)

Basis of preparation (continued)

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Going concern

The Fund's planning process, including financial projections, takes into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Fund has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have, therefore, been prepared on the basis that the charity is a going concern.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the accounts recognised in the financial statements are summarised below.

- Pension liabilities: the charity recognises the liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 18. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme, hence, at the moment, it is not recognised as it is considered that the surplus in the defined benefit pension scheme is not recoverable.

2 Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

- Valuation of investment properties: the charity's Basing investment properties are stated at their fair values. These are based on an external valuation as at the 31 December 2020 with a management update as disclosed in note 13. The Deans Mews investment property is based on an external valuation as at September 2022 as disclosed in note 13.
- Private equity investments are valued at the most recent investment manager valuations.
- Income recognition: when accounting for project income in line with the percentage completion basis set out below, the percentage of completion of a project is estimated using the actual costs incurred, including time spent, as a proportion of total planned costs.

Other accounting policies

Donations and legacies

Donations and legacies are recognised in the Statement of Financial Activities when they become receivable, that is when it is reasonably certain that they will be received and where the value can be measured with sufficient reliability.

Grants receivable

Grants receivable are recognised in the Statement of Financial Activities in full in the year in which they become receivable, that is when the conditions for receipt have been met.

Investment income

Income from investments is accounted for when dividends and interest are receivable and includes recoverable taxation. Income received, but not distributed, by pooled funds is included as part of the net gains/losses on investment assets in the Statement of Financial Activities.

Other income recognition

Project income is recognised on a percentage completion basis in relation to actual costs spent at the Balance Sheet date as a proportion of total planned costs over the life of the project. Projected losses on projects are provided as soon as they can be reasonably foreseen.

2 Accounting policies (continued)

Other income recognition (continued)

All other income is included in the Statement of Financial Activities when The King's Fund is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The costs of certain support departments are allocated to the principal activities on the basis set out in note 4.

Pension costs

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The current service costs of the Plan, together with the net interest on the net defined benefit liability (calculated at the discount rate), are charged to the Statement of Financial Activities within staff costs. The actuarial gains and losses on the Plan are recognised immediately as other recognised gains and losses.

The assets of the Plan are measured at fair value at the Balance Sheet date. Liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Where the scheme is determined to be in a deficit position, this is recognised in full as a liability. Where the scheme is determined to be in a surplus position, a surplus is recognised as an asset only to the extent that this can be recovered in future years through reductions in employer contributions or through a specific refund/reimbursement from the scheme.

The NHS Pension Scheme is a multi-employer defined benefit scheme. Contributions have been accounted for in the period to which they relate, as if it were a defined contribution scheme as it is not possible to identify our share of the underlying assets and liabilities.

The King's Fund Group Personal Pension Plan is a defined contribution scheme and contributions have been accounted for in the period to which they relate.

2 Accounting policies (continued)

Intangible assets

Intangible assets relate to the enterprise resource planning project. Once brought into use, they are amortised on a straight-line basis over the anticipated life of the benefits arising from the completed project. The anticipated life has been taken as five years.

Tangible assets

Tangible assets costing more than £5,000, including any incidental expenses of acquisition, are capitalised and recorded at cost.

Depreciation is calculated so as to write off the cost of the tangible assets on a straight-line basis over the expected useful economic lives of the assets concerned which are taken as:

Plant and machinery:

Electrical installations	3 to 30 years

Mechanical installations	5 to 30 years

Lifts	30 years

Furniture, fittings and equipment:

Catering equipment	3 to 20 years

Furniture and fittings	5 to 20 years

ICT hardware and software	2 to 5 years

Office equipment	3 to 10 years

Freehold buildings	50 years

Freehold land is not depreciated.

Financial instruments

The King's Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at settlement value or amortised cost comprise trade and other creditors, and fixed interest loan.

Investments, including bonds and cash held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

2 Accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates. Assets and liabilities are translated at rates applying at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

Funds

Expendable endowment: the expendable endowment is maintained to generate income for the benefit of The King's Fund. The capital sum may be spent at the discretion of the trustees.

Restricted funds: funds received in relation to a restricted grant that can only be used for that purpose.

Unrestricted funds: unrestricted funds include the net book value of the tangible fixed assets, the intangible fixed assets of the charity, investments and net current assets, less the pension reserve. The split between these categories is shown in note 19. The King's Fund has the power to spend its unrestricted funds within its objects as it sees fit.

3 Taxation

No corporation tax is payable by The King's Fund as it is able to make use of the tax exemptions on income and capital gains available to charities. No corporation tax is payable by the subsidiary company, KEHF Limited, as it is expected that each year an amount equal to its taxable profits will be paid to The King's Fund under the Gift Aid scheme.

4 Income and expenditure on charitable activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2022 £000	Total 2021 £000
Commissioned work	804	2,483	19	-	3,306	3,174
Grants	402	70	-	25	497	251
Course places or event tickets	-	1,825	-	377	2,202	2,307
Other	-	-	79	-	79	65
Total income	1,206	4,378	98	402	6,084	5,797
Direct expenditure	2,581	3,569	1,616	467	8,233	7,829
Support departments (4a)	1,853	1,740	1,347	337	5,277	5,175
Total expenditure	4,434	5,309	2,963	804	13,510	13,004

4a Support departments

Facilities (1)	590	554	429	107	1,680	1,232
Communications (2)	174	164	127	32	497	510
Other support (3)	1,089	1,022	791	198	3,100	3,433
Total cost of support departments	1,853	1,740	1,347	337	5,277	5,175

(1) Facilities costs have been apportioned based on average headcount of the various departments during the year.

(2) Communication costs have been apportioned based on average headcount of the various departments during the year.

(3) Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

The comparatives for 2021 can be seen in note 23.

5 Income from other trading activities

	2022 £000	2021 £000
Income from other trading activities comprises:		
External conference and catering services	2,537	971
Income from sponsorship and partnership	774	869
Income from tenants	506	302
Income from non-charitable consultancy	119	84
	3,936	2,226

6 Income from investments

	2022 £000	2021 £000
Income from securities and cash assets:		
Equities	2,258	1,762
Bonds	271	301
Cash	21	1
Investment properties	727	616
	3,277	2,680

7 Expenditure on other trading activities

	2022 £000	2021 £000
Expenditure on other trading activities comprises:		
External conference and catering services	2,640	1,298
Cost associated with sponsorship and partnerships	269	372
Cost associated with tenants	6	6
Cost associated with non-charitable consultancy	107	66
	3,022	1,742

8 Raising funds costs

	2022 £000	2021 £000
Expenditure on raising funds costs comprises:		
Fees paid to managers, custodians, administrators and advisers for the discharge of their duties in connection with the investment portfolio and properties	360	450
Interest expense on the loan	534	334
Property repairs and maintenance	380	213
	1,274	997

9 Employees

	2022 £000	2021 £000
Wages and salaries	8,103	7,744
Social security costs (including apprenticeship levy)	988	903
Pension costs (before final salary pension adjustments)	1,146	1,113
Total emoluments before final salary pension adjustments	10,237	9,760
Final salary pension adjustments	113	331
Total emoluments after final salary pension adjustments	10,350	10,091

Included in the above pension costs is £272,000 (2021: £348,000) relating to the current employer service costs of the defined benefit pension scheme and £0 relating to settlement agreement payments (2021: £56,000).

9 Employees (continued)

Average number of staff:

	2022	2021
Research and analysis	33	31
Developing individuals, teams and organisations	31	29
Promoting understanding	24	25
Bringing people together	6	7
Other trading activities	10	12
Facilities	11	10
Communications	6	4
Other support departments	24	23
Total	145	141

The number of employees with remuneration (employee benefits excluding employer pension costs) exceeding £60,000 were:

	2022	2021
£60,000-£69,999	8	11
£70,000-£79,999	8	8
£80,000-£89,999	8	3
£90,000-£99,999	7	8
£100,000-£109,999	5	3
£110,000-£119,999	1	2
£120,000-£129,999	3	2
£190,000-£199,999	1	1

Contributions were made to The King's Fund Staff Pension and Life Assurance Plan, which is a defined benefit scheme, for 4 (2021: 4) higher-paid employees and to the NHS Pension Scheme, which is also a defined benefit scheme, for 4 (2021: 4) higher-paid employees. Contributions totalling £450,000 (2021: £410,000) were made to The King's Fund Group Personal Pension Plan, which is a defined contribution scheme, for 31 (2021: 28) higher-paid employees.

The total employee benefits, including employer pension costs, received by the Chief Executive in 2022 were £224,198 (2021: £216,929).

The key management personnel of the charity comprise the Trustees and the Senior Management Team. None of the Trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. Three Trustees were reimbursed for travel expenses incurred totalling £210 (2021: none). The total employee benefits, including employer pension costs and National Insurance, received by the key management personnel in 2022 were £1,071,000 (2021: £1,008,000).

10 Governance costs

	2022 £000	2021 £000
Auditor's remuneration		
External audit fees (Charity)	25	22
External audit fees (KEHF Limited)	6	5
Meeting costs	-	-
	31	27

Fees totalling £3,400 (2021: £1,200) were payable to the auditors for taxation services, in 2022 required for both the charity and the trading subsidiary.

11 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Furniture, fittings and equipment £000	2022 Total assets £000
Cost				
At 1 January	55,350	4,744	3,226	63,320
Additions	-	21	108	129
Disposals	-	-	(114)	(114)
At 31 December	55,350	4,765	3,220	63,335
Depreciation				
At 1 January	3,885	3,700	2,320	9,905
Charge for the year	483	186	367	1,036
Disposals	-	-	(114)	(114)
At 31 December	4,368	3,886	2,573	10,827
Net book value				
At 31 December	50,982	879	647	52,508
Previous year	51,465	1,044	906	53,415

Freehold land and buildings represent the Fund's offices at 11–13 Cavendish Square, London W1G 0AN. When adopting FRS 102, the Fund has chosen to use the fair value of the freehold land and buildings as its deemed cost as at 1 January 2014. Within the above total, the amount attributable to the freehold land is £33,600,000 based on the valuation completed by Savills plc.

As at 31 December 2022 The King's Fund had no capital commitments (2021: £0).

12 Intangible fixed assets

	2022 £000	2021 £000
Cost		
At 1 January	918	918
Disposals	(26)	-
At 31 December	892	918
Amortisation		
At 1 January	887	845
Charge for the year	26	42
Disposals	(26)	-
At 31 December	887	887
Net Book Value		
31 December	5	31
Previous year	31	73

Intangible assets relate to costs expended on the Fund's enterprise resource planning project, website and other software.

13 Fixed asset investments

	2022 Total £000	2021 Total £000
Securities:		
Equities	131,493	147,417
Index linked bonds	5,703	6,380
Fixed interest bonds	6,444	8,023
Private equity funds	2,672	3,016
Cash and cash equivalents	4,630	5,148
Investment properties	29,217	26,970
Consolidated total	180,159	196,954
Shareholding in subsidiary company	50	50
Charity total	180,209	197,004

13 Fixed asset investments (continued)

A loan of £20,000,000 was taken out in 2021, this has been fully invested in the securities portfolio and has helped to increase the value of the investments held. For more information about the loan see note 17.

Within the total securities, £143,640,000 is classified as Level 1 as defined by IFRS 7, that is 'the investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date'. The remaining £2,672,000 is classified as Level 3, that is 'the investment is measured using unobservable inputs at the reporting date'. The Level 3 amount comprises two Private Equity Funds of funds. No readily identifiable market price is available for these unquoted funds and therefore they are included at the most recent valuations provided by the manager.

In respect of the above Private Equity funds, the managers have confirmed that all future commitments to both funds have been waived and have therefore deemed the shares to be fully paid. One of the funds will continue to return cash to investors prior to their final closure which subject to shareholder agreement is proposed to be extended by 2 years from 2023 to 2025, the other has now fully closed and is in liquidation with final payments due once this process has been completed.

The Fund has freehold interest in two investment properties. The Old Basing Estate is a mixed agricultural estate extending to approximately 981 acres and has been included at Fair Value of £16,867,000 (2021: £15,570,000) based on a management update to the valuation by Savills as at 31 December 2020. In 2015 the Fund purchased a freehold interest in properties at 7-10 Dean's Mews which adjoin the Fund's offices at 11-13 Cavendish Square. They have been included at a value of £12,350,000 from the valuation by Savills in September 2022 (2021: £11,400,000).

A reconciliation of the movement in the market value of the Fund's investments during the year is as follows:

	2022 £000	2021 £000
Opening balance at 1 January	196,954	163,835
Net monies (disinvested)/invested	(2,572)	16,718
(Decrease)/increase on revaluation	(14,223)	16,401
	180,159	196,954
Shareholding in subsidiary company	50	50
Closing balance at 31 December	180,209	197,004

14 Subsidiary company

KEHF Limited, a company registered in England number 2754697, began trading on 2 August 2007 having previously been reported as a dormant company.

The authorised share capital of the company is 50,000 shares of £1 each. The King's Fund owns all of the shares and is therefore the sole member of the company. The company has five directors comprising two The King's Fund trustees, a The King's Fund Facilities and Estates committee member and two The King's Fund employees.

The activities undertaken by the company comprise the letting of conference space within the premises of The King's Fund to third parties, along with the provision of catering and other related services. In addition, KEHF Limited manages sponsorship arrangements including with partners and supporters, and consulting activities that are outside the charitable objects. These activities have increased in 2022 but remain below pre-Covid-19 levels from 2019.

In the year to 31 December 2022, the company had income of £3,496,000 (2021: £1,952,000) and incurred expenditure of £2,909,000 (2021: £1,565,000) thereby generating an operating profit of £587,000 (2021: £387,000). The directors have made donations in the year of £587,000 to The King's Fund through Gift Aid. The resultant accumulated surplus of KEHF Limited at 31 December 2022 is £3,000 (2021: £3,000).

Excluding KEHF Limited's results, the Charity's total income in 2022 was £11,466,000 (2021: £10,313,000) and the Charity's net decrease in funds was £16,993,000 (2021: net increase of £22,875,000).

15 Debtors

	Consolidated 2022 £000	Consolidated 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade debtors	1,063	1,364	819	1,037
Amounts owed by KEHF Limited	-	-	211	141
Prepayments and accrued income	750	935	711	819
Other debtors	7	7	7	7
Donations from KEHF Limited	-	-	87	76
	1,820	2,306	1,835	2,080

16 Creditors: amounts falling due within one year

	Consolidated 2022 £000	Consolidated 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade creditors	588	469	463	332
Amounts owed to KEHF Limited	-	-	10	3
Deferred income - see analysis below	3,591	3,010	3,068	2,549
Taxation and social security	401	292	401	292
Other creditors and accruals	732	817	705	809
	5,312	4,588	4,647	3,985
	Balance at 1 January 2022 £000	Released during the year £000	Additional deferrals £000	Balance at 31 December 2022 £000
Deferred income analysis				
Programme fees received in advance	2,549	(2,549)	3,068	3,068
Charity total	2,549	(2,549)	3,068	3,068
Other deferred income including KEHF Limited	461	(461)	523	523
Consolidated total	3,010	(3,010)	3,591	3,591

17 Creditors: amounts falling due after more than one year

	Consolidated 2022 £000	Consolidated 2021 £000	Charity 2022 £000	Charity 2021 £000
Loan from MetLife falling due in over 5 years	20,000	20,000	20,000	20,000
	20,000	20,000	20,000	20,000

A 30-year loan was taken out on 14 May 2021 to enhance the long-term value of The King's Fund investments and has been invested in line with the strategic asset allocation. The loan is repayable in full at the end of the loan period in May 2051, in the interim the interest is payable in November and May. The future interest payable is as follows:

	2022 £000	2021 £000
Not later than one year	534	534
Later than one year and not later than five years	2,136	2,136
Later than five years	12,482	13,016
Total	15,152	15,686

18 Pension schemes

The King's Fund Staff Pension and Life Assurance Plan

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The Plan was open to all employees of The King's Fund who were not members of another scheme until it was closed to new members on 28 February 2008, as at 31 December 2022 there were 14 active members (2021: 14).

	2022 £000	2021 £000
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	54,287	65,031
Present value of plan liabilities	(43,662)	(66,654)
Net Plan asset/(liability)	10,625	(1,623)
Amount not recognised as asset due to limit in FRS102 paragraph 28.22	(10,625)	-
Net defined benefit asset/(obligation)	-	(1,623)

The surplus linked to the defined benefit scheme is not considered to be recoverable and therefore has not been recognised in the financial statements in accordance with FRS 102.

	2022 £000	2021 £000
The movement in defined benefit obligations over the year was as follows:		
Present value of obligations at start of year	66,654	70,473
Current employer service cost	272	348
Employee contributions	74	73
Interest costs	1,214	938
Actuarial (gains)/losses	(22,479)	(3,161)
Benefits paid	(2,073)	(2,017)
Closing value of the plan liability	43,662	66,654

	2022 £000	2021 £000
The movement in the fair value of assets over the year was as follows:		
Opening fair value of plan assets	65,031	59,982
Return on plan assets in excess of/ (lower than) interest income	(10,118)	6,038
Interest income on planned assets	1,186	798
Employee contributions	74	73
Employer contributions	187	157
Benefits paid	(2,073)	(2,017)
Closing fair value of plan assets	54,287	65,031

The Plan has pension liabilities which are insured with a value of approximately £14,000 (2021: £23,000). The value of these liabilities has been excluded from both the assets and the liabilities since the liability is matched directly by an asset of equal value.

18 Pension schemes (continued)

	2022 £000	2021 £000
Total recognised in the Statement of Financial Activities:		
Current employer service cost	(272)	(348)
Net interest on the net defined benefit obligation	(28)	(140)
Return on Plan assets excluding interest income	(10,118)	6,038
Actuarial gains/(losses) arising from change in assumptions	22,479	3,161
Amount not recognised as asset due to limit in FRS102 paragraph 28.22	(10,625)	-
Total recognised in the Statement of Financial Activities	1,436	8,711

	2022	2021
Proportion of total Plan assets by asset class:		
Equities (including property)	58%	66%
Bonds	32%	26%
Index-linked	10%	8%
Cash and equivalents	0%	0%

The overall expected rate of return on the Plan assets is determined by applying each asset type's expected long-term rate of return to that asset type's market value and calculating a weighted average rate of return over all asset types.

	2022 £000	2021 £000
Actual return on Plan assets	(8,932)	6,836
The principal actuarial assumptions used at the balance sheet date:		
Discount rate	4.80%	1.85%
Rate of increase in salaries	2.45%	2.85%
General price inflation	2.45%	2.65%
Rate of increase in pension payments:		
Service before 1 April 2000	4.20%	4.25%
Service after 1 April 2000	3.05%	3.20%
Life expectancy at 65 for		
male aged 65	22.9	22.8
female aged 65	24.8	24.7
male aged 45	24.1	24.1
female aged 45	26.2	26.1

The King's Fund expects contributions of £209,000 to be made to the Plan in the year ending 31 December 2023 (excluding contributions made by employees).

18 Pension schemes (continued)

NHS Pension Scheme

The Fund contributes to the NHS Pension Scheme, a defined benefit scheme, for 7 (2021: 8) eligible members of staff as at the 31 December. In 2022 The Fund contributed £71,000 (2021: £92,000) to the scheme. The employer's contribution rate is set by the Government Actuary at 14.4 per cent.

The King's Fund Group Personal Pension Scheme

The Fund contributes to the Group Personal Pension Scheme, a defined contribution scheme established in 2008, for 116 (2021: 112) members of staff as at 31 December. The Fund contributed £888,000 (2021: £864,000) to the scheme. The employer's contribution rates are double each individual employee's contribution rate within the range from 6 per cent to 12 per cent of pensionable salary.

The pension charges for the period are shown below:

	2022	2021
	£000	£000
The King's Fund Staff Pension and Life Assurance Plan	187	157
NHS Pension Scheme	71	92
The King's Fund Group Personal Pension Scheme	888	864
Total charges	1,146	1,113

19 Split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2022 £000	Total funds 2021 £000
Tangible assets	-	-	52,508	52,508	53,415
Intangible assets	-	-	5	5	31
Investments: Securities	124,379	-	26,563	150,942	169,984
Investments: Property	14,079	-	15,138	29,217	26,970
Net current assets/(liabilities)	-	5	(144)	(139)	749
Long-term liabilities	-	-	(20,000)	(20,000)	(20,000)
Pension fund reserve	-	-	-	-	(1,623)
Total funds	138,458	5	74,070	212,533	229,526

To see the comparatives for 2021 please see note 23a.

20 Movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted funds:					
DHSC with University of York	(7)	402	(395)	-	-
The National Lottery Community Fund (renamed Big Lottery)	(2)	60	(53)	-	5
Other	(4)	35	(40)	9	-
Total restricted funds	(13)	497	(488)	9	5

The contract with the Department of Health and Social Care (DHSC) – run jointly with the University of York – is to provide a fast response research and analytical facility. During 2022 we undertook eight projects, as in 2021. The contract is intended to support up to five projects per year and with these additional projects we have now used up the underspend carried forward from the previous contract. DHSC has agreed additional funding for future years in case this high level of demand continues. Projects in 2022 included a high-profile report on reducing waiting lists and waiting times, and covered topics ranging from end-of-life care to support for unpaid carers and free milk for pre-school children.

In 2018 a new grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading Leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768 and in 2021 we received another top-up grant of £29,500 bringing the total of the project to £494,268 and this included an extension of the project to April 2023 recognising the Covid-19 delays. The programme started in 2018 and £494,847 of funding had been received by 31 December 2021, which is the total income for the project. We recognised £60,190 in 2022 leaving £30,408 to be delivered and recognised in 2023.

The other grants were from Healthwatch England (£25,000) and Lloyds Bank Foundation (£10,000).

To see the comparatives for 2021 please see note 23b.

21 Related party transactions

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, KEHF Limited, as set out below.

- In 2022 the Charity charged KEHF Limited management fees totalling £335,000 (2021: £196,000). In 2021 this was calculated as a percentage of external income but was updated in 2022 to being a percentage of staffing costs.
- In 2022 the Charity charged KEHF Limited licence fees totalling £688,000 (2021: £280,000). This is calculated as a percentage of room hire income from external conference and catering services.
- In 2022 KEHF Limited charged the Charity administration fees totalling £52,000 (2021: £18,000). This is calculated as a percentage of internal room hire costs.
- As at the 31 December 2022 KEHF owed the Charity £86,000 of additional Gift Aid (2021: £76,000). For the total Gift Aid payable in the year see note 14 above.

22 Lessor operating leases

The future minimum lease payments under non-cancellable operating leases for each of the following periods are set out below.

	2022	2021
	£000	£000
Not later than one year	804	815
Later than one year and not later than five years	871	728
Later than five years	-	71
Total	1,675	1,614

Operating lease commitments relate to the minimum future rental income for both investment and non-investment properties.

23 Comparative statements

23a Comparative split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2021 £000
Tangible assets	-	-	53,415	53,415
Intangible assets	-	-	31	31
Investments: Securities	138,118	-	31,866	169,984
Investments: Property	14,079	-	12,891	26,970
Net current assets/(liabilities)	-	(13)	762	749
Long-term liabilities	-	-	(20,000)	(20,000)
Pension fund reserve	-	-	(1,623)	(1,623)
Total funds	152,197	(13)	77,342	229,526

23b Comparative movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year 2021 £000
Restricted funds:					
DHSC with University of York	(25)	173	(173)	18	(7)
The National Lottery Community Fund (renamed Big Lottery)	-	48	(50)	-	(2)
Government furlough	-	48	(48)	-	-
Other	-	5	(15)	6	(4)
Total restricted funds	(25)	274	(286)	24	(13)

During 2021, we undertook eight pieces of work. The biggest research projects were into primary care additional roles reimbursement scheme, evaluation of care and treatment reviews for people with learning disabilities or autism following any instances of long-term segregation (ICETRs), changing patterns of abortion and sector-led improvement.

In 2018 a new grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading Leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768 and in 2021 we received another top-up grant of £29,500 bringing the total of the project to £494,268 and this included an extension of the project to 2022 recognising the Covid-19 delays. The programme started in 2018 and £444,423 of funding had been received by 31 December 2020. In 2021 we received £49,847, bringing the total income to £494,847, of which we have recognised £404,000.

During 2021 the Fund continued to utilise the government furlough scheme to reduce losses in areas where staff who could not undertake their duties as a result of the Covid-19 pandemic.

23 Comparative statements (continued)

23c Comparative consolidated statement of financial activities

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2021 £000
Income and endowments from:				
Donations and legacies	608	-	-	608
Charitable activities				
Research and analysis	629	181	-	810
Developing individuals, teams and organisations	4,337	56	-	4,393
Promoting understanding	84	12	-	96
Bringing people together	496	2	-	498
Total charitable activities	5,546	251	-	5,797
Other trading activities	2,203	23	-	2,226
Investments	2,680	-	-	2,680
Other	68	-	-	68
Total	11,105	274	-	11,379
Expenditure on:				
Charitable activities				
Research and analysis	4,008	182	-	4,190
Developing individuals, teams and organisations	4,850	58	-	4,908
Promoting understanding	2,853	11	-	2,864
Bringing people together	1,030	12	-	1,042
Total charitable activities	12,741	263	-	13,004
Other trading activities	1,719	23	-	1,742
Raising funds costs	768	-	229	997
Total	15,228	286	229	15,743
Operating (deficit)	(4,123)	(12)	(229)	(4,364)
Net gain on investments	2,904	-	15,212	18,116
Net income/(expenditure)	(1,219)	(12)	14,983	13,752
Transfers between funds	(24)	24	-	-
Actuarial gain/(loss) on defined benefit pension scheme	9,199	-	-	9,199
Net movement in funds	7,956	12	14,983	22,951
Reconciliation of funds:				
Total funds brought forward	69,386	(25)	137,214	206,575
Total funds carried forward	77,342	(13)	152,197	229,526

23 Comparative statements (continued)

23d Comparative consolidated statement of financial activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2021 £000
Commissioned work	629	2,526	19	-	3,174
Grants	181	56	12	2	251
Course places or event tickets	-	1,811	-	496	2,307
Other	-	-	65	-	65
Total income	810	4,393	96	498	5,797
Direct expenditure	2,432	3,264	1,446	687	7,829
Support departments (4a)	1,758	1,644	1,418	355	5,175
Total expenditure	4,190	4,908	2,864	1,042	13,004

23e Support departments

Facilities (1)	415	388	335	94	1,232
Communications (2)	186	174	150	-	510
Other support (3)	1,157	1,082	933	261	3,433
Total cost of support departments	1,758	1,644	1,418	355	5,175

(1) Facilities costs have been apportioned based on average headcount of the various departments during the year.

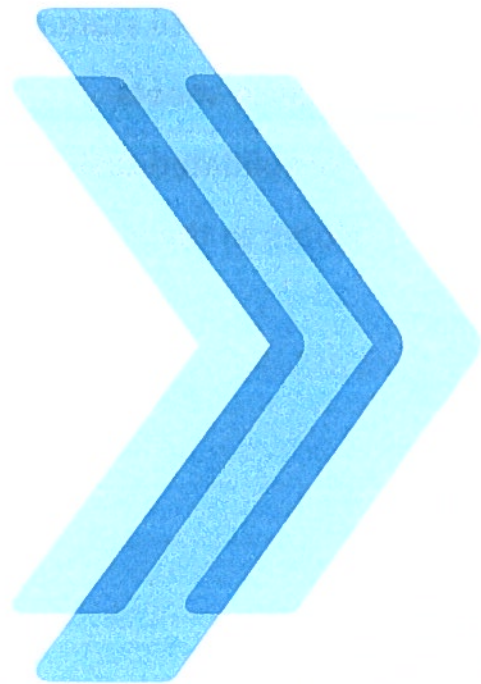
(2) Communication costs have been apportioned based on average headcount of the various departments during the year.

(3) Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

Accounts

Trustees' annual report and accounts

**For the year ended
31 December 2021**



June 2022

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Message from the Chair and the Chief Executive



2021 began with England – including The King's Fund – once again in full lockdown as the Alpha variant of Covid-19 took hold. As the year progressed we witnessed the roll-out of vaccines at an unprecedented pace but still ended 2021 with renewed restrictions on daily life as the Omicron variant spread across the country. For those parts of the Fund that

are closely linked to its Cavendish Square building, not least our venue and facilities teams, it has been another year of uncertainty and we pay credit to the professional and positive way in which they handled the year's starts and stops. Of course, Covid-19 also continued to influence our external work programme, and in 2021 this included analysis of the [UK's record on outcomes](#) and the development of a framework to support [the assessment of the UK's response to Covid-19](#) in the round.

Despite Covid-19, the Fund made major contributions across its four programmes of work. Under the Healthier places and communities programme this included publishing the results of our research on [developing place-based partnerships](#) and working with leaders to support system working (at ICS, place or primary care network level) alongside a range of explainers, practical resources and, of course, a busy conference programme. For Tackling the worst health outcomes we provided data analysis, published with the NHS Race and Health Observatory and in February launched [Healthy Communities Together](#), our partnership with The National Lottery Community Fund (TNLCF), which supports areas in developing effective partnerships locally to improve health and wellbeing, reduce inequalities and empower communities. In our Supporting people and leaders programme, we continued to deliver leadership and organisational development (OD) support including in the voluntary and community sector (VCS). This included developing our use of digital technology and the launch of a new self-directed learning programme, [An introduction to leading with kindness and compassion in health and social care](#), in October for which 2,000 people registered in the first five weeks. Work also began in response to the Messenger Review for health and care leadership in England.

Many elements of our work came together in our fourth area, the Foundations of health and care, which looks across the health and care landscape and enables us to take a whole-system perspective. In particular, in 2021, the government brought forward its Health and Care Bill, the most substantial health legislation in a decade. The Bill enshrined a new approach to integration and population health and so is of strategic interest to the Fund. We provided extensive briefing and analysis of the Bill and the changes that would make it work better. It was also a busy time in other areas of government policy, notably on social care funding (also in the Bill) where we took a leading part in the debate. As the damage done by Covid-19 to health and care services becomes increasingly clear we have also undertaken work on the access challenge facing the system with our work on [deprivation and waiting times](#) getting wide coverage. Across most of our programmes in 2021, we combined working with policy-makers with working alongside those tasked with implementing changes on the ground.

With the venue closed for significant parts of the year, 2021 continued to witness considerable turbulence in our ability to generate income. Yet despite this turbulence, we saw a sharp recovery in our finances. This was attributable to hard work in many areas of the Fund, but in particular, the Leadership and Organisational Development team succeeded in delivering a major expansion in high-quality work, thereby supporting the system at a time of great need but also supporting the Fund's financial good health.

Inside the Fund, we continued to evolve our approach to hybrid working and this included investing in new digital facilities for Cavendish Square. The repeated waves of Covid-19 did mean that some of this work was delayed as use of the building was restricted but is now back under way. We have also continued to make progress on diversity and inclusion both within the Fund but also as part of our external work programme.

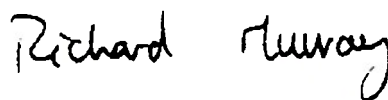
2021 saw significant changes in our Trustees. Very sadly, our Treasurer Simon Fraser passed away on 9 August 2021. This came as a dreadful shock to everyone at the Fund. Simon first joined us as a member of the Investment Committee in 2015 before becoming a Trustee in 2017 and Treasurer in 2018. He made an enormous contribution, leading fundamental changes to the management of our endowment and was deeply engaged in the external and internal work of the Fund. He was a great pleasure to work with and is sorely missed.

In other changes, Sir Jonathan Michael came to the end of his third three-year term as a Trustee in March 2021. Sir Jonathan had chaired the Audit and Risk Committee since 2016 and we are very grateful for his long contribution to the Fund. Dr Aseem Malhotra came to the end of his second three-year term in July 2021, Aseem brought valuable insight as a practising clinician and his input to our internal Developing Leaders programme, in particular, was extremely helpful. Finally, after a rigorous recruitment exercise, we welcomed four new Trustees at the end of 2021 and a fifth in early 2022. Alan Brown, Richard Clark, Professor Kamila Hawthorne, Dr Annalisa Jenkins and Dr Stephanie Kuku all bring excellent skills and experience, and we look forward to working with them in the future.

We have a busy 2022 ahead of us across all our areas of work. At a time when landmark reforms are being passed that accord with longstanding Fund priorities, with a workforce and leadership crisis and a renewed drive to tackle health inequalities, our strategic priorities will continue to guide our external workplan. Our internal priorities will also be building on solid foundations, as we re-design our working environment keeping the best of digital working and, with our plans now in place, 2022 will be a year of delivery on our diversity and inclusion commitments.



Lord Kakkar
Chair



Richard Murray
Chief Executive

Objectives and activities

Our vision and values

Our vision is that the best possible health and care is available to all. We aim to be a catalyst for change and to inspire improvements in health and care by:

- generating and sharing ideas and evidence
- offering rigorous analysis and independent challenge
- bringing people together to discuss, share and learn
- supporting and developing people, teams and organisations
- helping people to make sense of the health and care system.

Our values underpin the work we do:

We are committed to our purpose and independence		We will focus on making the greatest possible impact to achieve our vision of better health and care for all, always contributing from a position of independence.
We act with integrity		We will be honest, bold and challenging, seeking diverse perspectives and experiences, engaging in constructive dialogue and calling out injustice.
We are collaborative and inclusive		We will ensure that everyone feels respected, valued and supported, recognising that we will achieve more by working together and collaborating with others.
We are positive and engaged		We will celebrate success, value learning and promote positive cultures that support people to work at their best.
We strive for excellence		We will strive to produce work of the highest quality, continuously learning to improve everything we do.

Our 2020-24 strategic priorities

Our work spans the breadth of health and care policy and practice, giving us a unique understanding of the strategic context for health and care now and in the future. Within this, we focus our resources where we believe we can maximise our impact. Our current strategy identifies three strategic priorities which form the basis for our work programmes:

- healthy places and communities
- tackling the worst health outcomes
- supporting people and leaders.

In addition to our three strategic priorities, our work on the Foundations of health and care uses our knowledge of the health and care system and the relationships we hold, to provide independent analysis, respond to key developments and make sense of the complex and changing landscape.



Our impact

It can be challenging for an organisation that is not directly involved in service delivery or policy-making to measure its impact. Nevertheless, we are committed to evaluating and reporting on our impact. We use several levers to bring about change.

- We explain policy and make sense of the health and care system to support people working in and with the system.
- We shine a light on issues where change is needed through our research and analysis, prompting and informing policy change locally and nationally.
- We offer new thinking, sharing ideas and examples to inform and inspire the future of health and care.
- We work directly with people, teams and organisations to help them develop more effective ways of working and grow the leadership capabilities they need.
- We bring together people with different backgrounds, experiences and perspectives through our events, programmes and networks, using our building to provide safe and stimulating spaces where people can learn and build relationships.
- We advise, support and challenge local and national leaders, applying our thinking, knowledge and understanding to the issues they are facing.

In the next section, we outline our achievements during 2021 and how we have used these levers to deliver impact through our work.

Achievements

Despite the impact of the Covid-19 pandemic, 2021 was a busy year in terms of new policy developments and changes at the heart of the health and care system. This included publication of a White Paper and Bill setting out the next steps in the development of integrated care, changes to social care funding and a White Paper on social care reform, significant changes to the public health system and a review of health and care leadership. Much of our time was therefore spent feeding into and responding to these developments.

A large part of our work continued to focus on integrated care, both in terms of shaping national policy and working locally to support the development of integrated care systems (ICSs). The pandemic highlighted deep health inequalities and we used our voice to focus attention on this. We also adapted our leadership and organisational development work in response to the pandemic, using digital technology to deliver more of our client work and expand our online offer.

Healthier places and communities

Health and wellbeing are profoundly influenced by what happens in places and communities and by how the services operating in a place interconnect. Health and care organisations, local government and other local agencies need to work more closely together, co-ordinating the services they deliver to people. They also need to work in partnership with citizens and communities, and harness the vital contribution of the VCS. These principles are at the heart of a population health approach, which aims to improve health outcomes, promote wellbeing and reduce health inequalities across local populations.

The King's Fund has been at the forefront of developing integrated care, population health and place-based working, building the evidence base, influencing policy and supporting local implementation. We will build on this work, bringing together our unique combination of skills and expertise in policy and leadership development to shape healthier places and communities. We will help those working to improve health and wellbeing in the places in which they live and work by supporting them to collaborate across different organisations, and to draw on the diversity and strengths of their communities.

Key objectives

The Healthier places and communities programme identified the following objectives for this strategy period:

- supporting local organisations and communities to work together to improve health and wellbeing
- helping people in the health and care system to develop the relational skills needed to work collectively across organisational boundaries
- ensuring the role of local government, the VCS, and patients and users in improving health and care is fully recognised and harnessed
- understanding the role that digital technologies play in joining up services and giving people greater control over their health and wellbeing
- influencing policy and legislation to support the development of closer partnership-working locally and remove the barriers that can prevent this from happening.

A major priority for the Healthier places and communities programme in 2021 was to influence the development of ICSs and other forms of place-based partnership-working. We did this in a number of ways.

- We worked with leaders in ICSs, place-based partnerships and primary care networks, increasingly by bringing together a cross-Fund team with representation from members of our policy, leadership and communications directorates, combining our expertise and developing 'One Fund' offers that can support system change.
- Our report on [Developing place-based partnerships](#) argued that ICSs need to be built up from partnerships at a more local level and had a significant influence on the guidance document *Thriving places* subsequently published by NHS England.
- We held two virtual conferences on ICSs, the first of which reached almost 800 participants – more than any previous paid-for The King's Fund conference.
- We hosted roundtable discussions with invited experts to explore specific issues in ICS development such as the role of social care providers in ICSs.
- Other outputs included [an explainer on ICSs](#), research on the development of ICSs in London, and a [digital toolkit aimed at primary care networks](#).

One of the key objectives of the Healthier places and communities programme is to support health and care organisations to work with local people in ways that empower communities – and to act on the insights they have to offer. In 2021 our work on this included:

- a practical resource, [Understanding integration](#), that aims to help ICSs listen to and learn from people and communities
- work with Derbyshire ICS to provide support for putting the insights from the *Understanding integration* work into practice.
- a virtual conference on [Community is the best medicine](#).

Our work aims to support health and care organisations to understand how they can have a positive impact on population health. Our work on this in 2021 included:

- work on the role of health and care organisations as 'anchor institutions', including practical support to local leaders, a [virtual conference](#) and a [long read](#)
- a [research report examining the roles that directors of public health](#) played during the first year of the pandemic and describing what is needed for a strong public health response as part of recovery
- a virtual conference on [Navigating the future of population health](#).

Tackling the worst health outcomes

It is well known that some groups in the population have significantly poorer health outcomes and worse experiences of using health and care services than others. This is a longstanding injustice and one that has been brought to the fore by the Covid-19 pandemic, which had an impact on different groups in different ways with some groups experiencing much higher mortality rates than others. Within this context the health and care system is giving greater priority to tackling the worst health outcomes, with reducing health inequalities emerging as clear focus in recovery plans.

The overarching purpose of the Tackling the worst health outcomes priority is to work with people with lived experience, communities and services to improve health and care for people with the worst health outcomes.

Key objectives

To deliver this purpose, the Tackling the worst health outcomes programme identified the following three objectives for this strategy period:

- health and care policy and practice are shaped by the lived experiences of those with the worst health outcomes
- widespread adoption of health and care policy and practices that improve the health and wellbeing of people with the worst health outcomes
- better joint working between the health and care system and its partners to improve the health and wellbeing of people with the worst health outcomes.

In 2021, the Fund was an important voice in the national debate on tackling the worst health outcomes, with health inequalities a key theme in our response to the pandemic. Our concise analyses of key data sources, such as our [analyses of life expectancy and mortality data](#), helped focus attention on health inequalities. We also provided advice to central government in its work to tackle health inequalities, for example, advising the Department of Health and Social Care Strategy Unit on its work on 'levelling up'.

We supported the NHS in developing a stronger role in addressing health inequalities through our research, analysis and sense-making. This included some key publications such as [a joint report with the NHS Race and Health Observatory](#) on the NHS's role in tackling ethnic health inequalities and a briefing on the [NHS's role in tackling obesity](#). Our support also included working directly with health and care systems locally, for example, working with Yorkshire and West Harrogate ICS to design health inequalities training for leaders across their system.

In February we launched [Healthy Communities Together](#), our partnership with The National Lottery Community Fund (TNLCF), which supports areas in developing effective partnerships locally to improve health and wellbeing, reduce inequalities and empower communities. The first phase involved supporting six areas to develop plans and in November, four sites were selected to receive £450,000 each in grant funding from TNLCF plus support from The King's Fund, spread over three years (a fifth site was added in February 2022).

We made progress in our ambition to incorporate lived experience in more of our work, for example initiating work on [disabled people's experience of health and care services](#), co-designed with Disability Rights UK.

Supporting people and leaders

The workforce crisis in health and care poses the single greatest risk to access to and quality of care. The aim of this strategic priority is to create a healthier, more inclusive, and effective workforce. Addressing staff shortages will require a transformation in the way care is delivered and the development of new roles and capabilities. It will also mean making health and care organisations better places to work, creating supportive, compassionate and inclusive cultures, and addressing the unacceptable levels of stress, bullying and discrimination that currently exist. We will work alongside health and care leaders to ensure there are enough people with the right skills to deliver high-quality, person-centred care, now and in the future.

Key objectives

To deliver this purpose, the Supporting people and leaders programme identified the following objectives for this strategy period:

- promoting a whole-system view of the workforce for health and care, realising the full contribution that can be made by people using services, volunteers and others
- supporting people working in health and care to embed collective, compassionate and inclusive leadership practices and create enabling, supportive organisational cultures
- supporting leaders, organisations and systems to deliver the transformational changes needed across health and care
- providing evidence and insights to enable people working in health and care to make best use of digital technologies
- understanding staff shortages, the driving forces behind them and how they can be addressed.

In 2021 during a very difficult time in NHS and social care history, we continued to deliver leadership and organisational development support to people and leaders, including in the VCS. Through our range of open programmes, client commissions and grant programmes, our skilled team continued to adapt our support offers. This included developing our use of digital technology and the launch of a new self-directed learning programme on [An introduction to leading with kindness and compassion](#) in October, for which 2,000 people across the UK and globally registered in the first five weeks.

The 2021 GSK IMPACT award winners were announced at the end of April, and the GSK Network, with 95 charity members, continued to receive leadership development support through the year. GSK supported a new pilot grant and leadership programme, GROW, for smaller charities, with a particular focus on reaching organisations led by people from ethnic minority communities or people with disabilities.

We provided evidence and thought leadership to help influence the national workforce agenda, including as members of the People Plan Advisory Group (England); new research on flexible working for NHS England; oral evidence to the House of Commons Health and Social Care Committee inquiry on workforce burnout and resilience in the NHS and social care; and worked within a new coalition of health and care professional bodies and organisations that have come together to speak with one voice on the need to prioritise the wellbeing of health and care staff. We delivered support to Health Education and Improvement Wales on its strategy for compassionate leadership and succession planning. We completed an international integrated care programme for ICS senior teams and collaborated with our network partners within the IHI Health Improvement Alliance Europe. In partnership with Imperial Healthcare NHS Trust, we co-hosted a monthly conversation on kindness in health care with expert international health and care contributors.

At the beginning of October, the Secretary of State for Health and Social Care announced a new review of health and social care leadership in England led by the former Vice Chief of the Defence Staff, General Sir Gordon Messenger, and Dame Linda Pollard. We drew on our leadership practice and published research to offer evidence and perspectives to the review.

Foundations of health and care

Our broad knowledge of the health and care system and the relationships we hold across the system form the foundation of our work. We know that our stakeholders and audiences highly value the work that we do to provide independent analysis, explain key issues and respond to developments across the breadth of health and care.

Current areas of focus include shaping and influencing the external debate on access to services; the health and care White Paper and Bill; the funding envelope for the health and care system; and social care funding reform. We have maintained our high profile on these issues in 2021 through our responsive work, proactive reports and sense-making content.

Key objectives

The purpose of our work programme on the Foundations of health and care is to:

- help us understand the context within which we are trying to achieve our strategic priorities, ensuring they take account of developments in how the health and care system is structured and funded
- maintain our relevance and reputation as influencers of policy and practice, by seeking to shape and influence external debate on important topical issues that have a profound impact on the health and care system
- directly influence improvements to the building blocks that make for good health and care.

In 2021, the Fund played an important role in helping our audience make sense of the changes to the health and care system, while also continuing to influence the developing system to support our overall strategic objectives.

Throughout the year we updated our popular explainer and sense-making content on how the health and care system is organised; ran updated versions of our highly successful [Health and care explained](#) virtual conference and [The NHS explained](#) online course; and published our Social care 360 report on the key trends in the adult social care sector in England.

Access to care has been a dominant focus in the external environment. Our work on the relationship between deprivation and waits for planned NHS care was widely cited in the media, by politicians and in key policy documents. Our work on explaining the impact of the government's social care funding reforms has also been prized by policy-makers, parliamentarians and the media.

Our commentary and briefings on the health and care White Paper, changes to adult social care funding, and other policy reforms have also been widely used by national bodies, parliamentarians and the press. The Fund has also played a key role in responding the government's legislative reforms for the health care system (the Health and Care Bill). We have provided detailed and strategic advice to national bodies, stakeholders and parliamentarians on how the proposals could be enhanced to support better workforce planning, accountability and governance, and a greater focus on health inequalities.

We continued our work on Covid-19, with popular analysis exploring the data on deaths from Covid-19, and how the UK performance compared internationally. We published research on the [international experience of recovery from disasters](#) to inform the recovery from Covid-19. Ahead of the government's commitment to a public inquiry into Covid-19, we published [a framework](#) on how to assess the government's preparation for, and response to, the crisis.

Internal change

2021 was the second year of our five-year strategy and of working through programme groups. The programme groups were set up to support the input of diverse views and insight in order to increase impact. We are currently reviewing programme working to improve this way of working for the future.

2021 was also the second year of adopting new ways of working in response to Covid-19. We have learnt much about hybrid working and will look to develop these skills, tools and ways of working for the future. We have invested in making changes to our office in Cavendish Square to enable improved hybrid working including installing audio-visual equipment and improvements to our wi-fi. We have also made adjustments to ensure that our offices follow best practice relating to managing the risks of Covid-19.

Diversity and inclusion was a key focus during 2021 and the progress in this area is outlined below (see p19–21).

Plans for 2022

2022 marks the 125th anniversary of The King's Fund and the mid-point of our five-year strategy. Our work this year will support the health and care system as it emerges from the pandemic under unprecedented strain and in the midst of significant change. Four key themes will run through our work programmes:

- a focus on the health and wellbeing of the workforce and access to care for patients
- shaping and explaining reforms to help people navigate the new system
- supporting local leaders and improving partnership-working
- strengthening our focus on the worst health outcomes by addressing inequalities and promoting diversity and inclusion.

Internally, we will focus on strengthening our commitment to becoming a more diverse and inclusive organisation, adapting our ways of working in the post-pandemic context and accelerating our use of digital technology. We will also continue to focus on managing the financial impact of the pandemic and seek new ways to generate income. In this section, we describe what our programmes aim to achieve in 2022.

Healthier places and communities

2022 will be a critical year in the development of ICSs and place-based partnerships, with ICSs expected to become statutory organisations from July. A key focus for the Fund will be supporting local leaders to work through the complexity of the new arrangements, particularly in terms of the leadership behaviours and new ways of working that need to be developed within and between different parts of the reformed system.

We will also work to influence the implementation of the reforms to ensure local system leaders are able to give sufficient emphasis to shared, local priorities for improving population health, including by ensuring that local government and VCS organisations are core to decision-making.

Building on the important role played by communities during the pandemic, we will support health and care organisations to become better equipped to work with communities and learn from community insights, including by clarifying the system changes that would be needed to enable community-centred approaches to become more widespread.

Specific commitments for 2022 include:

- beginning work to assess whether ICSs are being implemented in a way that lives up to the original vision for the reforms
- conducting research to understand how VCS sector organisations, public health leaders, social care providers and other stakeholders can be meaningfully included as partners within ICSs
- publishing a report on taking a strategic approach to volunteering in NHS trusts
- sharing insights and lessons learnt from the [success of the Covid-19 vaccination programme](#), including the importance of joint working across the NHS, local government and the VCS, and with local communities.

Tackling the worst health outcomes

With reducing health inequalities high on the agenda for the health and care system in 2022, we will continue to strengthen our voice in this area, providing support to national and local leaders in their efforts to tackle the worst health outcomes.

We will initiate work with specific population groups that experience the worst health outcomes, providing further focus to the programme. We will also take forward plans for some longitudinal work in a small number of sites to explore in-depth approaches to tackling the worst health outcomes.

We will continue working to ensure that lived experience is included in work across the Fund, and champion this externally.

Specific commitments for 2022 include:

- continuing to support partnerships between the VCS, NHS and local authorities through the [Healthy Communities Together](#) programme and beginning to share learning from this work
- a long read drawing out lessons from [previous attempts to prioritise health inequalities](#)
- joint research with Disability Rights UK on improving [disabled people's experiences of health and care services](#)
- research and sense-making that explores how [digital technologies can exclude some groups](#) and how to minimise the risks of this
- improving health outcomes and reducing inequalities by supporting policy-makers and ICSs in tackling cardiovascular disease.

Supporting people and leaders

With the Covid-19 pandemic exacerbating longstanding issues such as staff shortages, burnout and inequalities experienced by Black and ethnic minority staff, we will support the recovery of services through increased focus on the need for compassionate, inclusive, and diverse workplace cultures and the conditions required to address the health and wellbeing needs of the workforce.

Legislative and policy changes to promote integrated care are likely to present both opportunities and additional pressures for leaders and their teams in 2022 and beyond. We will seek to influence implementation with a view to delivering the transformational changes needed across health and care.

We will continue to focus our leadership and organisational development (OD) practice work on the conditions required for leaders and their teams to successfully operate within and across organisational and system boundaries through a range of commissioned work and open programmes, and our work supporting development of leaders in the VCS. These will be delivered through face-to-face and digital channels to strengthen our reach to wider and more diverse audiences across the health and care system.

Specific commitments for 2022 include:

- developing a new OD offer to support improved health and wellbeing for staff, drawing on the research publication [The courage of compassion](#) and analysis and commentary on 2021 NHS Staff Survey
- leveraging the opportunity presented by the publication of the Messenger Review in 2022 by:
 - publishing a thought leadership series on current and future leadership and organisational development practice within the health and care system
 - sharing national and international insights and innovations on what other nations, systems and organisations are doing to grow and sustain their health and care workforces
- delivering and learning from the new GSK Grow programme for small VCS organisations working in the health and care sector
- delivering a new explainer on compassionate leadership.

Foundations of health and care

We will continue our work to provide independent analysis, explain key issues and respond to developments across the breadth of health and care.

Specific commitments in 2022 include:

- continuing our work to influence major reform programmes, including the Health and Care Bill and the government's reforms to adult social care
- updating our popular How the NHS works animation to reflect and make sense of the changes that are due to be brought into effect by the Health and Care Bill
- continuing our work to help our audiences make sense of the health and care system, including our Health and care explained events, our online course The NHS explained and our [Social care 360](#) report on key trends in adult social care
- delivering an externally funded explainer on how provider collaboratives fit into the emerging health and care system.

Further commitments subject to funding include:

- developing a new health and care 360-branded programme, bringing together data analysis and expert commentary on the state of health and care to replace our quarterly monitoring report
- sense-making, commentary and research on tackling the backlog of care, including the impact on access to services across the system.

Internal change

We have three internal priorities for 2022.

Reimagining our workplace

2022 will see us continue to adapt to new ways of working following the pandemic. We will learn from our experiences and those of others during the past two years so that we build on the positive changes already made as we increase the time we spend in the office, develop our approach to hybrid working and increase our use of digital technology.

Digital and systems

The pandemic has accelerated our internal use of digital technology and we need to continue to develop our systems to improve our ways of working and use of digital technology. Developing our systems also means developing our culture and ways of working with each other and with our partners. For example, digital technology can support our ambitions to improve wellbeing, if used effectively.

Diversity and inclusion

Our work in this area is highlighted below.

Our commitment to diversity and inclusion

The King's Fund is strongly committed to becoming an organisation where diversity is welcomed, embraced and valued and all people are able to be themselves and thrive. We have a wide-ranging programme of work to support us in becoming a more diverse and inclusive organisation. In 2021, we recruited our first Head of Diversity and Inclusion to manage this work and provide strategic leadership and direction.

Measuring progress

We are keen to be transparent about the progress we are making on our journey to becoming a more diverse and inclusive organisation. We measure our progress against targets we have set, by monitoring the diversity of our staff and by using external benchmarking tools to track our performance.

Targets

We have committed to publishing progress against targets we have set to increase diversity among our Board and committees, General Advisory Council and senior decision-makers,¹ and to publish data on the diversity of our staff. Our targets are:

- 50/50 gender balance among the Board and committees, senior decision-makers and the General Advisory Council from the end of 2020
- 20 per cent Black and ethnic minority representation across the same groups by 2022
- no all-male committees.

The position at the end of 2021 is below.

	Target (%)	Board and committees (16)	Senior decision-makers (40)	General Advisory Council (23)
Female	50% (by 2020)	50% (8)	60% (24)	52% (12)
Black and ethnic minority background	20% (by 2022)	19% (3)	18% (7)	39% (9)

¹ The senior decision-makers group currently comprises trustees (12), non-trustee committee members (4) and 24 senior staff.

The data shows that we met all our targets for gender diversity. We exceeded our target for ethnic diversity among our General Advisory Council but narrowly missed the targets for our Board and committees and the senior decision-makers group. We do not have any all-male committees.

Our staff

We collect data from our staff to enable us to track the diversity of the organisation over time. We have not yet updated this for 2021. The data for 2020 can be found in [last year's report](#).

External benchmarking

To help benchmark where we are on our inclusion journey, we use two external assessments:

- The Employers Network for Equality and Inclusion's Talent Inclusion and Diversity Evaluation (TIDE)
- Stonewall's UK Workplace Equality Index (WEI).

TIDE

TIDE assesses organisational performance and progress across multiple categories of diversity including race and disability. In 2021, we completed our first TIDE submission. Overall, we were placed 100th out of 136 participating organisations and assessed at the 'realise' level. This highlights that, while we are making good progress, we still have a good deal of work to do to achieve our ambitions.

WEI

The WEI measures progress on lesbian, gay, bi and trans inclusion in the workplace. In 2021, we completed our second WEI submission. We were placed 239th out of 403 participating organisations, a marked improvement on our previous submission. This resulted in us receiving a Bronze Employer Award. Again, this indicates we are making good progress but have some way to go to achieve our ambition.

Our work programme

We have a wide-ranging programme of work to support us in becoming a more diverse and inclusive organisation.

Key objectives

Building on our previous work, we identified four key priorities for 2021:

- recruiting a more diverse workforce: ongoing work to improve our recruitment practices and become a more inclusive employer
- increasing Black representation and equality: meeting our anti-racism commitments and supporting our Black Staff Network
- developing our work on allyship: promoting a more inclusive workplace by supporting our staff to become allies
- becoming a platform for diverse voices: amplifying under-represented voices through our work and developing a diverse speakers list, which we hope to launch on our website in 2022.

Our commitment to diversity and inclusion is also reflected in our external work programme. For example, we were commissioned by the NHS Race and Health Observatory to [produce a report on ethnic health inequalities](#) (published in June 2021). We are also working with the equalities and human rights charity brap to address racism and race inequalities in the London health system by providing development in anti-racist thinking and practice to NHS leaders across the capital.

We will build on this work in 2022, focusing on:

- continuing to develop our approach to measuring progress and ensuring that we represent a diverse range of voices in our work
- empowering our staff by formalising our employee staff networks,² launching a mediation scheme, finalising our diversity and inclusion policy and refreshing other HR policies
- embedding our work on allyship and extending this to include mandatory anti-racism training for all our staff
- continuing our work to improve our recruitment practices and become a more inclusive employer.

² These networks comprise a Black Staff Network, LGBT+ Staff Network, Women's Network, Working Parents Network and Disability and Long-Term Health Conditions Network

Financial review

Review of income and expenditure for the year ended 31 December 2021

Total income for the year increased to £11.4 million (£8.3 million in 2020), of which £5.8 million (£3.7 million in 2020) was generated from charitable activities and £5.6 million (£4.6 million in 2020) was derived from other sources, namely investments, donations and legacies, and other trading activities.

In 2021, income started to recover from the impact of the Covid-19 pandemic. Charitable income increased by £2.1 million to £5.8 million due to a significant income drive from our work around developing individuals, teams and organisations (our Leadership and Organisational Development work). While trading income increased by £0.4 million to £2.2 million driven by conference and catering (running our venue) income increasing to £1.0 million (£0.5 million in 2020). However, this remains significantly lower than £2.5 million in 2019 as our venue only really started receiving bookings in Autumn 2021. Investment income remained relatively stable.

Costs increased in 2021 as income increased but remained tightly managed, given it was known that income would be lower than pre Covid-19 levels, to minimise the withdrawal from the endowment. Total expenditure of the Fund in 2021 was £15.7 million (£14.3 million in 2020).

Expenditure on charitable activities increased slightly in 2021 to £13.0 million, (£12.5 million in 2020), with the main increase in costs from the developing individuals, teams and organisations area associated with the additional income. Expenditure on other trading activities increased to £1.7 million (£1.2 million in 2020) as a result of the increased activity to generate income.

The average number of staff employed by the Fund during the year was 141, a decrease of 2 from 2020. This was primarily due to a decrease in fixed-term staff recruited for maternity cover. Total staff costs after final-salary pension adjustments during the year were £10.1 million, an increase of 1.9 per cent compared with 2020. Further analysis is shown in note 9 to the accounts.

We budget for operating deficits which are set at a level with a view to maintaining the long-term value of the investment capital in real terms. The Fund's operating deficit for the year was £4.4 million, decreased from the £6.0 million operating deficit in 2020 as a result of the impacts described above.

The withdrawal in 2021 was £1.2 million below our budget because the levels of success in the developing individuals, teams and organisations work was not predicted. Net gains on investments during the year were £18.1 million, (£6.6 million in 2020). Further details on investment performance are set out below.

Net assets at 31 December 2021

The Fund's consolidated net assets at 31 December 2021 were £229.5 million. This represents an increase of £23.0 million (11.1 per cent) compared with the net assets at 31 December 2020. The increase is due to the Fund's net income during 2021 of £13.8 million (comprising the net gain on investments of £18.1 million less the operating deficit of £4.4 million) and the actuarial gain of £9.2 million on the defined benefit pension scheme.

Net assets at 31 December 2021 comprise fixed assets of £250.4 million, net current assets of £0.7 million and a defined benefit pension scheme liability of £1.6 million. Fixed assets comprise tangible fixed assets of £53.4 million and fixed asset investments of £197.0 million including assets held because of the £20 million long-term loan.

During the year, the book value of tangible fixed assets decreased by £0.6 million due to depreciation of £1.0 million exceeding capital expenditure of £0.4 million. The main items of capital spend during the year were to upgrade the network and laptops.

The value of fixed asset investments increased during the year by £33.1 million. This is due to the addition of the £20 million loan plus net valuation gains of £18.1 million, offset by £5.0 million of capital being withdrawn during the year to cover the Fund's cashflow needs as set out in note 13 to the accounts.

Loan

In December 2020 the Board of Trustees discussed the merits of accessing long-term borrowing to invest in the Fund's portfolio to boost long-term returns. They considered the modelling, which showed low levels of risk, and agreed to take advantage of a strong asset base and historically low interest rates in order to generate returns. In May 2021 Trustees agreed to borrow £20 million over 30 years and signed a Notes Purchase Agreement with Metlife. The loan was invested in the Fund's portfolio according to the current asset allocation (which is agreed by Trustees on the recommendation of the investment committee).

Investment performance

The strategic allocation and the actual allocation at the end of the financial year are shown below.

Asset class	Strategic allocation %	Minimum %	Maximum %	Actual allocation % 2021	Actual allocation % 2020
Cash	0			2.6	2.4
Government bonds	5			3.3	2.7
Corporate bonds	5			4.0	3.5
Total cash and bonds	10	8	13	9.9	8.6
UK equities	30	26	34	29.0	25.5*
Overseas equities	30	26	34	33.5	31.2
Emerging market equities	15	12	18	12.4	16.4
Private equity	0	0	5	1.5	2.0
Total equities	75	72	77	76.4	75.1
Property	15	12	18	13.7	16.3
Total alternatives	15	12	18	13.7	16.3
TOTAL	100			100.0	100.0

* The portfolio was very marginally outside the minimum range for UK equities due to the relatively weaker UK market performance in 2020 and this was redressed in the first quarter of 2021.

The value of the Fund's total investments at 31 December 2021, comprising publicly quoted equity and bonds, private equity and property, was £197.0 million (£163.8 million in 2020), including the investment of the £20 million loan. These investments produced income, net of investment management fees and loan interest, of £1.7 million during the year and this income, together with £5.0 million of investment capital, was withdrawn during the year to cover the Fund's cashflow needs. After allowing for these withdrawals, the investments generated a total gain of £18.1 million (9.9 per cent, which is above the Fund's long-term objective as set out in the Financial strategy and reserves section below).

Donations and legacies

The Fund gratefully acknowledges donations and/or legacies received from the following during the past year: Her Majesty The Queen, C Tilby, D Emmerson and anonymous donors.

Financial strategy and reserves

The Fund's financial strategy is guided by its policies on expenditure, reserves and investments. The Fund's policy on expenditure is to ensure that it has sufficient resources to meet its charitable objectives over the medium term. The Fund generates money from a variety of activities that support or are complementary to its core purpose and make best use of its assets. As the money the Fund generates is insufficient to cover its total expenditure, a proportion is drawn from investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the stewardship of the Fund's long-term mission. Trustees take a risk-based approach, which aims to balance the Fund's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Fund's total reserves at 31 December 2021 were £229.5 million. As set out in note 19 to the accounts, £152.2 million of this represents the expendable endowment (all of which is included in fixed asset investments), restricted funds have a deficit of £13,000 (a deficit of £25,000 in 2020) and the remaining £77.3 million represents unrestricted funds, £53.4 million of which could only be realised by disposing of fixed assets that are currently used by the Fund in its activities.

The Fund's policy on reserves is based on recognising the long-term nature of its work and the continuing need for financial support. The expendable endowment, restricted funds and the unrestricted reserves are managed as a pooled investment with the intention of providing financial support today and for the foreseeable future. After taking into account the reserves set aside to match the £1.6 million deficit on the defined benefit pension scheme, the Trustees consider reserves to be at an appropriate level.

The Fund's policy on investments is to take a long-term approach, investing globally across a range of assets with the intention of preserving their value in real terms after allowing for expenditure. As a charity committed to improving health we do not have any direct or indirect investments in the tobacco industry.

The Fund's investment strategy is to manage the portfolio based on a total return, ie, income and capital combined. The Fund has an asset allocation that is geared towards equities because of their higher expected returns in the long term, while maintaining an appropriate level of liquidity to meet expenditure commitments in the near future. The reference date for the purpose of assessing the real value of the investments is 1 October 2019. Trustees review the amount that they spend from investments periodically, balancing the expected demand for resources with the likelihood of future investment returns. The Trustees recognise that each year the Fund will need to withdraw the investment income and some of the investment capital to bridge the gap between its annual income and expenditure, and they set the budget accordingly.

Between 1 October 2019 (the reference date) and 31 December 2021, after income and capital withdrawals and removing the loan the value of the Fund's investments has increased in real terms (above the retail prices index) by £14.4 million.

How the Fund is constituted and governed

Our charitable objects

The King's Fund is incorporated by Royal Charter and is governed by the provisions and byelaws of the Charter. The Charter sets out the charitable objects of the Fund, which are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, on health care in London. In this context, 'health care organisations' means those organisations involved in the commissioning, monitoring or supply and provision of health care.

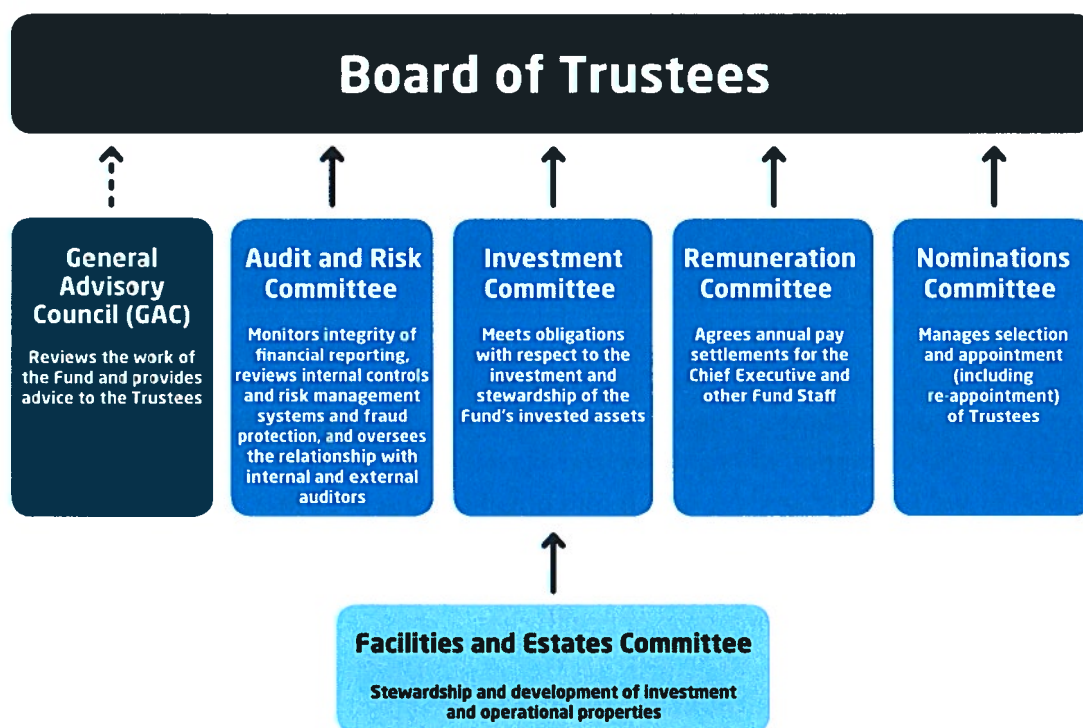
Working for the public benefit

Our vision that the best possible health and care is available to all ensures that we work for the benefit of the public. We aim to deliver our vision and mission through a strategic plan and annual operational plans, which are approved by the Fund's Trustees. In approving these plans, the Trustees are mindful of the Charity Commission's general guidance on public benefit and their duty to ensure the Fund is carrying out its purpose in relation to this. In particular, the Trustees consider how activities will contribute to the aims and objectives they have set.

Governing body and committees

The Board of Trustees agrees the organisation's overall strategic direction, in line with its charitable objectives, and scrutinises management functions delegated to the Senior Management Team. A framework sets out the authority delegated to the Chief Executive by the Board of Trustees. The Board of Trustees meets six times a year. One of the meetings is designated the Annual General Meeting, at which the Trustees' Annual Report and Accounts for the preceding year are considered and approved.

The Board of Trustees also delegates some of its work to sub-committees as outlined below and set out on page 38. Non-Trustee members of the Investment Committee (Robert Holmes and John McLaughlin) and the Facilities and Estates Committee (Andy Doyle and Anna Rule) bring valuable expertise in the specific areas which these two committees are responsible for.



The General Council (known as the General Advisory Council or GAC) established in accordance with the Royal Charter meets twice a year. Members act as a source of intelligence on the key issues and challenges in the health system and use their collective expertise to reflect on the Fund's activities and impact. The members of the GAC are appointed by the President on the recommendation of the Chief Executive for a period of up to three years which can be extended to further three-year terms. Details of the current members of the GAC, and those who served during the year, are set out on page 36.

Trading subsidiary

KEHF Ltd is a wholly owned trading subsidiary of The King's Fund. The principal activities of the company include those that are not the primary purpose of or within the Fund's charitable objectives, including the letting of conference facilities owned by The King's Fund and related catering services, sponsorship for some of the Fund's events and income from corporate partners and supporters. 100 per cent of the taxable profits of KEHF Ltd are paid to The King's Fund, under the Gift Aid scheme. A list of directors, who are appointed by The King's Fund, is included on page 39. Details are included on page 62 of the financial statements.

Recruitment and appointment of Trustees

Trustees are appointed in line with the byelaws set out in the Charter. They serve for an initial term of three years and may be re-appointed for a second term and, exceptionally, a third term. Appointment as a Trustee is open to any suitably qualified member of the public. A skills audit carried out by the Nominations Committee at the start of the year informed a round of Trustee recruitment which concluded in December 2021 with the appointment of five new Trustees. Vacancies were advertised widely, and a large number of candidates expressed their interest. Recruiting to the vacancies also provided an opportunity to improve the diversity of the Board.

Historically, the Nominations Committee met on an ad hoc basis when vacancies arose, but it was agreed during the year that the Committee would meet annually to review forthcoming exits from the Board, compare this to a skills audit and take decisions on any necessary recruitment.

Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Fund and their responsibilities as a Trustee. They are invited into the Fund to meet colleagues and get to know our work and our building. The Chair of Trustees usually meets with each Trustee annually to review performance in the past year and to discuss the year ahead.

Details of the Fund's current Trustees, and those who served during the year, are set out on page 37.

Board review/evaluation

The Board usually reviews its performance annually at an awayday when Trustees reflect on how well they are fulfilling their duties. Trustees consider the Board's balance of skills, experience and knowledge, its diversity in the widest sense, how the board works together and other factors relevant to its effectiveness.

They use the principles of organisational purpose, leadership, integrity, decision-making, board effectiveness, diversity, openness and accountability as included in the Charity Governance Code to ensure high standards of governance and to support continuous improvement. Trustees agreed that this could not be done effectively while meetings had to be held virtually and so decided to defer the Board effectiveness discussion to 2022.

Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, who is responsible for delivering the strategic direction and day-to-day management of the Fund. The Chief Executive, together with the Senior Management Team, develops strategy, plans, programmes and policies for the Fund, which the Board approves.

The framework for the Chief Executive, sets out the authority delegated to the Chief Executive. It is reviewed by the Board of Trustees every three years and when a new Chief Executive is appointed.

New internal governance arrangements were introduced at the start of the 2020 to support and deliver the strategic priorities for 2020–24 and achieve the greatest impact via our programme, business and OD priorities.

Senior Management Team

The Senior Management Team works within the framework set by the strategic plan and the annual operational plan, which sets out the detailed work programme using a list of strategic priorities as headings. The SMT monitors, reviews and takes action to ensure performance against strategic goals and on risks and issues escalated by the Portfolio Board and the Operations Committee.

Details of the current members of the Senior Management Team, and those who served during the year, are set out on page 39.

Portfolio Board

Portfolio Board provides strategic oversight of the Fund's four programmes:

- Supporting people and leaders
- Tackling the worst health outcomes
- Healthier places and communities
- Foundations of health and care.

The board ensures that a high-impact portfolio of work is developed and delivered.

Operations Committee

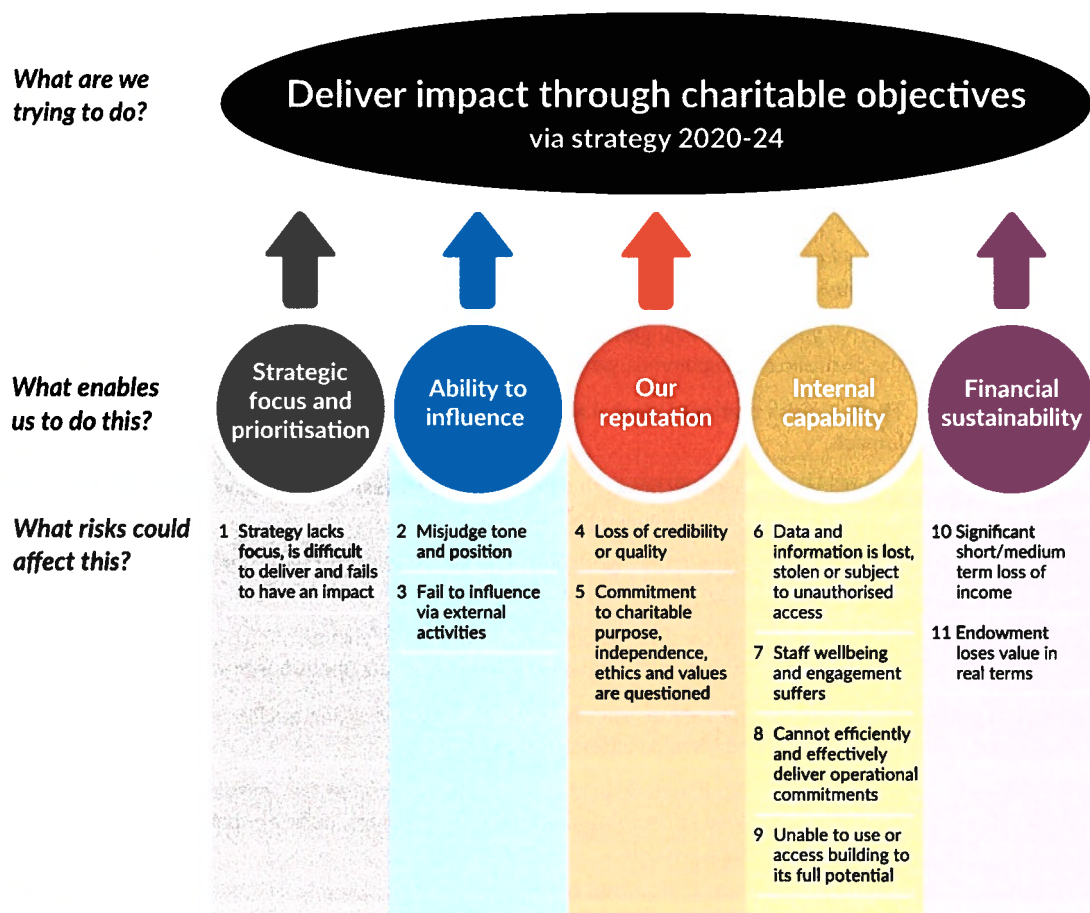
The Operations Committee oversees projects related to systems, processes and infrastructure. It is supported by a Business Improvement Forum and helps the Fund achieve the greatest impact using our business systems and ways of working.

Risk management

The King's Fund is unavoidably exposed to risk, either due to factors in the external environment, or through the opportunities we choose to pursue and the activities we carry out that enable us to deliver our vision, mission and strategic goals. Our Risk Management Policy sets out how we identify and actively manage the risks we are exposed to and our approach allows us visibility and control over the key corporate risks that affect the organisation as a whole.

We use a process that categorises and scores each risk by considering its cause, likelihood, impact and mitigation. Based on this we determine whether further action needs to be taken. Risks are grouped according to whether their impact will be on our strategic focus, ability to influence, reputation, internal capability or our financial sustainability as outlined in the figure below.

Key corporate risks



The ongoing impact of Covid-19 on all five risk areas was closely monitored during the year using a Coronavirus Finance Action Plan alongside the Corporate Risk Register. During 2021 we commissioned an internal audit to assess whether our risk management controls are designed appropriately and are operating effectively. The review concluded the Fund has appropriate governance structures in place over risk, and policies and processes for the management, reporting and oversight of risk align with recommended practice.

Suggested areas for development that are being taken forward include creating separate risk registers for the Investment Committee and the Facilities and Estates Committee to use as tools to monitor and manage these specific areas of risk. We will continue to evolve the Corporate Risk Register and our risk management process to ensure that it supports the Fund with effective strategic and operational management, particularly when it comes to managing uncertainty.

Members of the Audit and Risk Committee and the Board of Trustees are satisfied with the procedures that are in place to review the risks, ratings, controls and actions to mitigate the Fund's exposure to risk.

Risk area	Management of risk
Strategic focus and prioritisation	There is a risk that our strategy lacks focus, is difficult to deliver and fails to have an impact. As we implement our strategy for 2020–24 we have sought to maintain the high level of visibility and engagement that staff had during its development. Internal governance arrangements are aligned to our strategy. This includes oversight of the portfolio of programmes, performance and impact.
Ability to influence	There is a risk that our external activities fail to influence and prevent us from delivering impact. Flexibility is deliberately left in the operational plan each year to allow the Fund to respond to new or additional opportunities. Decision-making about new work ensures that we support the health and care system during the Covid-19 pandemic and recovery. We ensure that we continue to publish an appropriate volume of high-quality policy work, maintain a high media profile and continue to track data about our reach and impact.
Our reputation	There is a risk that we lose our reputation for credibility and quality and that our independence, ethics and values are questioned. The Fund keeps up to date with all legal and regulatory requirements and recommended practice. We make disclosures about our income sources, decision-making and independence on our website. Policies, agreements and contracts set out the Fund's position, ensure the quality of our outputs, address ethical issues and recognise the origin of funding. All staff and Trustees are encouraged to understand and adhere to the values, ethics and culture of the organisation.

Risk area	Management of risk
Internal capability	There is a risk that we are unable to deliver our operational commitment effectively and efficiently and that staff wellbeing and engagement suffers Staff wellbeing was identified as a priority area for 2021. We have worked on developing proactive and transparent internal comms focusing on wellbeing. Feedback from staff is gathered via questionnaires and surveys and specialist support already in place (ie, a staff counsellor and network of mental health first aiders) is highlighted frequently. We invest in building our internal capabilities through supporting learning and development, as well as valuing and practising openness, collaboration and inclusivity. There is a cross-Fund focus on continuous improvement and the development of effective systems, processes and ways of working. A business continuity plan is in place to ensure that the Fund can continue operating after a major incident or external event (such as Covid-19), even if the building is inaccessible for a prolonged period. The IT infrastructure is designed to maximise resilience, and policies and processes are in place to ensure appropriate use and security of data.
Financial sustainability	There is a risk that our endowment loses value in real terms and that there is a significant short- or medium-term loss of income. The Fund's investments are actively managed and reviewed by an Investment Committee, which sets a strategic asset allocation and associated performance benchmark and balances risk against benchmark returns with a diversified portfolio of asset classes. Investment performance is visible to Trustees and senior management in the monthly review of finances. Short- and long-term financial plans are maintained, and progress is monitored regularly by the Senior Management Team and Trustees. Oversight of the defined benefit pension scheme is maintained, and this liability is considered alongside other financial risks. The Coronavirus Finance Action Plan Fund was developed to mitigate the financial risks of the pandemic on the organisation and focus on supporting sustainable income generation from a diverse range of sources during 2021 and beyond.

Risk appetite

The amount and type of risk that the Fund is willing to take in order to meet its strategic objectives is determined by the Trustees and is usually reviewed annually using a framework based on the five key risk areas summarised above. Our approach to risk appetite and management aids decision-making as it highlights areas of opportunity and concern, supports understanding and challenge of the risk controls in place and helps to determine how much further effort is required to mitigate key risks in the risk register.

Maintaining our independence

Our independence is important to us. Our reputation is founded on the objectivity of our work, independence from outside interests and freedom to determine our own priorities. We protect this independence in a number of ways.

Our funding

Our funding comes from a diverse range of sources, protecting us against dependence on any particular source of income. As a charitable foundation, we have an endowment – funds maintained and invested since we were established in 1897 – which generates an annual income. As set out in our financial strategy, we draw on this each year to provide a consistent stream of funding to support our work. In 2021, the charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Our remaining funding mainly comes from a mixture of income-generating charitable activity (including leadership and organisational development services, our events and funded research and policy analysis), and commercial activities (including hiring our venue and renting office space in our building). The income from these activities comes from a diverse range of sources including commercial organisations, national and local NHS organisations, the voluntary sector and national and local government. More detail is provided in the Consolidated Statement of Financial Activities.

Further details of how we are funded can be found on our [website](#).

How we set policy

We have robust arrangements in place to assure the quality and independence of our research, policy analysis and other published work which are described on our [website](#). Responsibility for our public positioning rests with the Chief Executive who works closely with directors and other colleagues to agree our position on relevant issues. The Board discusses our public positioning with the Senior Management Team on a regular basis but is not involved in determining our position on individual policy issues.

Our partnerships

We maintain partnerships with a range of organisations through our [Corporate Partners and Supporters scheme](#). These relationships are governed by our [ethical collaboration policy](#) which includes provisions to protect our independence.

Conflicts of interest policy

Trustees, committee members and senior members of staff are required to recognise and deal appropriately with conflicts of interest. Our Conflicts of Interest Policy, which is reviewed annually by the Audit and Risk Committee, sets out our approach. We recognise that even the perception that there is a conflict of interest could damage our reputation. Trustees, members of committees established by the Board of Trustees, members of the board of KEHF Ltd, senior members of staff (the Senior Management Team) and any other people as requested by the Trustees complete declarations of all interests annually. All interests, rather than just those which the person completing the declaration considers relevant, are declared. This avoids the exclusion of any interests that others may perceive to be potential conflicts.

The Fund's Register of all Interests is reported to the Audit and Risk Committee and to the Board of Trustees annually. It is made available to the Fund's auditors and is published on [the Fund's website](#).

Remuneration policy

The King's Fund believes that to attract and retain the calibre of staff we need to deliver our charitable objectives our remuneration policy should provide salaries that are competitive in our sector; be considered fair, equitable and transparent; allow for pay progression over time; and deliver arrangements that are sustainable within the available resources.

The Fund operates an incremental pay scale for most of its staff, underpinned by a factors-based job evaluation system. The scale comprises grades from 1 to 8c, each with a minimum and maximum point and normally five incremental points in between. Salaries are reviewed annually, and the Fund has the option to increase scale points by an agreed percentage. Any such increase takes effect from the following 1 January. The Board of Trustees has delegated responsibility for determining matters of pay and pay-related benefits to its Remuneration Committee.

The Committee meets routinely in the winter to agree the following year's percentage increase and arrangements for executive pay. In agreeing the pay award, the Committee considers indicators in the wider economy; the levels of award that have been made by organisations the Fund compares itself with; and affordability. At the meeting held in October 2021, the Committee was mindful of higher levels of inflation than in the previous year, and the impact on net pay of the planned increase to National Insurance contributions in April 2022. As a result, it recommended a phased increase of 1 per cent in January 2022 and a further 1.25 per cent, reflecting higher National Insurance contribution rates, in April 2022, which Trustees agreed.

Reference and administrative details

Registered office

The King's Fund
11–13 Cavendish Square
London
W1G 0AN

Charity number

1126980

Company number

RC000826

Patron

Her Majesty The Queen

President

His Royal Highness The Prince of Wales

General Council

The members who served during the year are:

Dr Kamran Abbasi, Executive Editor, *The BMJ*

Lord Victor Adebawale CBE, Chair, NHS Confederation

Samantha Allen, Chief Executive, North East and North Cumbria Integrated Care System

Professor Kate Arden, Director of Public Health, Wigan Metropolitan Borough Council

Samira Ben Omar, Independent Consultant (community collaboration)

Kay Boycott, Non-Executive Director, Imperial College Healthcare NHS Trust

Stephen Chandler, Corporate Director for Adult Services, Oxfordshire County Council

Professor Yvonne Doyle CB, Regional Director, Public Health England

Dr Navina Evans CBE, Chief Executive, Health Education England

Hannah Farrar, Chief Executive, Carnall Farrar

Ceinwen Giles, Director, Shine Cancer Support
Professor Nick Harding OBE, Chief Medical Officer, Operose Health
Jatinder Harchowal MBE, Chief Pharmacist, University College London Hospitals
NHS Foundation Trust
Angela Helleur, Chief Nurse, Lewisham and Greenwich NHS Foundation Trust
John James OBE, Chief Executive, Sickie Cell Society
Fatima Khan-Shah, Senior Responsible Officer, Carers Worksteam, West Yorkshire and
Harrogate Health and Care Partnership
Dr Nikita Kanani MBE, Medical Director of Primary Care, NHS England
Jonathan McShane, Chair, Terrence Higgins Trust
Professor Nicholas Mays, Professor of Health Policy, London School of Hygiene and
Tropical Medicine
Ben Page, Chief Executive, Ipsos
Sarah Pickup OBE, Deputy Chief Executive, Local Government Association
Charlotte Ramsden, Strategic Director for Children and Adult Services, Salford City
Council
Martin Reeves, Chief Executive, Coventry City Council
Hardev Virdee, Group Chief Financial Officer, Barts NHS Foundation Trust

Board of Trustees

The Trustees who served during the year and since the year end are:

Dr Mark Britnell
Alan Brown [Treasurer from December 2021]
Richard Clark [from December 2021]
Dame Ruth Carnall DBE
Dr Jane Collins
Dominic Dodd
Simon Fraser [Treasurer to August 2021]
Professor Kamila Hawthorne MBE [from February 2022]
Dr Annalisa Jenkins [from December 2021]
Rt Hon Professor Lord Kakkar KBE PC (Chair of the Board of Trustees)
Dr Stephanie Kuku [from December 2021]
Dr Aseem Malhotra [to July 2021]
Sir Jonathan Michael [to March 2021]
Rt Hon Jacqui Smith
Professor Carolyn Wilkins OBE [from April 2020 to December 2021 and from
February 2022]

Sub committees

The committee members serving during the year and since the year end are as follows.

Investment Committee

Alan Brown [Committee Chair from December 2021]

Richard Clark [from December 2021]

Simon Fraser [Committee Chair to August 2021]

Robert Holmes

Rt Hon Professor Lord Kakkar KBE PC

Dr Stephanie Kuku [from December 2021]

John McLaughlin

Remuneration Committee

Alan Brown [from December 2021]

Dame Ruth Carnall (Committee Chair)

Dominic Dodd [from October 2021]

Simon Fraser [to August 2021]

Rt Hon Professor Lord Kakkar KBE PC

Sir Jonathan Michael [to March 2021]

Nominations Committee

Alan Brown [from December 2021]

Dame Ruth Carnall

Simon Fraser [to August 2021]

Rt Hon Professor Lord Kakkar KBE PC (Committee Chair)

Sir Jonathan Michael [to March 2021]

Audit and Risk Committee

Dr Jane Collins

Dominic Dodd [Committee Chair from April 2021]

Professor Kamila Hawthorne MBE [from February 2022]

Dr Annalisa Jenkins [from December 2021]

Sir Jonathan Michael [Committee Chair to March 2021]

Facilities and Estates Committee

Alan Brown [from December 2021]

Richard Clark [Committee Chair from December 2021]

Andy Doyle

Simon Fraser [Committee Chair to August 2021]

Rt Hon Professor Lord Kakkar KBE PC

Anna Rule

KEHF Ltd Board of Directors

Alan Brown [Chair from February 2022]

Dominic Dodd [from April 2021]

Simon Fraser [Chair to August 2021]

Sir Jonathan Michael [to March 2021]

Richard Murray

Anna Rule

Matthew Tolchard

Senior Management Team

Richard Murray, Chief Executive

Sally Warren, Director of Policy

Paul Clough, Director of Finance and Operations

Suzie Bailey, Director of Leadership and Organisational Development

Patrick South, Director of Communications and Information

Shirley Collier, Director of HR

Key advisers

Bankers

National Westminster Bank Plc

250 Regent Street

London W1B 3BN

Solicitors

Farrer & Co LLP

66 Lincoln's Inn Fields

London WC2A 3LH

Actuaries

Buck Consultants Limited

160 Queen Victoria Street

London EC4V 4AN

Auditor

Haysmacintyre LLP

10 Queen Street Place

London EC4R 1AG

Investment Advisers

Stanhope Capital LLP

35 Portman Square

London W1H 6LR

Investment Property Manager

Savills plc
33 Margaret Street
London W1G 0JD

Old Basing Estate Monitoring Agent

Bidwells
25 Old Burlington Street
London W1S 3AN

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and Accounts in accordance with applicable law and regulations.

Under charity law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of their net outgoing resources for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees



Dame Ruth Carnall

Vice-Chair

14 June 2022

AUDITOR'S REPORT AND ACCOUNTS

Independent auditor's report to the Trustees of The King's Fund

Opinion

We have audited the financial statements of The King's Fund for the year ended 31 December 2021, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2021 and of the group's net movement in funds for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity or
- sufficient accounting records have not been kept or
- the parent charity financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 41, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risk of non-compliance with laws and regulations related to charity law, tax legislation, employment law and health and safety, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charities SORP and FRS 102. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the valuation of investment property, the stage of completion of contracted work, and the valuation of the defined benefit pension scheme liability. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- reviewing the controls and procedures of the Charity to ensure these were in place throughout the year, including during the Covid-19 remote working period
- evaluating management's controls designed to prevent and detect irregularities
- reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process
- challenging assumptions and judgements made by management in their critical accounting estimates including the valuation of investment property and the stage of completion of contracted work
- reviewing the assumptions and judgements used by the professional actuary in relation to the defined benefit pension liability.

A further description of our responsibilities for the audit of the financial statements is located on the [Financial Reporting Council's website](#). This description forms part of our auditor's report.

Use of our report

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

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

Date: 16 June 2022

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

Consolidated statement of financial activities

for the year ended 31 December 2021

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2021 £000	Total 2020 £000
Income and endowments from:						
Donations and legacies		608	-	-	608	2
Charitable activities						
Research and analysis		629	181	-	810	1,058
Developing individuals, teams and organisations		4,337	56	-	4,393	2,285
Promoting understanding		84	12	-	96	117
Bringing people together		496	2	-	498	276
Total charitable activities	4	5,546	251	-	5,797	3,736
Other trading activities	5	2,203	23	-	2,226	1,791
Investments	6	2,680	-	-	2,680	2,749
Other		68	-	-	68	9
Total		11,105	274	-	11,379	8,287
Expenditure on:						
Charitable activities						
Research and analysis		4,008	182	-	4,190	4,461
Developing individuals, teams and organisations		4,850	58	-	4,908	4,261
Promoting understanding		2,853	11	-	2,864	2,837
Bringing people together		1,030	12	-	1,042	904
Total charitable activities	4	12,741	263	-	13,004	12,463
Other trading activities	7	1,719	23	-	1,742	1,208
Raising funds costs	8	768	-	229	997	592
Total		15,228	286	229	15,743	14,263
Operating (deficit)		(4,123)	(12)	(229)	(4,364)	(5,976)
Net gain on investments		2,904	-	15,212	18,116	6,646
Net income/(expenditure)		(1,219)	(12)	14,983	13,752	670
Transfers between funds		(24)	24	-	-	-
Actuarial gain/(loss) on defined benefit pension scheme	18	9,199	-	-	9,199	(6,163)
Net movement in funds		7,956	12	14,983	22,951	(5,493)
Reconciliation of funds:						
Total funds brought forward	19	69,386	(25)	137,214	206,575	212,068
Total funds carried forward	19	77,342	(13)	152,197	229,526	206,575

All of the operations represented by the information above are continuing.

The notes on pages 51 to 71 form part of these financial statements

Balance sheets

as at 31 December 2021

	Notes	Consolidated 2021 £000	Consolidated 2020 £000	Charity 2021 £000	Charity 2020 £000
Fixed assets:					
Tangible assets	11	53,415	54,045	53,415	54,045
Intangible assets	12	31	73	31	73
Investments	13	196,954	163,835	197,004	163,885
Total fixed assets		250,400	217,953	250,450	218,003
Current assets:					
Debtors	15	2,306	2,087	2,080	2,106
Cash at bank and in hand		3,031	1,603	2,601	992
Total current assets		5,337	3,690	4,681	3,098
Liabilities:					
Creditors: amounts falling due within one year	16	(4,588)	(4,577)	(3,985)	(4,038)
Net current assets/(liabilities)		749	(887)	696	(940)
Total assets less current liabilities		251,149	217,066	251,146	217,063
Creditors: amounts falling due after more than one year	17	(20,000)	-	(20,000)	-
Net assets excluding pension liability		231,149	217,066	231,146	217,063
Defined benefit pension scheme liability	18	(1,623)	(10,491)	(1,623)	(10,491)
Total net assets		229,526	206,575	229,523	206,572
The funds of the charity:					
Expendable endowment funds		152,197	137,214	152,197	137,211
Restricted funds		(13)	(25)	(13)	(25)
Unrestricted funds		78,965	79,877	78,962	79,877
Pension reserve		(1,623)	(10,491)	(1,623)	(10,491)
Total unrestricted funds	19	77,342	69,386	77,339	69,386
Total charity funds	19	229,526	206,575	229,523	206,572

Approved on behalf of the Board of Trustees and authorised for issue on 14 June 2022.

Alan Brown
Treasurer

The notes on pages 51 to 71 form part of these financial statements.

Consolidated cashflow statement

for the year ended 31 December 2021

	Notes	2021 £000	2020 £000
Net cash (used in) operating activities	A	(4,887)	(5,608)
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,612	2,640
Investment management fees		(663)	(592)
Purchase of tangible fixed assets		(366)	(193)
Net proceeds from sale of investments		-	4,064
Net purchase of investments		(14,934)	-
Net cash provided by investing activities		(13,351)	5,919
Cash flows from financing activities:			
Cash inflows from new borrowing		20,000	-
Interest on loan		(334)	-
Net cash provided by financing activities		19,666	-
Change in cash and cash equivalents in the reporting period	B	1,428	311
A. Reconciliation of net income to net cash flow from operating activities			
		2021 £000	2020 £000
Net income for the reporting period		13,752	670
Adjustments for:			
Investment income		(2,680)	(2,749)
Net (gain) on investments		(18,116)	(6,646)
Investment management fees		663	592
Interest on the loan		334	-
Depreciation and amortisation charges		1,038	1,116
Loss on disposal of fixed assets		-	12
Other finance cost of the pension scheme		140	79
Current service cost less contributions to the pension scheme		190	152
(Increase)/decrease in debtors		(219)	166
Increase in creditors		11	1,000
Net cash (used in) operating activities		(4,887)	(5,608)
B. Movement of cash and cash equivalents			
	At 1 January 2021 £000	Movement £000	At 31 December 2021 £000
Cash at bank and in hand	1,603	1,428	3,031

Notes to the accounts

for the year ended 31 December 2021

1. Charity information

The Charity (registered number 1126980) is incorporated by Royal Charter and is governed by the provisions and byelaws of the charter; any revocation, alteration or additions to the byelaws must be approved by the Privy Council.

The charity has a wholly owned subsidiary trading company, KEHF Limited (company registration number 2754697).

The address of the registered office of both The King's Fund and KEHF Limited is 11–13 Cavendish Square, London W1G 0AN.

2. Accounting policies

The principal accounting policies adopted and critical areas of judgements are as follows:

Basis of preparation

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts of The King's Fund and KEHF Limited are consolidated, on a line-by-line basis, to produce the Consolidated Accounts. No separate Statement of Financial Activities has been presented for The King's Fund but the charity's total income and net movement in funds in the year are set out in note 14.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

2. Accounting policies (continued)

Going concern

The Fund's planning process, including financial projections, takes into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Fund has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have, therefore, been prepared on the basis that the charity is a going concern.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the accounts recognised in the financial statements are summarised below.

- **Pension liabilities:** The charity recognises the liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 18.
- **Valuation of investment properties:** The charity's Basing investment properties are stated at their fair values. These are based on an external valuation as at the 31 December 2020 with a management update as disclosed in note 13. The Deans Mews investment property is stated at valuation as at July 2019 with a management update as disclosed in note 13.
- **Private equity investments** are valued at the most recent investment manager valuations.
- **Income recognition:** When accounting for project income in line with the percentage completion basis set out below, the percentage of completion of a project is estimated using the actual costs incurred, including time spent, as a proportion of total planned costs.

2. Accounting policies (continued)

Other accounting policies

Donations and legacies

Donations and legacies are recognised in the Statement of Financial Activities when they become receivable, that is when it is reasonably certain that they will be received and where the value can be measured with sufficient reliability.

Grants receivable

Grants receivable are recognised in the Statement of Financial Activities in full in the year in which they become receivable, that is when the conditions for receipt have been met.

Investment income

Income from investments is accounted for when dividends and interest are receivable and includes recoverable taxation. Income received, but not distributed, by pooled funds is included as part of the net gains/losses on investment assets in the Statement of Financial Activities.

Other income recognition

Project income is recognised on a percentage completion basis in relation to actual costs spent at the Balance Sheet date as a proportion of total planned costs over the life of the project. Projected losses on projects are provided as soon as they can be reasonably foreseen.

All other income is included in the Statement of Financial Activities when The King's Fund is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The costs of certain support departments are allocated to the principal activities on the basis set out in note 4.

Pension costs

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The current service costs of the Plan, together with the net interest on the net defined benefit liability (calculated at the discount rate), are charged to the Statement of Financial Activities within staff costs. The actuarial gains and losses on the Plan are recognised immediately as other recognised gains and losses.

2. Accounting policies (continued)

Pension costs (continued)

The assets of the Plan are measured at fair value at the Balance Sheet date. Liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately on the face of the Balance Sheet.

The NHS Pension Scheme is a multi-employer defined benefit scheme. Contributions have been accounted for in the period to which they relate, as if it were a defined contribution scheme as it is not possible to identify our share of the underlying assets and liabilities.

The King's Fund Group Personal Pension Plan is a defined contribution scheme and contributions have been accounted for in the period to which they relate.

Intangible assets

Intangible assets relate to the enterprise resource planning project. Once brought into use, they are amortised on a straight-line basis over the anticipated life of the benefits arising from the completed project. The anticipated life has been taken as five years.

Tangible assets

Tangible assets costing more than £5,000, including any incidental expenses of acquisition, are capitalised and recorded at cost.

Depreciation is calculated so as to write off the cost of the tangible assets on a straight-line basis over the expected useful economic lives of the assets concerned which are taken as:

Plant and machinery:

Electrical installations	3 to 30 years
Mechanical installations	5 to 30 years
Lifts	30 years

Furniture, fittings and equipment:

Catering equipment	3 to 20 years
Furniture and fittings	5 to 20 years
ICT hardware and software	2 to 5 years
Office equipment	3 to 10 years
Freehold buildings	50 years

Freehold land is not depreciated.

2. Accounting policies (continued)

Financial instruments

The King's Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at settlement value or amortised cost comprise trade and other creditors, and fixed interest loan.

Investments, including bonds and cash held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates. Assets and liabilities are translated at rates applying at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

Funds

Expendable endowment: The expendable endowment is maintained to generate income for the benefit of The King's Fund. The capital sum may be spent at the discretion of the Trustees.

Restricted funds: Funds received in relation to a restricted grant that can only be used for that purpose.

Unrestricted funds: Unrestricted funds include the net book value of the tangible fixed assets, the intangible fixed assets of the charity, investments and net current assets, less the pension reserve. The split between these categories is shown in note 19. The King's Fund has the power to spend its unrestricted funds within its objects as it sees fit.

3. Taxation

No corporation tax is payable by The King's Fund as it is able to make use of the tax exemptions on income and capital gains available to charities. No corporation tax is payable by the subsidiary company, KEHF Limited, as it is expected that each year an amount equal to its taxable profits will be paid to The King's Fund under the Gift Aid scheme.

4. Income and expenditure on charitable activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2021 £000	Total 2020 £000
Commissioned work	629	2,526	19	-	3,174	2,005
Grants	181	56	12	2	251	662
Course places or event tickets	-	1,811	-	496	2,307	987
Other	-	-	65	-	65	82
Total income	810	4,393	96	498	5,797	3,736
Direct expenditure	2,432	3,264	1,446	687	7,829	6,903
Support departments (4a)	1,758	1,644	1,418	355	5,175	5,560
Total expenditure	4,190	4,908	2,864	1,042	13,004	12,463

4a. Support departments

Facilities (1)	415	388	335	94	1,232	1,313
Communications (2)	186	174	150	-	510	426
Other support (3)	1,157	1,082	933	261	3,433	3,821
Total cost of support departments	1,758	1,644	1,418	355	5,175	5,560

(1) Facilities costs have been apportioned based on average headcount of the various departments during the year.

(2) Communication costs have been apportioned based on average headcount of the various departments during the year.

(3) Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

The comparatives for 2020 can be seen in note 23.

5. Income from other trading activities

	2021 £000	2020 £000
Income from other trading activities comprises:		
External conference and catering services	971	539
Income from sponsorship and partnership	869	832
Income from tenants	302	356
Income from non-charitable consultancy	84	64
	2,226	1,791

6. Income from investments

	2021 £000	2020 £000
Income from securities and cash assets:		
Equities	1,762	1,809
Bonds	301	200
Cash	1	2
Investment properties	616	738
	2,680	2,749

7. Expenditure on other trading activities

	2021 £000	2020 £000
Expenditure on other trading activities comprises:		
External conference and catering services	1,298	868
Cost associated with sponsorship and partnerships	372	277
Cost associated with tenants	6	22
Cost associated with non-charitable consultancy	66	41
	1,742	1,208

8. Raising funds costs

	2021 £000	2020 £000
Expenditure on raising funds costs comprises:		
Fees paid to managers, custodians, administrators and advisers for the discharge of their duties in connection with the investment portfolio and properties	450	422
Interest expense on the loan	334	-
Property repairs and maintenance	213	170
	997	592

9. Employees

	2021 £000	2020 £000
Wages and salaries	7,744	7,597
Social security costs (including apprenticeship levy)	903	881
Pension costs (before final salary pension adjustments)	1,113	1,190
Total emoluments before final salary pension adjustments	9,760	9,668
Final salary pension adjustments	331	233
Total emoluments after final salary pension adjustments	10,091	9,901

Included in the above pension costs is £348,000 (2020: £305,000) relating to the current employer service costs of the defined benefit pension scheme and £56,000 relating to settlement agreement payments (2020: £0).

9. Employees (continued)

Average number of staff:

	2021	2020
Research and analysis	31	32
Developing individuals, teams and organisations	29	25
Promoting understanding	25	24
Bringing people together	7	6
Other trading activities	12	13
Facilities	10	11
Communications	4	7
Other support departments	23	25
Total	141	143

The number of employees with remuneration (employee benefits excluding employer pension costs) exceeding £60,000 were:

	2021	2020
£60,000-£69,999	11	10
£70,000-£79,999	8	10
£80,000-£89,999	3	3
£90,000-£99,999	8	10
£100,000-£109,999	3	2
£110,000-£119,999	2	3
£120,000-£129,999	2	2
£190,000-£199,999	1	1

Contributions were made to The King's Fund Staff Pension and Life Assurance Plan, which is a defined benefit scheme, for four (2020: four) higher-paid employees and to the NHS Pension Scheme, which is also a defined benefit scheme, for four (2020: six) higher-paid employees. Contributions totalling £415,000 (2020: £403,000) were made to The King's Fund Group Personal Pension Plan, which is a defined contribution scheme, for 29 (2020: 29) higher-paid employees.

The total employee benefits, including employer pension costs, received by the Chief Executive in 2021 were £216,929 (2020: £216,941).

The key management personnel of the charity comprise the Trustees and the Senior Management Team. None of the Trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No Trustee was reimbursed for expenses incurred (2020: none). The total employee benefits, including employer pension costs and National Insurance, received by the key management personnel in 2021 were £1,008,000 (2020: £1,009,000).

10. Governance costs

	2021 £000	2020 £000
Auditor's remuneration		
External audit fees (Charity)	22	21
External audit fees (KEHF Limited)	5	5
Meeting costs	-	-
	27	26

Fees totalling £1,200 (2020: £1,050) were payable to the auditors for taxation services.

11. Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Furniture, fittings and equipment £000	2021 Total assets £000
Cost				
At 1 January	55,350	4,777	3,091	63,218
Additions	-	-	366	366
Disposals	-	(33)	(231)	(264)
At 31 December	55,350	4,744	3,226	63,320
Depreciation				
At 1 January	3,402	3,541	2,230	9,173
Charge for the year	483	192	321	996
Disposals	-	(33)	(231)	(264)
At 31 December	3,885	3,700	2,320	9,905
Net book value				
At 31 December	51,465	1,044	906	53,415
Previous year	51,948	1,236	861	54,045

Freehold land and buildings represent the Fund's offices at 11–13 Cavendish Square, London W1G 0AN. When adopting FRS 102, the Fund has chosen to use the fair value of the freehold land and buildings as its deemed cost as at 1 January 2014. Within the above total, the amount attributable to the freehold land is £33,600,000 based on the valuation completed by Savills plc.

As at 31 December 2021 The King's Fund had no capital commitments (2020: £0).

12. Intangible fixed assets

	2021 £000	2020 £000
Cost		
At 1 January	918	918
Additions	-	-
At 31 December	918	918
Amortisation		
At 1 January	845	751
Charge for the year	42	94
At 31 December	887	845
Net book value		
31 December	31	73
Previous year	73	167

Intangible assets relate to costs expended on the Fund's enterprise resource planning project, website and other software.

13. Fixed asset investments

	2021 Total £000	2020 Total £000
Securities		
Equities	147,417	119,803
Index-linked bonds	6,380	4,448
Fixed-interest bonds	8,023	5,694
Private equity funds	3,016	3,217
Cash and cash equivalents	5,148	4,014
Investment properties	26,970	26,659
Consolidated total	196,954	163,835
Shareholding in subsidiary company	50	50
Charity total	197,004	163,885

13. Fixed asset investments (continued)

A loan of £20,000,000 was taken out in 2021, this has been fully invested in the securities portfolio and has helped to increase the value of the investments held. For more information about the loan see note 17.

Within the total securities, £161,820,000 is classified as Level 1 as defined by IFRS 7, that is 'the investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date'. The remaining £3,016,000 is classified as Level 3, that is 'the investment is measured using unobservable inputs at the reporting date'. The Level 3 amount comprises two Private Equity Funds of Funds. No readily identifiable market price is available for these unquoted funds and therefore they are included at the most recent valuations provided by the manager.

In respect of the above Private Equity funds, the managers have confirmed that all future commitments to both funds have been waived and have therefore deemed the shares to be fully paid. One of the funds will continue to return cash to investors prior to their final closure in 2023, the other has now fully closed and is in liquidation with final payments due once this process has been completed.

The Fund has freehold interest in two investment properties. The Old Basing Estate is a mixed agricultural estate extending to approximately 981 acres and has been included at Fair Value of £15,570,000 (2020: £15,259,000) based on a management update to the valuation by Savills as at 31 December 2020. In 2015 the Fund purchased a freehold interest in properties at 7–10 Dean's Mews which adjoin the Fund's offices at 11–13 Cavendish Square, they have been included at market value of £11,400,000 from the valuation in July 2019 as management assessment indicates there has not been a significant change in markets trends over the past couple of years (2020: £11,400,000).

A reconciliation of the movement in the market value of the Fund's investments during the year is as follows:

	2021	2020
	£000	£000
Opening balance at 1 January	163,835	161,143
Net monies invested/(disinvested)	16,718	(3,954)
Increase/(decrease) on revaluation	16,401	6,646
	196,954	163,835
Shareholding in subsidiary company	50	50
Closing balance at 31 December	197,004	163,885

14. Subsidiary company

KEHF Limited, a company registered in England number 2754697, began trading on 2 August 2007 having previously been reported as a dormant company.

The authorised share capital of the company is 50,000 shares of £1 each. The King's Fund owns all the shares and is therefore the sole member of the company. The company has five directors comprising two The King's Fund trustees, a The King's Fund Facilities and Estate committee member and two The King's Fund employees.

The activities undertaken by the company comprise the letting of conference space within the premises of The King's Fund to third parties, along with the provision of catering and other related services. In addition, KEHF Limited manages sponsorship arrangements including with partners and supporters, and consulting activities that are outside the charitable objects. These activities have increased in 2021 but remain below pre-Covid-19 levels from 2019.

In the year to 31 December 2021, the company had income of £1,952,000 (2020: £1,405,000) and incurred expenditure of £1,565,000 (2020: £1,083,000) thereby generating an operating profit of £387,000 (2020: £322,000). The directors have made donations in the year of £387,462 to The King's Fund through Gift Aid. The resultant accumulated surplus of KEHF Limited at 31 December 2021 is £3,000 (2020: £3,000).

Excluding KEHF Limited's results, the Charity's total income in 2021 was £10,313,000 (2020: £7,430,000) and the Charity's net increase in funds was £22,875,000 (2020: net decrease of £5,607,000).

15. Debtors

	Consolidated 2021 £000	Consolidated 2020 £000	Charity 2021 £000	Charity 2020 £000
Trade debtors	1,364	1,355	1,037	1,160
Amounts owed by KEHF Limited	-	-	141	101
Prepayments	447	209	338	208
Other debtors and accrued income	495	523	488	523
Donations from KEHF Limited	-	-	76	114
	2,306	2,087	2,080	2,106

16. Creditors: amounts falling due within one year

	Consolidated 2021 £000	Consolidated 2020 £000	Charity 2021 £000	Charity 2020 £000
Trade creditors	469	425	332	419
Amounts owed to KEHF Limited	-	-	3	4
Deferred income – see analysis below	3,010	2,796	2,549	2,276
Taxation and social security	292	282	292	282
Other creditors and accruals	817	1,074	809	1,057
	4,588	4,577	3,985	4,038
	Balance at 1 January 2021 £000	Released during the year £000	Additional deferrals £000	Balance at 31 December 2021 £000
Deferred income analysis				
Programme fees received in advance	2,276	(2,276)	2,549	2,549
Charity total	2,276	(2,276)	2,549	2,549
Other deferred income including KEHF Limited	520	(520)	461	461
Consolidated total	2,796	(2,796)	3,010	3,010

17. Creditors: amounts falling due after more than one year

	Consolidated 2021 £000	Consolidated 2020 £000	Charity 2021 £000	Charity 2020 £000
Loan from MetLife falling due in over 5 years	20,000	-	20,000	-
	20,000	-	20,000	-

A 30-year loan was taken out on 14 May 2021 to enhance the long-term value of The King's Fund investments and has been invested in line with the strategic asset allocation. The loan is repayable in full at the end of the loan period in May 2051, in the interim the interest is payable in November and May. The future interest payable is as follows:

	2021 £000	2020 £000
Not later than one year	534	-
Later than one year and not later than five years	2,136	-
Later than five years	13,016	-
Total	15,686	-

18. Pension schemes

The King's Fund Staff Pension and Life Assurance Plan

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The Plan was open to all employees of The King's Fund who were not members of another scheme until it was closed to new members on 28 February 2008, as at 31 December 2021 there were 14 active members (2020: 14).

	2021 £000	2020 £000
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	65,031	59,982
Present value of plan liabilities	(66,654)	(70,473)
Net Plan liability	(1,623)	(10,491)
	2021 £000	2020 £000
The movement in defined benefit obligations over the year was as follows:		
Present value of obligations at start of year	70,473	64,067
Current employer service cost	348	305
Employee contributions	73	82
Interest costs	938	1,254
Actuarial (gains)/losses	(3,161)	7,473
Benefits paid	(2,017)	(2,708)
Closing value of the plan liability	66,654	70,473
	2021 £000	2020 £000
The movement in the fair value of assets over the year was as follows:		
Opening fair value of plan assets	59,982	59,971
Return on plan assets in excess of/(lower than) interest income	6,038	1,310
Interest income on planned assets	798	1,175
Employee contributions	73	82
Employer contributions	157	152
Benefits paid	(2,017)	(2,708)
Closing fair value of plan assets	65,031	59,982

The Plan has pension liabilities which are insured with a value of approximately £23,000 (2020: £110,000). The value of these liabilities has been excluded from both the assets and the liabilities since the liability is matched directly by an asset of equal value.

18. Pension schemes (continued)

	2021 £000	2020 £000
Total (expense) recognised in the Statement of Financial Activities:		
Current employer service cost	(348)	(305)
Net interest on the net defined benefit obligation	(140)	(79)
Return on Plan assets excluding interest income	6,038	1,310
Actuarial gains/(losses) arising from change in assumptions	3,161	(7,473)
Total income/(expense) recognised in the Statement of Financial Activities	8,711	(6,547)
	2021	2020
Proportion of total Plan assets by asset class:		
Equities (including property)	66%	62%
Bonds	26%	29%
Index-linked	8%	9%
Cash and equivalents	0%	0%

The overall expected rate of return on the Plan assets is determined by applying each asset type's expected long-term rate of return to that asset type's market value and calculating a weighted average rate of return over all asset types.

	2021 £000	2020 £000
Actual return on Plan assets	6,836	2,485
The principal actuarial assumptions used at the balance sheet date:		
Discount rate (%)	1.85	1.35
Rate of increase in salaries (%)	2.85	2.40
General price inflation (%)	2.65	2.20
Rate of increase in pension payments:		
Service prior to 1 April 2000 (%)	4.25	4.15
Service after 1 April 2000 (%)	3.20	2.85
Life expectancy at 65 for:		
male aged 65	22.8	22.2
female aged 65	24.7	23.8
male aged 45	24.1	23.6
female aged 45	26.1	25.1

The King's Fund expects contributions of £161,000 to be made to the Plan in the year ending 31 December 2022 (excluding contributions made by employees).

18. Pension schemes (continued)

NHS Pension Scheme

The Fund contributes to the NHS Pension Scheme, a defined benefit scheme, for 8 (2020: 11) eligible members of staff as at the 31 December. In 2021 The Fund contributed £92,000 (2020: £104,000) to the scheme. The employer's contribution rate is set by the Government Actuary at 14.6 per cent.

The King's Fund Group Personal Pension Scheme

The Fund contributes to the Group Personal Pension Scheme, a defined contribution scheme established in 2008, for 112 (2020: 105) members of staff as at 31 December. The Fund contributed £864,000 (2020: £776,000) to the scheme. The employer's contribution rates are double each individual employee's contribution rate within the range from 6 per cent to 12 per cent of pensionable salary.

The pension charges for the period are shown below:

	2021 £000	2020 £000
The King's Fund Staff Pension and Life Assurance Plan	157	152
NHS Pension Scheme	92	104
The King's Fund Group Personal Pension Scheme	864	776
Total charges	1,113	1,032

19. Split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2021 £000	Total funds 2020 £000
Tangible assets	-	-	53,415	53,415	54,045
Intangible assets	-	-	31	31	73
Investments: securities	138,118	-	31,866	169,984	137,176
Investments: property	14,079	-	12,891	26,970	26,659
Net current assets/(liabilities)	-	(13)	762	749	(887)
Long-term liabilities	-	-	(20,000)	(20,000)	-
Pension fund reserve	-	-	(1,623)	(1,623)	(10,491)
Total funds	152,197	(13)	77,342	229,526	206,575

The £20,000,000 loan has been treated as unrestricted funding, hence the significant increase in unrestricted investment assets and liabilities.

To see the comparatives for 2020 please see note 23a.

20. Movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted funds:					
Department of Health with University of York	(25)	173	(173)	18	(7)
The National Lottery Community Fund (previously Big Lottery)	-	48	(50)	-	(2)
Government furlough	-	48	(48)	-	-
Other	-	5	(14)	5	(4)
Total restricted funds	<u>(25)</u>	<u>274</u>	<u>(286)</u>	<u>24</u>	<u>(13)</u>

Our contract – run jointly with the University of York – to provide a fast-response research and analytical facility to the Department of Health and Social Care was renewed for a further five years in April 2020. During 2021, we undertook eight pieces of work. The biggest research projects were into the primary care Additional Roles Reimbursement Scheme, evaluation of care and treatment reviews for people with learning disabilities or autism following any instances of long-term segregation (ICETRs), changing patterns of abortion and sector-led improvement.

In 2018 a new grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading Leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768 and in 2021 we received another top-up grant of £29,500 bringing the total of the project to £494,268 and this included an extension of the project to 2022 recognising the Covid-19 delays. The programme started in 2018 and £444,423 of funding had been received by 31 December 2020. In 2021 we received £49,847, bringing the total income to £494,847, of which we have recognised £404,000. The remaining income will be recognised in 2022.

The Fund continued to utilise the government furlough scheme to reduce losses in areas where staff who could not undertake their duties as a result of the Covid-19 pandemic.

To see the comparatives for 2020 please see note 23b.

21. Related party transactions

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, KEHF Limited, as set out below.

- In 2021 the Charity charged KEHF Limited management fees totalling £196,000 (2020: £59,000). This is calculated as a percentage of external income.
- In 2021 the Charity charged KEHF Limited licence fees totalling £280,000 (2020: £150,000). This is calculated as a percentage of room hire income from external conference and catering services.
- In 2021 KEHF Limited charged the Charity administration fees totalling £18,000 (2020: £15,000). This is calculated as a percentage of internal room hire costs.
- As at the 31 December 2021 KEHF owed the Charity £76,000 of additional gift aid (2020: £114,000). For the total gift aid payable in the year see note 14 above.

22. Lessor operating leases

The future minimum lease payments under non-cancellable operating leases for each of the following periods are set out below:

	2021 £000	2020 £000
Not later than one year	815	500
Later than one year and not later than five years	728	511
Later than five years	71	144
Total	1,614	1,155

Operating lease commitments relate to the minimum future rental income for both investment and non-investment properties.

23. Comparative statements

23a. Comparative split of assets between funds

	Expendable endowment £000	Restricted funds £000	Unrestricted funds £000	Total funds 2020 £000
Tangible assets	-	-	54,045	54,045
Intangible assets	-	-	73	73
Investments: securities	123,147	-	14,029	137,176
Investments: property	14,067	-	12,592	26,659
Net current assets/(liabilities)	-	(25)	(862)	(887)
Pension fund reserve	-	-	(10,491)	(10,491)
Total funds	137,214	(25)	69,386	206,575

23. Comparative statements (continued)

23b. Comparative movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted funds:					
Department of Health with University of York	-	419	(444)	-	(25)
The National Lottery Community Fund (previously Big Lottery)	-	144	(144)	-	-
Government furlough	-	153	(153)	-	-
Other	(1)	-	-	1	-
Total restricted funds	(1)	716	(741)	1	(25)

Our contract – run jointly with the University of York – to provide a fast-response research and analytical facility to the Department of Health and Social Care was renewed for a further five years in April 2020. During 2020, we undertook 11 pieces of work – the highest number for any year to date, because of the Department's increased need for rapid research during the Covid-19 pandemic. In addition to projects to look specifically at Covid-19 (most notably in changes to general practice, and lessons for recovery from other emergency situations), we delivered research projects in diverse areas of health and care policy including supported housing, tobacco packaging, drug treatment services and health services for people who sleep rough.

In 2018, a new grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading Leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768. The programme started in 2018 and £326,000 of funding had been received by 31 December 2019. In 2020 we received £119,000, bringing the total income to £445,000, of which we have recognised £355,000 in total. The remaining income will be recognised in 2021.

The Fund utilised the government furlough scheme to reduce losses in areas where staff who could not undertake their duties as a result of the Covid-19 pandemic.

23. Comparative statements (continued)

23c. Comparative consolidated statement of financial activities

	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2020 £000
Income and endowments from:				
Donations and legacies	2	-	-	2
Research and analysis	612	446	-	1,058
Developing individuals, teams and organisations	2,116	169	-	2,285
Promoting understanding	100	17	-	117
Bringing people together	246	30	-	276
Charitable activities	3,074	662	-	3,736
Other trading activities	1,737	54	-	1,791
Investments	2,749	-	-	2,749
Other	9	-	-	9
Total	7,571	716	-	8,287
Expenditure on:				
Research and analysis	3,990	471	-	4,461
Developing individuals, teams and organisations	4,092	169	-	4,261
Promoting understanding	2,820	17	-	2,837
Bringing people together	874	30	-	904
Charitable activities	11,776	687	-	12,463
Other trading activities	1,154	54	-	1,208
Investment management costs	371	-	221	592
Total	13,301	741	221	14,263
Operating (deficit)	(5,730)	(25)	(221)	(5,976)
Net gains on investments	2,003	-	4,643	6,646
Net income/(expenditure)	(3,727)	(25)	4,422	670
Transfers between funds	(1)	1	-	-
Actuarial (loss) on defined benefit pension scheme	(6,163)	-	-	(6,163)
Net movement in funds	(9,891)	(24)	4,422	(5,493)
Reconciliation of funds:				
Total funds brought forward	79,277	(1)	132,792	212,068
Total funds carried forward	69,386	(25)	137,214	206,575

23. Comparative statements (continued)

23d. Comparative consolidated statement of financial activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2020 £000
Commissioned work	612	1,375	18	-	2,005
Grants	446	169	17	30	662
Course places or event tickets	-	741	-	246	987
Other	-	-	82	-	82
Total income	1,058	2,285	117	276	3,736
Direct expenditure	2,404	2,654	1,294	551	6,903
Support departments (23e)	2,057	1,607	1,543	353	5,560
Total expenditure	4,461	4,261	2,837	904	12,463

23e. Support departments

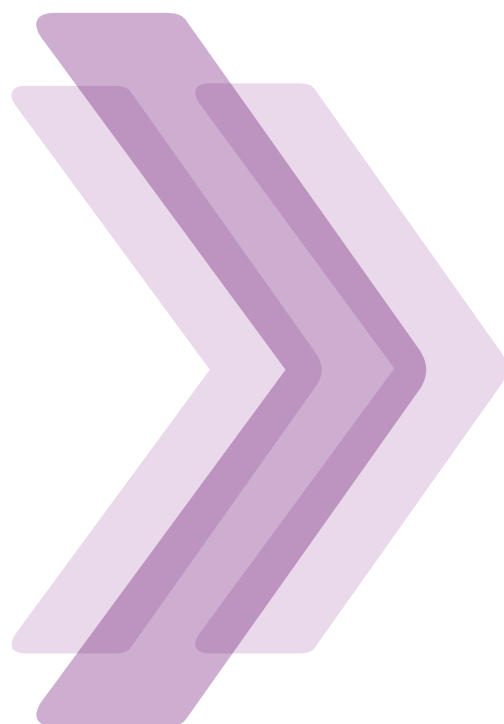
	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2020 £000
Facilities (1)	483	377	363	90	1,313
Communications (2)	169	131	126	-	426
Other support (3)	1,405	1,099	1,054	263	3,821
Total cost of support departments	2,057	1,607	1,543	353	5,560

- (1) Facilities costs have been apportioned based on average headcount of the various departments during the year.
- (2) Communication costs have been apportioned based on average headcount of the various departments during the year.
- (3) Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

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May 2021

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Message from the Chair and the Chief Executive

Covid-19 cast a long shadow over 2020. The rapid spread of the disease in the early part of the year; the first lockdown; then further surges in cases and deaths towards the end of the year has challenged the health and care system – indeed, the country as a whole – as never before.

Rightly, The King's Fund quickly adapted its workplan to support the wider health and care system as it faced the challenges of Covid-19. This included drawing on our strengths in evidence-based research, for example, to support the switch **to digital working in primary care**. We also drew on talent across the organisation to provide short, accessible guidance and advice for those leading organisations and teams wherever they may be, through our **Leading through Covid-19** initiative. At a time of great uncertainty, we provided a wide range of content to make sense of complex issues, for example, our explainers on **deaths from Covid-19** and the **government's approach to testing**.

However, the year was not just about Covid-19. It was also the first year of **our new strategy**, with our work organised in four key programmes. Under the Healthier places and communities programme this included research on the integrated care system, place and primary care network agendas, leadership support and the **Leadership for population health open programme**. For Tackling the worst health outcomes we launched **the Healthy communities together programme** (our partnership with The National Lottery Community Fund) and published a **report on measures to support people who sleep rough** and a series of explainer content. As well as the Leading through Covid-19 work, under our Supporting people and leaders priority we published reports on the **health and wellbeing of the nursing and midwifery professions**, and on **race equality in the NHS workforce** as well as actively supporting leaders at this exceptionally challenging time. The Foundations of health and care programme – which looks across the health and care landscape and enables us to take the 'whole-system' perspective that underpins our work – also had a busy year with work on the **government's first 100 days**, the **financial system in the NHS** and, of course, **Brexit** among much else.

Towards the end of the year, NHS England published new proposals for legislation that have since been incorporated in a government White Paper on NHS reform. We responded quickly both to engage with the emerging proposals and to ensure we were ready to take part in the increasingly public debate over the winter of 2020–21.

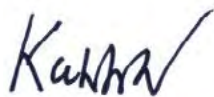
Covid-19 and the restrictions that came with it also presented a great challenge to the Fund and our ways of working. The excellent work of the IT team came to the fore as staff switched to working from home following the closure of the Cavendish Square building in the first lockdown and the continued rules on social distancing throughout 2020. All our staff displayed great determination and innovation in re-designing our previously face-to-face work and moving into the digital sphere. This meant, for example, that as the year progressed **our events programme** re-started and the Leadership and Organisational Development team re-designed its **open programmes** and other delivery work, all on to digital platforms. The great success with which this was done is a testament to the skills of our staff. Lastly, the professionalism and pragmatism of our Facilities team through the ups and downs of the year meant the building was ready (and safe) for staff who needed it and provided a welcome reminder of normality among all the change.

We are fortunate to have an endowment that protects us against fluctuations in our income. Nevertheless, the loss of some key sources of external revenue due to lockdown and continued social distancing requirements led us to develop a medium-term financial plan to replace the shortfall over the years ahead. We made strong progress on this plan toward the latter end of 2020 thanks to the efforts of staff to switch to digital ways of working.

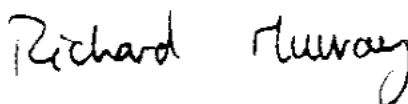
Our organisational development work, as an organisation, evolved over the year, with an increasing focus on staff wellbeing as the key theme in response to the continuing pressures of Covid-19. There was also progress on our **diversity and inclusion agenda**, notably (but not only) following the upsurge in concern following the Black Lives Matter movement, concern which we were initially slow to respond to but have made concerted efforts to catch up.

We welcomed two new Trustees to the Board during 2020, Carolyn Wilkins OBE, Chief Executive of Oldham Council, and Mark Britnell, Vice-Chair and Global Health Expert at KPMG UK. We would like to thank Max Ward and Robin Chute, who stood down as non-Trustee members of our Investment Committee and Facilities and Estates Committee respectively, both offered their valuable expertise and advice to the Fund for many years and we are indebted to them.

Looking to 2021, we will build on our work across our priority programmes, ensuring this meets both our long-term aim of better health and care for all, but also that it is relevant and targeted on the key issues the health and care system faces as it emerges from Covid-19 and takes forward the reform agenda. Some of this work will depend on whether we can secure funding for it, so our plans for 2021 should be seen as a guide to the work we will be doing, rather than a definitive statement of intent. For the Fund as an organisation we also need to take forward our own change agendas: continuing the journey on diversity and inclusion; making ourselves fit for new hybrid ways of working in a way that keeps the best of the digital revolution; and delivering on the medium-term financial plan that repairs the damage Covid-19 has done to our finances.



Lord Kakkar
Chair



Richard Murray
Chief Executive

Objectives and activities

Our vision and values

Our **vision** is that the best possible health and care is available to all. We aim to be a catalyst for change and to inspire improvements in health and care by:

- generating and sharing ideas and evidence
- offering rigorous analysis and independent challenge
- bringing people together to discuss, share and learn
- supporting and developing people, teams and organisations
- helping people to make sense of the health and care system.

Our **values** underpin the work we do:

We are committed to our purpose and independence



We will focus on making the greatest possible impact to achieve our vision of better health and care for all, always contributing from a position of independence.

We act with integrity



We will be honest, bold and challenging, seeking diverse perspectives and experiences, engaging in constructive dialogue and calling out injustice.

We are collaborative and inclusive



We will ensure that everyone feels respected, valued and supported, recognising that we will achieve more by working together and collaborating with others.

We are positive and engaged



We will celebrate success, value learning and promote positive cultures that support people to work at their best.

We strive for excellence



We will strive to produce work of the highest quality, continuously learning to improve everything we do.

Our 2020-24 strategic priorities

Our work spans the breadth of health and care policy and practice, giving us a unique understanding of the strategic context for health and care now and in the future. Within this, we will focus our resources on specific priorities where we believe we can maximise our impact. Working with our staff and people from across the health and care system, we have chosen three areas of focus for the next five years where the opportunity for The King's Fund's skills and resources to improve health and care is greatest, alongside on ongoing focus on our unique position to explain and make sense of the health and care system overall (Foundations of health and care).



Steered by the priorities set out in our strategic plan, our 2020 operational plan set out our objectives for the year.

Our impact

It can be challenging for an organisation that is not directly involved in service delivery or policy-making to measure its impact. Nevertheless, we are committed to evaluating and reporting on our impact. We use several levers to bring about change.

- We explain policy and make sense of the health and care system to support people working in and with the system.
- We shine a light on issues where change is needed through our research and analysis, prompting and informing policy change locally and nationally.
- We offer new thinking, sharing ideas and examples to inform and inspire the future of health and care.
- We work directly with people, teams and organisations to help them develop more effective ways of working and grow the leadership capabilities they need.
- We bring together people with different backgrounds, experiences and perspectives through our events, programmes and networks, using our building to provide safe and stimulating spaces where people can learn and build relationships.
- We advise, support and challenge local and national leaders, applying our thinking, knowledge and understanding to the issues they are facing.

In the next section, we outline our achievements during 2020 and how we have used these levers to deliver impact through our work.

Achievements

In this section, we describe our achievements in 2020 under our four main work programmes. 2020 was a highly unusual year for the health and care system, and the Covid-19 pandemic meant we needed to change many of our plans for year – both to ensure we added the most value to the system when it has been dealing with Covid-19, and to recognise changes in how the system could engage with our work. In some cases that means that the programme priorities we set out in last year's Annual Report were amended. What follows is a summary of the work we have undertaken in each of our four programmes, including work that was directly relevant to the Covid-19 challenge. We outline our plans for 2021 on pages 16 to 19.

Healthier places and communities

What we said in our strategy

Health and wellbeing are profoundly influenced by what happens in places and communities and by how the services operating in a place interconnect. Health and care organisations, local government and other local agencies need to work more closely together, co-ordinating the services they deliver to people. They also need to work in partnership with citizens and communities, and harness the vital contribution of the voluntary and community sector (VCS). These principles are at the heart of a population health approach, which aims to improve health outcomes, promote wellbeing and reduce health inequalities across local populations.

The King's Fund has been at the forefront of developing integrated care, population health and place-based working, building the evidence base, influencing policy and supporting local implementation. We will build on this work, bringing together our unique combination of skills and expertise in policy and leadership development to shape healthier places and communities. We will help those working to improve health and wellbeing in the places in which they live and work by supporting them to collaborate across different organisations, and to draw on the diversity and strengths of their communities.

Our work in this area includes:

- supporting local organisations and communities to work together to improve health and wellbeing
- helping people in the health and care system to develop the relational skills needed to work collectively across organisational boundaries
- ensuring the role of local government, the VCS, and patients and users in improving health and care is fully recognised and harnessed
- understanding the role that digital technologies play in joining up services and giving people greater control over their health and wellbeing
- influencing policy and legislation to support the development of closer partnership-working locally and remove the barriers that can prevent this from happening.

Our work in 2020

We have undertaken work to support the integration of services and the development of place-based partnerships of care. This includes research on place-based partnerships for NHS England, which informed their proposals for legislation, and research into **the progress of London's integrated care systems** (ICSs) for the Greater London Authority (GLA). We hosted a **virtual conference on ICSs**, which was our most popular of the year. We have also provided organisational development (OD) support to a range of different ICS senior teams. We also started a project for NHS England, due to complete in 2021, on how to measure the impact of integration on patient experience.

On support for new primary care networks (PCNs), we published work jointly with the Centre for Mental Health on the gaps and opportunities for **mental health services in PCNs**. We undertook two rapid research projects for the Department of Health and Social Care on the impact of Covid-19 on digital delivery in primary care – on patients' experience of digital delivery, and on the impact of Covid-19 on **how the primary care team worked together**. We also designed and delivered six leadership programmes for PCN clinical directors across the country. The knowledge and experience gained from this work has been used to inform other related pieces of work across the Fund.

On public health, we started a new project, funded by The Health Foundation, on the **experience of directors of public health in leading through Covid-19**. This is a 12-month project, following the same cohort of directors through their leadership journey, that will result in a report in 2021. We ran the next cohort of our **Leadership for population health** programme and held a virtual **population health global summit**, in partnership with NHS England. We have also continued to provide on-site (and virtual) population health development programmes in a range of different places including Oldham and London. The knowledge and experience gained from working with these senior managers and clinicians has informed our understanding of policy implementation.

Tackling the worst health outcomes

What we said in our strategy

It is well known that some groups in the population have significantly poorer health outcomes and worse experiences of using health and care services than others. Tackling this injustice requires broad-based action involving many different organisations and sectors. While much of this depends on addressing the wider determinants of health that lie beyond the reach of the health and care system, the system does have a critical role to play to improve the services it provides to those at greatest risk of poor health and to maximise its contribution to reducing health inequalities by working in partnership with other sectors and services.

Our work on population health has argued that national government should aim to reduce health inequalities in England to the levels seen in the countries with the most equitable health outcomes. To contribute towards this, our work over the next five years will place a greater emphasis on improving health and care for people with the worst health outcomes and experiences of services. We will put population health at the heart of what we do and support the health and care system to work in partnership with others to do all it can to achieve better health for all.

Our work in this area includes:

- understanding the lived experience of those with poorer health outcomes to influence improvements in health and care services for them
- promoting changes to health and care policy and practice that help to improve outcomes for those at greatest risk of poor health
- working with national and local leaders to address barriers faced by people with the worst health outcomes and develop inclusive policies and health and care services that respond to their needs
- exploring the reach, potential and impact of digital technologies in health and care for people in the poorest health
- supporting health and care services to work in partnership with other sectors and services to improve health and wellbeing for people at greatest risk of poor health.

Our work in 2020

In January, we joined forces with The National Lottery Community Fund (TNLCF) to launch **Healthy communities together**, a new initiative to support partnership-working between the VCS, the NHS and local authorities. The programme will see six areas of England benefit from £3 million in grant funding from TNLCF and £850,000 of leadership development support from the Fund to help them develop new partnerships to improve health and wellbeing and tackle health inequalities in their local communities.

People who sleep rough have complex health and care needs and very poor health outcomes. We published a report on delivering **health and care services for people who sleep rough**, based on independent research undertaken with the Centre for Housing Policy at the University of York. This was supplemented by ten prompts for local leaders to support them in improving health and care services for people who sleep rough.

The Covid-19 pandemic has exacerbated health inequalities. Deprived communities and ethnic minority groups have experienced higher infection and mortality rates and have been disproportionately affected by the economic impact of the pandemic. We have drawn attention to these issues through our analysis and commentary which has included publishing long reads on **deaths from Covid-19** and **declining life expectancy in the UK**.

Other work delivered as part of this programme included an [explainer on health inequalities](#), online events on developing [community-based support for people with learning disabilities](#) and [personalising digital tools for this group](#), and podcasts on the [health of prisoners](#) and [Covid-19, racism and the roots of health inequality](#). We also made the case for improving the quality of data collected about the ethnicity of people using the health and care system, including mandatory [recording of ethnicity on death certificates](#), a requirement the government has now acted on.

As this is a new programme of work for the Fund, we also spent some of 2020 defining our approach and scoping work that will be delivered in 2021 and beyond. We will continue to learn as we go, building our understanding and developing the focus of our work, including our approach to working with people with lived experience.

Supporting people and leaders

What we said in our strategy

The workforce crisis in health and care poses the single greatest risk to access to and quality of care. Addressing staff shortages will require a transformation in the way care is delivered and the development of new roles and capabilities. It will also mean making health and care organisations better places to work, creating supportive, inclusive cultures and addressing the unacceptable levels of stress, bullying and discrimination that currently exist.

We will work alongside health and care leaders to ensure there are enough people with the right skills to deliver high-quality, person-centred care, now and in the future. We will support those working in health and care to develop collective, compassionate and inclusive leadership, promoting staff wellbeing and enabling individuals and teams to work at their best. This will build on our previous work examining the health and care workforce, extending our focus to community-based support – including those working in primary and community services, social care services, the VCS, volunteers and others – and combining it with our expertise around leadership and culture. As part of this, we will explore the role digital technologies can play in supporting people working in health and care, and the changes needed to ensure the workforce is equipped for a digital future.

Our work in this area includes:

- understanding staff shortages, the driving forces behind them and how they can be addressed
- promoting a whole-system view of the workforce for health and care, realising the full contribution that can be made by people using services, volunteers and others
- supporting people working in health and care to embed collective, compassionate and inclusive leadership practices and create enabling, supportive organisational cultures
- supporting leaders, organisations and systems to deliver the transformational changes needed across health and care
- providing evidence and insights to enable people working in health and care to make best use of digital technologies.

Our work in 2020

As the pandemic placed unprecedented demands on health and care leaders, we developed a range of practical resources through our **Leading through Covid-19** initiative, using a diverse range of voices and accessible formats to provide support on a wide range of issues during the year. We also held a virtual conference over four days in November focused on **looking beyond the pandemic to transform work and cultures**.

We delivered a range of support to people and leaders including our open programmes for individuals, leadership and organisational development provided directly to teams, organisations and systems, and our programme of conferences and events. The pandemic meant that we had to redesign much of this work so it could be delivered virtually. Despite the continued uncertainty throughout the year and the pressures on the health and care system, we saw increased enquiries for places on our programmes in the latter half of the year and continued to receive requests for commissioned work.

We delivered a range of leadership support to the VCS including **GSK IMPACT Awards winners** and members of our Cascading leadership programme.

We published research on **workforce race inequalities and inclusion in the NHS** drawing on the experiences and reflections of those involved in three case studies and offering key learning on creating fairer workplaces. We also worked with chief executives and NHS organisations across London on the leading for race equality project.

We published *The courage of compassion*, a research report commissioned by the RCN Foundation which explored the causes and consequences of poor mental health and wellbeing among nurses and midwives, and good practice in tackling these issues. The research involved interviews with nursing and midwifery staff across the UK. It generated significant media coverage and follow-up work is under way with a range of stakeholders and clients. We held an online event on the key issues with the RCN Foundation which attracted more than 4,000 registrations.

We provided written and oral evidence to the Health and Social Care Committee Inquiry into workforce burnout and resilience in the NHS and social care drawing on recent work of the Fund and national and international evidence.

We worked with Health Education Improvement Wales to co-design its national offer to senior leaders across the NHS in Wales as it adopted a new national leadership strategy designed to promote compassionate leadership behaviours. We continued to work with colleagues at NHS England and NHS Improvement on the implementation of the NHS People Plan 2020/21 and also with a range of professional bodies in the development of wellbeing support for NHS staff and on the planning for recovery after Covid-19.

Foundations of health and care

What we said in our strategy

Our broad knowledge of the health and care system and the relationships we hold across the system form the foundation of our work. We will continue to provide independent analysis, explain key issues and respond to developments across the breadth of health and care, making sense of a complex and changing landscape. This will include using our independence to speak truth to power and challenge vested interests.

Our work in this area includes:

- providing independent analysis, commentary and research to explain and influence improvements to the way the health and care system is structured and funded
- shaping and influencing external debate on important topical issues that have a profound impact on the health and care system
- tracking, explaining and responding to significant new developments in health and care policy
- making sense of the overarching health and care system for people who work within it or need to understand it.

Our work in 2020

Our work in response to the Covid-19 pandemic included an analysis of [the impact of the virus on the key challenges facing social care](#), an explainer on the [government's approach to Covid-19 testing](#) and a [joint letter](#) with the Nuffield Trust and The Health Foundation to the Health and Social Care Committee on Covid-19's impact on core health and care services. Looking beyond the pandemic, we published [The road to renewal](#) which argued that the long-term response to the crisis must bring about change and renewal to create a better, fairer health and care system, as well as meet the immediate challenge of restoring services.

We published a long read on [how to reform the NHS financial system](#), a briefing on the [role of taxation and regulation in promoting better health](#), and [an independent assessment of the coalition government's public health reforms](#), commissioned by the Local Government Association. In partnership with the Nuffield Trust, we published the [findings from the 2019 British Social Attitudes survey](#) on public satisfaction with the NHS. We published our second annual [Social care 360](#) review of the key trends in adult social care and a [quarterly monitoring report on NHS finances and performance](#) (the other reports were postponed due to the pandemic). We also published a long read assessing the [progress made on health and care during the government's first 100 days](#) in office.

We published a wide range of sensemaking content during 2020. This included explainers on [financial debts and loans in the NHS](#), the [new GP contract](#), [access to medicines in the English NHS](#) and [community pharmacy](#). We also updated other salient content including our explainers on [critical care services](#) and [hospital bed numbers](#), as well as our popular long read on [eight technologies that will change health and care](#).

We ran three modules of our [The NHS explained online course](#) and held two [Health and care explained events](#), where our policy experts discuss how the system works and how it is changing. Other events held during 2020 that contributed to this area of our work included a [conference on improving patient flow](#) in hospitals, a virtual conference held over four days to discuss the impact of the pandemic on the use of [digital technology in health and care](#), and online events on [using data and analytics to underpin better health and care](#), [understanding how patients access medicines](#), and [tackling cyber-threats in health and care](#).

We provided briefings for MPs and peers during the parliamentary passage of the NHS Funding Bill and gave oral evidence to the Health and Social Care Committee's inquiry into the delivery of core NHS and social care services during the pandemic, the House of Lords Public Services Committee's inquiry into the lessons for public services from coronavirus, and the House of Lords Covid-19 Committee's inquiry into the long-term impact on wellbeing of living online. We also held learning sessions for staff from Health and Social Care Committee, members of the Number 10/Treasury Taskforce on Health and Social Care and staff from the Department for Health and Social Care.

Internal change

In addition to our external-facing work, we aim to continuously build on and improve the way we work as an organisation.

Our work in 2020

2020 was intended to be a year of transition in terms of implementing our new strategy. Working during a global pandemic has added an extra level of complexity. Despite this, we have made progress in changing the way we work to deliver our priorities. We are developing our approach to planning so that we can be more agile, learn and make changes as we go to respond to the uncertainty in the external environment.

The Fund's internal organisational development programme focuses on continually improving our culture and the way we do things to live up to our values and become the best organisation that we can be. We have made good progress, particularly in our work to become a more diverse and inclusive organisation (see page 20).

Organisational development has been focused on adapting to the unexpected challenges of working from home during a year of extreme anxiety and uncertainty. The emphasis has been on communication, connection and compassion to support the wellbeing of our staff. It has been a year of learning as we've navigated many new challenges.

Plans for 2021

Our 2020-24 strategy

2021 will be a year of continuity and change for the Fund. Continuity because we remain committed to the priorities we set out in our strategy. Change because being able to deliver on these priorities depends on securing more income, changing the way we work and developing new ways of delivering our products and services. In this section, we describe what our programmes are aiming to achieve in 2021 and some of the work we hope to do under each one. Some of this work will depend on whether we can secure funding for it, so this section should be seen as a guide to our plans for the year rather than a definitive outline of our work programme.

Healthier places and communities

Our work within this programme in 2021 will aim to support local places in the process of recovering from the impact of the pandemic. 2021 will also be a critical year in the ongoing development of place-based system-working in health and care, with the implementation of ICSs across all areas of England from April and potential legislative changes to reinforce this new way of working. Specific commitments in 2021 include the following.

- Research examining the role of local place-based partnerships within ICSs.
- Ongoing support to leaders working in ICSs, integrated care partnerships and PCNs through our leadership courses, consultancy work and events.
- Innovative thinking on the role of communities, including a study looking at community resilience during the pandemic and a major conference.
- Working with NHS England and NHS Improvement to develop local measures of integration that draw on the perspectives of patients and service users.
- Research on the role of public health teams in responding to the Covid-19 pandemic and mitigating the longer-term impacts on local communities.

Tackling the worst health outcomes

The toll taken by the pandemic and its economic impact on disadvantaged communities has strengthened the imperative for reducing inequalities. There are already signs of a greater focus on this within the health and care system, while the government's levelling-up agenda may provide further impetus. We will look to use this context to focus attention on people with the worst health outcomes. As a new programme, we will continue to build our understanding and develop the focus of our work. This will include developing our approach to working with people with lived experience, ensuring that this is at the heart of our work. In 2021, our commitments will include the following.

- Research into placed-based approaches to addressing health inequalities.
- Support, through the Healthy communities together programme, for local areas to develop effective and sustainable partnerships between the VCS, NHS and local authorities.
- Research exploring the risk that increasing reliance on digital technologies could disadvantage different groups and how to minimise the risks of this.
- Research about the impact of the pandemic on disabled people's access to health and wellbeing support.
- Publishing timely, topical sensemaking work, including a briefing on obesity and deprivation.

Supporting people and leaders

As the health and care system emerges from the pandemic, the need to support its people and leaders will be more important than ever. We will continue to work alongside leaders in all parts of the system to build supportive, inclusive cultures that enable health and care staff to work at their best. We will do this through our open programmes, leadership and organisational development work and events. This will include supporting VCS leaders through the GSK IMPACT Awards and Cascading leadership programme. In addition to these our commitments for 2021 include the following.

- Supporting the practice of compassionate and inclusive leadership across systems through a new online offer using the FutureLearn platform and sensemaking content.
- Publishing research on social care leadership.
- Supporting the development of system leadership by developing a new support offer for ICS workforce leads.
- Exploring the changes needed to help organisations and leaders operate effectively in an environment that blends digital and non-digital approaches to service delivery.

Foundations of health and care

As the health and care system emerges from the Covid-19 pandemic, attention will turn to the recovery and plans to reform services. A busy agenda is already emerging with the government having published a White Paper on the future of health and care to be followed by legislation, reforms to the public health system already under way and a potential debate about social care reform. In 2021, our commitments include the following.

- Understanding emerging issues and new areas of interest, including access to medicines and the resilience of the supply chains that support the health and care system.
- Work to influence and inform the debates on the NHS White Paper and forthcoming legislation, plans to reform the public health system and the commitment to reform social care funding.
- Providing new thinking about how the social care market could be reformed through a project with the REAL Centre at the Health Foundation and how government reforms to the public health system are being implemented in practice.
- Continuing our work to support our audiences to make sense of the overarching health and care system, including our highly successful Health and care explained conferences, our online NHS explained course and our Social care 360 report on the key trends in the adult social care sector in England.

Internal change

We are embarking on a significant programme of cultural change to enable us to fulfil the ambitions in our strategy and respond to the impact of Covid-19 on our work. Our 2021 commitments include the following.

- We will set out a new vision for the use of our building; develop our approach to securing new sources of income; and focus on improving our understanding of our costs.
- We will develop our approach to hybrid working to support staff in working more from home while continuing to meet our business needs; develop our use of digital technology in delivering our work; and continue to focus on improving our business systems.
- We will continue to improve our culture by developing as a learning organisation, strengthen our commitment to diversity and inclusion, and focus on the wellbeing of our staff.

Our commitment to diversity and inclusion

The King's Fund is strongly committed to becoming a more diverse and inclusive organisation. As part of a wide-ranging programme of work on diversity and inclusion, we have committed to publishing progress against targets we have set to increase diversity among our senior decision-makers and to publish data on the diversity of our staff.

Senior decision-makers

For these purposes, we are currently focusing on gender and ethnicity. The targets we committed to are:

- 50/50 gender balance among senior decision-makers¹, the Board and committees, and our General Advisory Council by the end of 2020
- across the same groups, 20 per cent to be from Black and ethnic minority backgrounds by 2022
- no all-male committees.

The position at the end of 2020 is set out below.

	Target	Decision-makers (39)	Board and committees (16)	General Advisory Council (25)
Male	50%	51% (20)	69% (11)	48% (12)
Female	50% (2020)	49% (19)	31% (5)	52% (13)
Black and ethnic minority background	20% (2022)	10% (4)	13% (2)	24% (6)

We were close to being on target for gender diversity among our senior decision-makers but missed it more substantially among the Board and committees. We met the gender diversity target for our General Advisory Council. One of our committees (the Investment Committee) remains all male.

We have until 2022 to meet our targets for ethnic diversity but have some distance to go for senior decision-makers and the Board and committees.

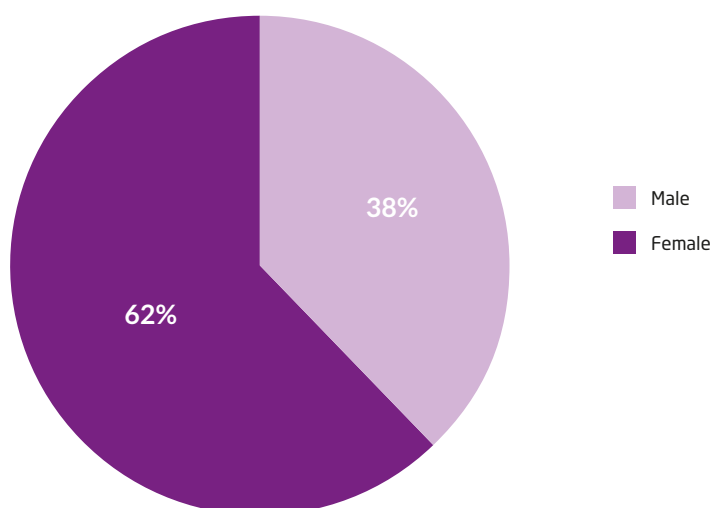
¹ The senior decision-makers group comprises Trustees, committee members, directors and 17 other senior staff.

We have made good progress on diversity and inclusion in recent years and introduced a number of changes to encourage greater diversity in our selection process. However, it is clear that we have more work to do, in particular to increase female representation on our Board and committees and, if we are to meet our 2022 targets, to increase ethnic diversity among our senior decision-makers. We will review our approach to these targets during 2021. In the meantime, we are redoubling our efforts to increase diversity when we recruit new staff, Trustees and committee members.

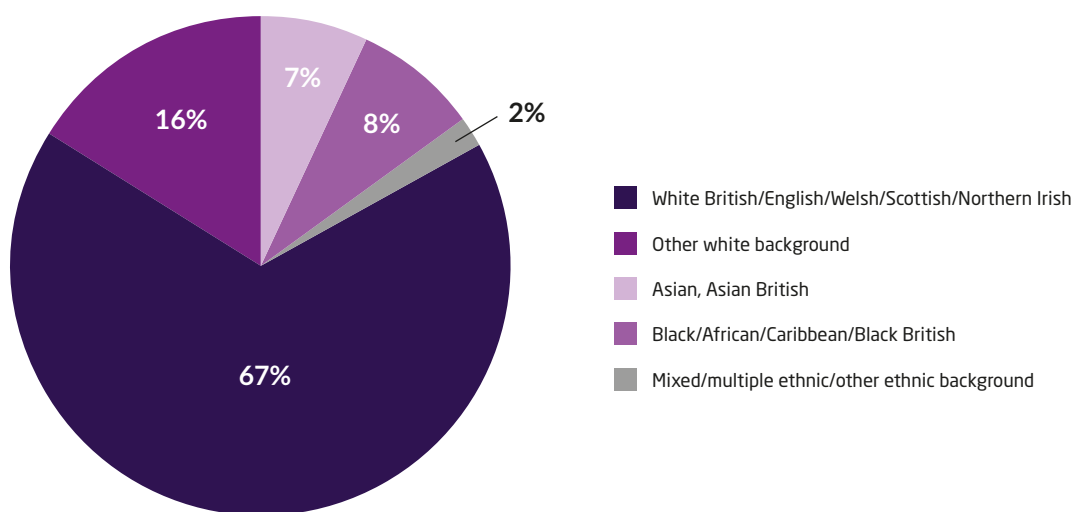
Our staff

During 2020, we collected data from our staff to enable us to track the diversity of the organisation over time. 121 of 132 (92 per cent) of staff submitted their data, giving us a near complete picture of the diversity of our staff.

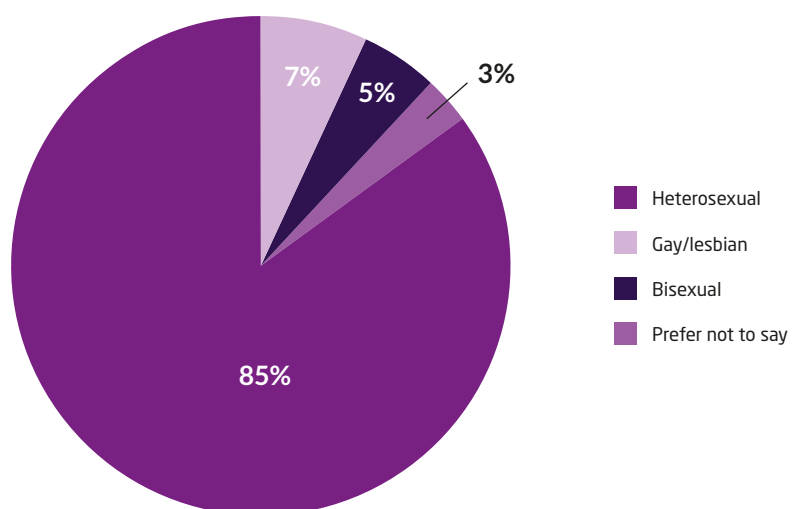
Characteristics of staff at The King's Fund: gender



Characteristics of staff at The King's Fund: ethnicity



Characteristics of staff at The King's Fund: sexual orientation



Our diversity and inclusion work programme

The targets we have set are part of a wide-ranging programme of work to support our commitment to diversity and inclusion. This work has included:

- launching a diversity mentoring scheme which sees senior leaders mentored by members of staff from different backgrounds
- implementing changes to our recruitment and selection processes
- creating intern roles aimed at attracting people from under-represented groups
- establishing a helpline to enable colleagues to raise concerns about the behaviour of colleagues or negative experiences at the Fund
- making a number of commitments to address anti-Black racism in response to Black Lives Matter
- establishing staff networks for Black and LGBT+ colleagues.

Our commitment to diversity and inclusion is also reflected in our external work programme. For example, in 2020, we published research into workforce race inequalities in NHS providers and worked with senior leaders and NHS organisations across London on leading for race equality (see page 12).

In 2021, we will continue this work with a particular focus on Black representation and equality, recruiting for diversity, developing our approach to allyship and promoting diverse voices in our work.

Financial review

Review of income and expenditure for the year ended 31 December 2020

Total income for the year amounted to £8.3 million (£12.0 million in 2019), of which £3.7 million (£5.0 million in 2019) was generated from charitable activities and £4.6 million (£7.0 million in 2019) was derived from other sources, namely investments, donations and legacies and other trading activities.

Income was adversely affected from March 2020 due to Covid-19. Social distancing and building closure reduced the income we could generate from conference and catering (running our Venue) to £0.5 million (£2.5 million in 2019). We also had reduced income from bringing people together (our Events programme), developing individuals, teams and organisations (our Leadership and Organisational Development work) and tenancies. As the year progressed the overall impact on charitable income was mitigated by Events and Leadership and Organisational Development work moving online and increasing the income from Research and Analysis. Investment income remained relatively stable, with decreases in the investment portfolio income being compensated for by there being a full year of rental income for the Dean's Mews development.

Costs were managed tightly in 2020, with decisions to reduce recruitment and discretionary expenditure to minimise the additional withdrawal from the endowment. Total expenditure of the Fund in 2020 was £14.3 million (£16.5 million in 2019).

Expenditure on charitable activities remained stable at £12.5 million (£12.8 million in 2019). Expenditure on other trading activities reduced to £1.2 million (£3.1 million in 2019) as a result of the impact of Covid-19 on income-generating activities.

The average number of staff employed by the Fund during the year was 143, an increase of 4 from 2019. This was primarily due to an increase in fixed-term staff recruited for maternity cover. Total staff costs before final salary pension adjustments during the year were £9.7 million, an increase of 0.3 per cent compared with 2019. Further analysis is shown in note 9 to the accounts.

The Fund's operating deficit for the year was £6.0 million, increased from the £4.4 million operating deficit in 2019 as a result of the impacts of Covid-19 described above. We budget for operating deficits which are set at a level with a view to maintaining the long-term value of the investment capital in real terms. The withdrawal in 2020 exceeded our budget because of the impact of Covid-19 and we plan to reduce the drawdowns in future years to compensate for this. Net gains on investments during the year were £6.6 million, (£16.9 million in 2019). Further details on investment performance are set out below.

Net assets at 31 December 2020

The Fund's consolidated net assets at 31 December 2020 were £206.6 million. This represents a decrease of £5.5 million (2.6 per cent) compared with the net assets at 31 December 2019. The decrease is due to the Fund's net income during 2020 of £0.7 million (comprising the net gain on investments of £6.6 million less the operating deficit of £6.0 million) and the actuarial loss of £6.2 million on the defined benefit pension scheme.

Net assets at 31 December 2020 comprise fixed assets of £217.9 million, net current liabilities of £0.9 million and a defined benefit pension scheme liability of £10.5 million. Fixed assets comprise tangible fixed assets of £54.0 million, intangible fixed assets of £0.1 million and fixed-asset investments of £163.8 million.

During the year, the book value of tangible fixed assets decreased by £0.8 million due to depreciation of £1.0 million exceeding capital expenditure of £0.2 million. The main items of capital spend during the year were laptops and network equipment.

The intangible fixed assets book value decreased by £0.1 million due to depreciation of £0.1 million and no capital expenditure.

The value of fixed-asset investments increased during the year by £2.6 million. This is due to £4.0 million of capital being withdrawn during the year to cover the Fund's cashflow needs, offset by net valuation gains of £6.6 million as set out in note 13 to the accounts.

Investment performance

The strategic allocation and the actual allocation at the end of the financial year are shown below.

Asset class	Strategic allocation %	Minimum %	Maximum %	Actual allocation % 2020	Actual allocation % 2019
Cash	0			2.4	0.5
Government bonds	5			2.7	4.7
Corporate bonds	5			3.5	4.7
Total cash and bonds	10	8	13	8.6	9.9
UK equities	30	26	34	25.5*	28.8
Overseas equities	30	26	34	31.2	29.2
Emerging market equities	15	12	18	16.4	14.4
Private equity	0	0	5	2.0	2.0
Total equities	75	72	77	75.1	74.4
Property	15	12	18	16.3	15.7
Total alternatives	15	12	18	16.3	17.7
TOTAL	100			100.0	100.0

* The portfolio was very marginally outside the minimum range for UK equities due to the relatively weaker UK market performance in 2020 and this will be redressed in the first quarter of 2021.

The value of the Fund's total investments at 31 December 2020, comprising publicly quoted equity and bonds, private equity and property, was £163.8 million (£161.1 million in 2019). These investments produced income, net of investment management fees, of £2.2 million during the year and this income, together with £4.2 million of investment capital, was withdrawn during the year to cover the Fund's cashflow needs. After allowing for these withdrawals, the investments generated a total gain of £6.6 million (4.1 per cent, which is above the Fund's long-term objective as set out in the Financial strategy and reserves section below).

Donations and legacies

The Fund gratefully acknowledges donations and/or legacies received from the following during the past year: Her Majesty The Queen, D and KL Welbourne, D Emerson and anonymous donors.

Financial strategy and reserves

The Fund's financial strategy is guided by its policies on expenditure, reserves and investments. The Fund's policy on expenditure is to ensure that it has sufficient resources to meet its charitable objectives over the medium term. The Fund generates money from a variety of activities that support or are complementary to its core purpose and make best use of its assets. As the money the Fund generates is insufficient to cover its total expenditure, a proportion is drawn from investment capital. In agreeing the level of resources, Trustees are mindful of their responsibility for the stewardship of the Fund's long-term mission. Trustees take a risk-based approach, which aims to balance the Fund's ambition in meeting its charitable objectives; its ability to generate income; and its capacity to spend from investments, now and in the future.

The Fund's total reserves at 31 December 2020 were £206.6 million. As set out in note 18 to the accounts, £137.2 million of this represents the expendable endowment (all of which is included in fixed-asset investments), restricted funds have a deficit of £25,000 (a deficit of £1,000 in 2019) and the remaining £69.4 million represents unrestricted funds, £54.0 million of which could only be realised by disposing of fixed assets that are currently used by the Fund in its activities.

The Fund's policy on reserves is based on recognising the long-term nature of its work and the continuing need for financial support. The expendable endowment, restricted funds and the unrestricted reserves are managed as a pooled investment with the intention of providing financial support today and for the foreseeable future. After taking into account the reserves set aside to match the £10.5 million deficit on the defined benefit pension scheme, the Trustees consider reserves to be at an appropriate level.

The Fund's policy on investments is to take a long-term approach, investing globally across a range of assets with the intention of preserving its value in real terms after allowing for expenditure. As a charity committed to improving health we do not have any direct or indirect investments in the tobacco industry.

The Fund's investment strategy is to manage the portfolio based on a total return, ie, income and capital combined. The Fund has an asset allocation that is geared towards equities because of their higher expected returns in the long term, while maintaining an appropriate level of liquidity to meet expenditure commitments in the near future. The reference date for the purpose of assessing the real value of the investments is 1 October 2019. Trustees review the amount that they spend from investments periodically, balancing the expected demand for resources with the likelihood of future investment returns. The Trustees recognise that each year

the Fund will need to withdraw the investment income and some of the investment capital to bridge the gap between its annual income and expenditure, and they set the budget accordingly.

Between 1 October 2019 (the reference date) and 31 December 2019, after income and capital withdrawals the value of the Fund's investments has increased in real terms (above the retail prices index) by £2.4 million.

How the Fund is constituted and governed

Our charitable objects

The King's Fund is incorporated by Royal Charter and is governed by the provisions and byelaws of the Charter. The Charter sets out the charitable objects of the Fund, which are the promotion of health and the alleviation of sickness for the benefit of the public, by working with and for health care organisations, provided that such work will confer benefit, whether directly or indirectly, on health care in London. In this context, 'health care organisations' means those organisations involved in the commissioning, monitoring or supply and provision of health care.

Working for the public benefit

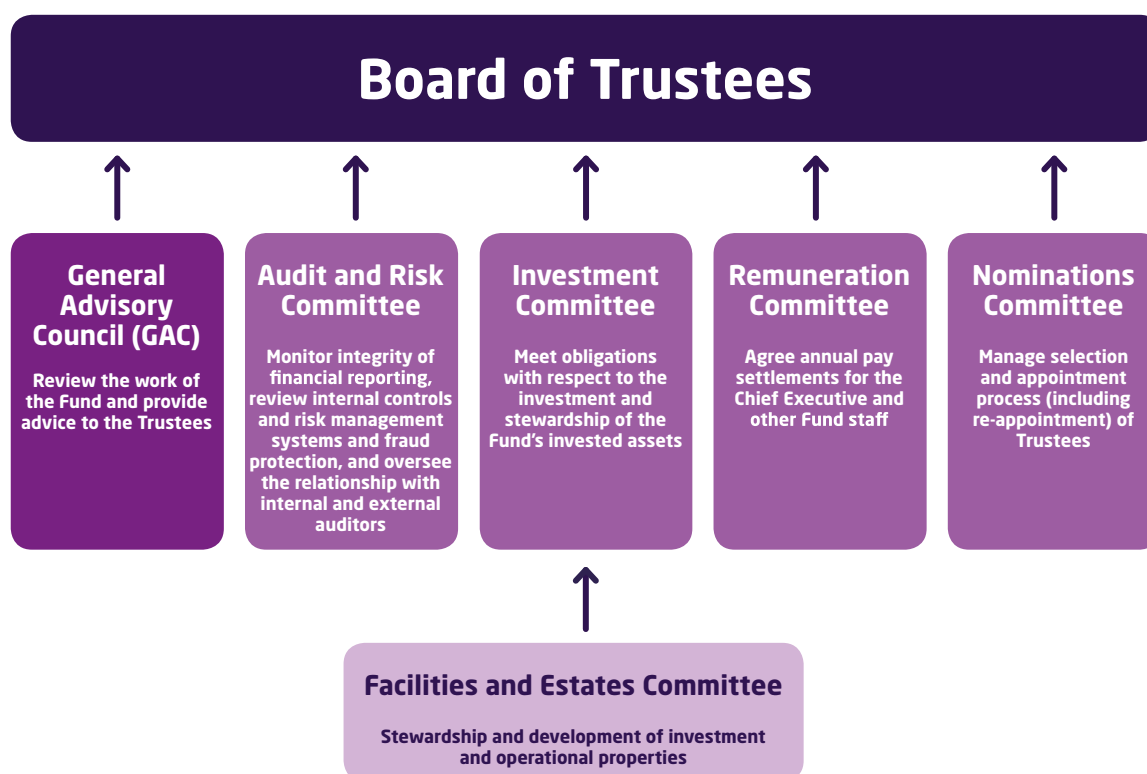
Our vision that the best possible health and care is available to all ensures that we work for the benefit of the public. We aim to deliver our vision and mission through a strategic plan and annual operational plans, which are approved by the Fund's Trustees. In approving these plans, the Trustees are mindful of the Charity Commission's general guidance on public benefit and their duty to ensure the Fund is carrying out its purpose in relation to this. In particular, the Trustees consider how activities will contribute to the aims and objectives they have set.

Governing body and committees

The Board of Trustees meets six times a year to handle business that has not been formally delegated to the Chief Executive and to consider other matters related to the operations of the Fund. One of the meetings is designated the Annual General Meeting, at which the Trustees' Annual Report and Accounts for the preceding year are considered and approved.

The General Council (known as the General Advisory Council or GAC), established in accordance with the Royal Charter meets twice a year. Members act as a source of intelligence on the key issues and challenges in the health system and use their collective expertise to reflect on the Fund's activities and impact. The members of the GAC are appointed by the President on the recommendation of the Chief Executive for a period of up to three years. Details of the current members of the GAC, and those who served during the year, are set out on pages 39–40.

The Board of Trustees has established a number of committees to support it in its work, as outlined below. Non-Trustee members of the Investment Committee (Robert Holmes and John McLaughlin) and the Facilities and Estates Committee (Andy Dole and Anna Rule) bring valuable expertise in the specific areas which these two committees are responsible for.



Trading subsidiary

KEHF Ltd is a wholly owned trading subsidiary of The King's Fund. The principal activities of the company include those that are not the primary purpose of or within the Fund's charitable objectives, including the letting of conference facilities owned by The King's Fund and related catering services, sponsorship for some of the Fund's events and income from corporate partners and supporters. 100 per cent of the taxable profits of KEHF Ltd are paid to The King's Fund, under the gift aid scheme. A list of Directors, who are appointed by The King's Fund, is included on page 40. More information about the trading company is included on page 63 of the financial statements.

Recruitment and appointment of Trustees

Trustees are appointed for an initial term of three years and may be re-appointed for a second term and, exceptionally, a third term. Appointment as a Trustee is open to any suitably qualified member of the public. At the end of 2019, a process for appointing

new Trustees to vacancies on the Board was proposed by the Nominations Committee and approved by Trustees. The vacancies were advertised in the press and on the Fund's website. Staff and Trustees shared the information with their own wide range of networks and several online recruitment platforms were used in order to reach as wide a pool of candidates as possible. The recruitment process was concluded in 2020 with the appointment of Carolyn Wilkins and Mark Britnell in April. In preparation for a second round of recruitment during 2021, when additional vacancies on the Board become available, the Nominations Committee carried out a skills audit and identified a number of gaps, which will be filled during 2021.

Newly appointed Trustees are provided with an induction programme, which sets out the activities of the Fund and their responsibilities as a Trustee. The Chair of Trustees meets with each Trustee annually to review performance in the past year and to discuss the year ahead.

Details of the Fund's current Trustees, and those who served during the year, are set out on page 38.

Board review/evaluation

The Board usually reviews its performance annually at an awayday held in May when Trustees reflect on how well they are fulfilling their duties. They use the principles of leadership, integrity, decision-making, Board effectiveness, diversity, openness and accountability as included in the Charity Governance Code to ensure high standards of governance and to support continuous improvement. Trustees agreed that this could not be done effectively virtually and so did not review Board effectiveness during 2020.

Organisational structure and how decisions are made

The Trustees appoint a Chief Executive, who is responsible for delivery of the strategic direction and management of the Fund. The Chief Executive, together with the Senior Management Team, develops strategy, plans, programmes and policies for the Fund, which the Board approves.

A governance framework for the Chief Executive, setting out the authority delegated to the Chief Executive has been approved by the Board of Trustees and is reviewed every three years and when a new Chief Executive is appointed.

Senior Management Team

The Senior Management Team works within the framework set by the strategic plan and the annual operational plan, which sets out the detailed work programme in different areas of activity. It monitors, reviews and takes action to ensure performance

against strategic goals and on risks and issues escalated by the Portfolio Board and the Operations Committee.

Details of the current members of the Senior Management Team, and those who served during the year, are set out on page 41.

Portfolio Board

New internal governance arrangements were introduced at the start of the year to support and deliver the strategic priorities for 2020–24. A Portfolio Board provides strategic oversight of the Fund's four programmes:

- Supporting people and leaders
- Tackling the worst health outcomes
- Healthier places and communities
- Foundations of health and care.

The Board ensures that a high-impact portfolio of work is developed and delivered.

Operations Committee

The Operations Committee oversees internal projects related to systems, processes or infrastructure in order to help the Fund achieve the greatest impact.

Managing key corporate risks

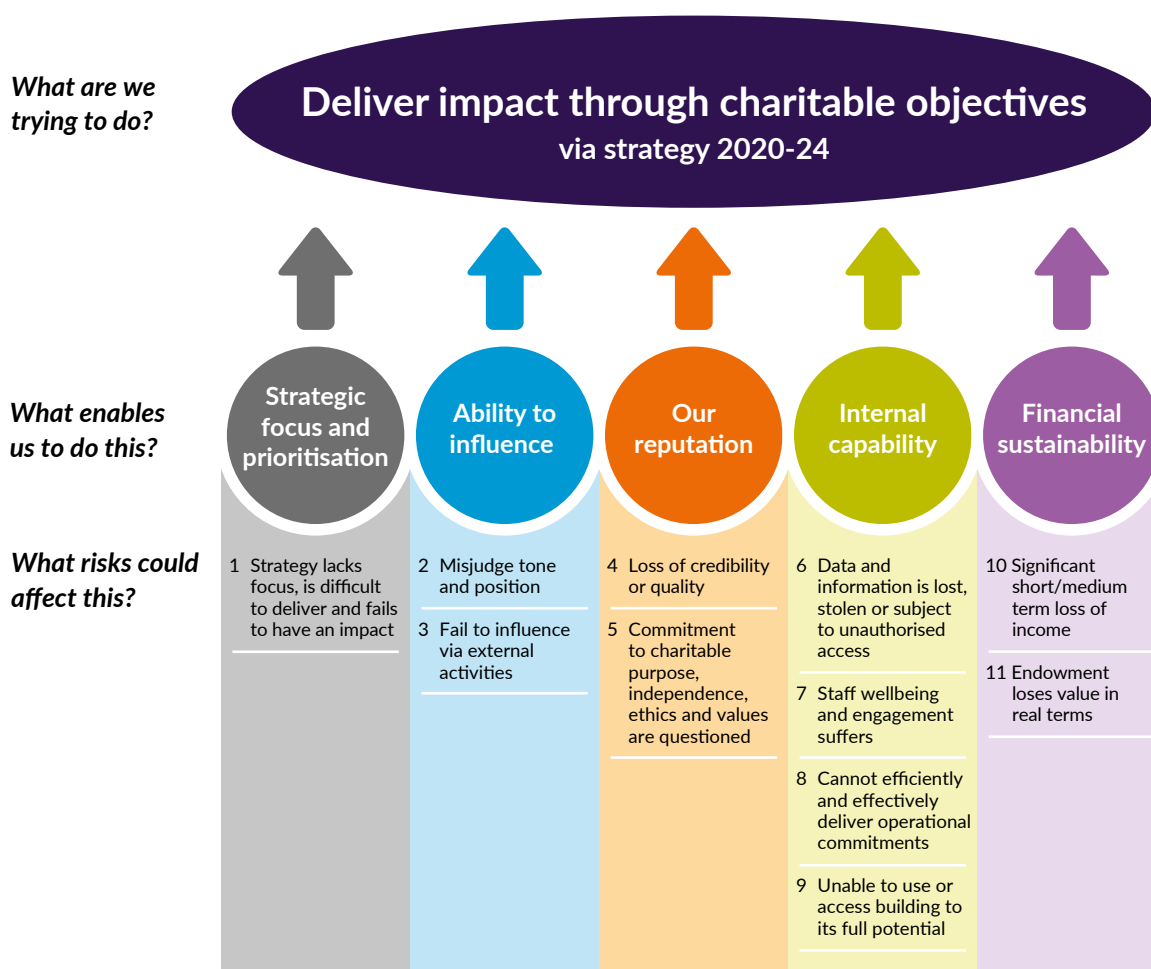
The key corporate risks to the Fund are those that affect the organisation as a whole; they may be influenced by a range of factors including what's happening in the external environment, the nature of activity under way, and planning considerations for the coming year.

The amount and type of risk that the Fund is willing to take in order to meet its strategic objectives is determined by the Trustees and formally reviewed annually. Our approach to risk management aids decision-making as it highlights areas of opportunity and concern, supports understanding and challenge of the risk controls in place and helps to determine how much further effort is required to mitigate key risks in the Fund's risk register.

The Fund applies a process that categorises and scores each risk by considering its cause, likelihood, impact and mitigation. Based on this we determine whether further action needs to be taken. The Trustees are satisfied with the procedures that are in place to review the risks, ratings, controls and action plans to mitigate the Fund's exposure to risk.

In 2020 risks were grouped according to whether their impact was on our strategic focus, ability to influence, reputation, internal capability or our financial sustainability as outlined in the figure below. The impact of Covid-19 on the Fund across all five areas was closely monitored, with activity to identify heightened risk and incorporate this into the corporate risk register, increased frequency of informal updates and increased formal reporting between management and relevant governance bodies. The Fund also developed a specific, standalone plan of action to mitigate the financial impact on the pandemic on the Fund..

Key corporate risks



Management of risk

Risk	Management of risk
Strategic focus and prioritisation	This area of risk was added in 2020 to reflect the fact that this was the first year of delivering against a new strategy. The Fund has sought to maintain the high level of visibility and engagement that staff had during the strategy development process as it has moved into implementation, via ongoing internal comms through various channels. The Fund put in place a revised structure for its internal governance aligned to the new strategy. This includes oversight of its portfolio of programmes as well as developing an approach, decision-making process and roles for programme working.
Ability to influence	The Chief Executive is accountable for all public statements relating to matters of major significance, working closely with directors to agree positioning statements. This is supported via robust discussion and challenge with directors and Trustees and supplemented by intelligence gathered from monitoring the external environment, conversations with national bodies, local service leaders, GAC and competitor/partner organisations, and regular review of web statistics, data from initial impact assessment of outputs, market research and perception research.
Reputation	The Fund keeps up to date with legal and regulatory requirements and recommended practice for charities, making disclosures on its website around income sources, decision-making and maintaining its independence. Policies, contracts and agreements are used to set out the Fund's position and protect its intellectual property, to ensure the quality of the Fund's outputs, address ethical issues, retain editorial independence and recognise the origin of funding. The charity tries to ensure all staff and Trustees understand and adhere to the values, ethics and culture of the organisation. There are also policies and procedures in place to cover areas such as conflicts of interest and whistleblowing.
Internal capability	We invest in building our internal capabilities through supporting learning and development, as well as valuing and practising openness, collaboration and inclusivity. There is a cross-Fund focus on continuous improvement and the development of effective systems, processes and ways of working. The Fund has an information governance function to support it to comply with regulatory and other requirements for managing business information and developing/maintaining information standards in line with best practice. A business continuity plan is in place to ensure that the Fund can continue operating after a major incident or external event (such as Covid-19), even if the building is inaccessible for a prolonged period. The IT infrastructure is designed to maximise resilience and policies and processes are in place to ensure appropriate use and security of data. This is one of the areas in 2020 the Fund deemed most vulnerable to the impact of Covid-19, in terms of: - the effect on staff wellbeing and engagement. The Fund has worked on proactive and transparent internal comms around staff wellbeing, feedback from staff via questionnaire and pulse surveys, the role of line managers and flagging specialist support already in place (ie, staff counsellor), as well as making wellbeing an ongoing internal priority for 2021 - inability to use the building. The Fund has implemented key elements of its Business Continuity plan and developed new mechanisms and channels for formal and informal communication, supported by rapidly rolling out the use of MS Teams to enable the majority of its staff to work remotely.

Risk	Management of risk
Financial sustainability	The Fund's investments are actively managed and reviewed by an Investment Committee, which sets a strategic asset allocation and associated performance benchmark and balance risk against benchmark returns with a diversified portfolio of asset classes. Investment performance is visible to Trustees and senior management in the monthly review of finances. Short- and long-term financial plans are maintained, and progress is monitored regularly by Trustees and the Senior Management Team. Oversight of the defined benefit pension scheme is maintained, and this liability is considered alongside other financial risks. This was the other key area impacted by Covid-19 in 2020, due to loss of income. The Fund agreed a plan to mitigate this with Trustees and has developed a focus on supporting sustainable income generation from a diverse range of sources during 2020 and beyond.

Maintaining our independence

Our independence is important to us. We recognise that to make the impact we seek in health and social care there must be confidence in the objectivity of our research and analysis and the freedom to determine our own priorities.

We protect this independence in a number of ways, as the following examples illustrate.

Our funding

As a charitable foundation, The King's Fund has an expendable endowment, which, together with other funds held for investment, provides the Fund with a valuable source of income. We also obtain funds by withdrawing a portion of the investment capital each year, in line with our financial strategy. In 2020, the charity had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

These sources of funds are not adequate to fund all our activities but guarantee a consistent and completely unrestricted stream of funding. The sources of our other income are set out in the Consolidated Statement of Financial Activities and include charitable activities, trading activities, and donations. The sources of our income from charitable and trading activities are also very diverse: no single organisation contributes a sufficient proportion of income to create a reliance or significant risk to the organisation were it to be withdrawn. This provides further reassurance that our objectivity can be maintained.

Further details of how we are funded can be found on our [website](#).

How we set policy

Our reputation and influence depend in part on the quality and independence of our published work. A description of the arrangements put in place to assure quality and independence can be found on our [website](#). This information details the roles of our Board of Trustees and executive team and the nature of internal and external review at the Fund.

Our partnerships

We maintain partnerships with a range of organisations through our [Corporate Partners and Supporters scheme](#). In order to ensure that these relationships (which provide approx 5 per cent of our total income) do not have any impact on our independence, we have a robust [ethical collaboration policy](#) in place.

Conflicts of interest policy

Trustees, committee members and senior members of staff are required to recognise and deal appropriately with conflicts of interest. We recognise that even the perception that there is a conflict of interest could damage our reputation. Trustees, members of committees established by the Board of Trustees, members of the board of KEHF Ltd, senior members of staff (the Senior Management Team) and any other people as requested by the Trustees complete declarations of interest forms annually. All interests, rather than just those which the person completing the declaration considers relevant, are declared. This avoids the exclusion of any interests which others may perceive to be potential conflicts.

The Fund's Register of all Interests is reported to the Audit and Risk Committee and to the Board of Trustees annually. It is made available to the Fund's auditors and is published on the Fund's website.

Remuneration policy

The King's Fund believes that to attract and retain the calibre of staff we need to deliver our charitable objectives our remuneration policy should provide salaries that are competitive in our sector; be considered fair, equitable and transparent; allow for pay progression over time and deliver arrangements that are sustainable within the available resources.

The Fund operates an incremental pay scale for most of its staff, underpinned by a factors-based job evaluation system. The scale comprises grades from 1 to 8c, each with a minimum and maximum point and normally five incremental points in between.

Salaries are reviewed annually, and the Fund has the option to increase scale points by an agreed percentage. Any such increase takes effect from the following 1 January.

The Board of Trustees has delegated responsibility for determining matters of pay and pay-related benefits to its Remuneration Committee.

The Committee meets routinely in the winter to agree the following year's percentage increase and arrangements for executive pay. In agreeing the pay award, the Committee considers indicators in the wider economy; the levels of award that have been made by organisations the Fund compares itself with; and affordability. At the meeting held in October 2020, the Committee recognised the need to be more prudent than ever and recommended a freeze on the discretionary pay rise for 2021 which Trustees agreed.

Reference and administrative details

Registered office

The King's Fund
11–13 Cavendish Square
London
W1G 0AN

Charity number

1126980

Company number

RC000826

Patron

Her Majesty The Queen

President

His Royal Highness The Prince of Wales

Board of Trustees

The Trustees who served during the year and since the year end were:

Dr Mark Britnell [from April 2020]

Dame Ruth Carnall

Dr Jane Collins

Dominic Dodd

Simon Fraser

Rt Hon Professor Lord Kakkar (Chair) [from 1 January 2020]

Dr Aseem Malhotra

Sir Jonathan Michael [to March 2021]

Rt Hon Jacqui Smith

Dr Carolyn Wilkins OBE [from April 2020]

Sub Committees

The committee members serving during the year and since the year end were:

Investment Committee

Simon Fraser (Chair)

Robert Holmes

Rt Hon Professor Lord Kakkar

John McLaughlin

Max Ward [to November 2020]

Remuneration Committee

Dame Ruth Carnall (Chair)

Simon Fraser

Rt Hon Professor Lord Kakkar

Sir Jonathan Michael [to March 2021]

Nominations Committee

Dame Ruth Carnall

Simon Fraser

Rt Hon Professor Lord Kakkar

Sir Jonathan Michael [to March 2021]

Audit and Risk Committee

Dr Jane Collins

Dominic Dodd (Chair) [from April 2021]

Sir Jonathan Michael (Chair) [to March 2021]

Facilities and Estates Committee (sub-committee of the Investment Committee)

Robin Chute [to November 2020]

Andy Doyle

Simon Fraser (Chair)

Rt Hon Professor Lord Kakkar

Anna Rule

General Council

The members serving during the year and since the year end are:

Dr Kamran Abbasi – Executive Editor, *The BMJ*

Lord Victor Adebawale CBE – Chief Executive, Turning Point

Samantha Allen – Chief Executive, Sussex Partnership NHS Foundation Trust
[from March 2020]

Professor Kate Arden – Director of Public Health, Wigan Metropolitan Borough
Council [from March 2020]

Samira Ben Omar – Head of Engagement and Partnerships, North West London
Collaboration of Clinical Commissioning Groups [from February 2021]

Kay Boycott – Former Chief Executive, Asthma UK and British Lung Foundation

Stephen Chandler – Corporate Director for Adult Services, Oxfordshire County Council [from March 2020]

Emma Colyer MBE – Chief Executive, Body and Soul [to December 2020]

Professor Yvonne Doyle CB – Regional Director, Public Health England

Dr Navina Evans – Chief Executive, Health Education England

Hannah Farrar – Chief Executive, Carnall Farrar

Ceinwen Giles – Director, Shine Cancer Support

Dr Nick Harding OBE – Chair, Sandwell and West Birmingham Clinical

Commissioning Group

Jatinder Harchowal MBE – Chief Pharmacist/Head of Quality Improvement, The Royal Marsden NHS Foundation Trust [from February 2021]

Angela Helleur – Chief Nurse, Lewisham and Greenwich NHS Foundation Trust [from March 2020]

John James OBE – Chief Executive, Sickle Cell Society [from February 2021]

Fatima Khan-Shah – Executive Lead, Unpaid Carers Programme, West Yorkshire and Harrogate Health and Care Partnership [from March 2020]

Dr Nikita Kanani – Acting Director of Primary Care, NHS England

Sir Ron Kerr CBE – Senior Adviser to the Board, Guy's & St Thomas' NHS Foundation Trust [to December 2020]

Lord Kerslake – House of Lords [to December 2020]

Jonathan McShane – Chair, Terrence Higgins Trust [from March 2020]

Professor Nicholas Mays – Professor of Health Policy, London School of Hygiene and Tropical Medicine

Ben Page – Chief Executive, Ipsos MORI

Sarah Pickup OBE – Deputy Chief Executive, Local Government Association

Charlotte Ramsden – Strategic Director for Children and Adult Services, Salford City Council

Martin Reeves – Chief Executive, Coventry City Council

Jeremy Taylor – Former Chief Executive, National Voices and patient champion [to December 2020]

Hardev Virdee – Group Chief Financial Officer, Barts NHS Foundation Trust

KEHF Ltd Board of Directors

Dominic Dodd [from April 2021]

Simon Fraser

Sir Jonathan Michael [to March 2021]

Richard Murray

Anna Rule

Matthew Tolchard

Senior Management Team

Chief Executive – Richard Murray

Director of Policy – Sally Warren

Director of Finance and Operations – Paul Clough

Director of Leadership and Organisational Development – Suzie Bailey

Director of Communications and Information – Patrick South

Director of HR – Shirley Collier

Key advisers

Bankers

National Westminster Bank Plc

250 Regent Street

London W1B 3BN

Solicitors

Farrer & Co LLP

66 Lincoln's Inn Fields

London WC2A 3LH

Actuaries

Buck Consultants Limited

160 Queen Victoria Street

London EC4V 4AN

Auditor

Haysmacintyre LLP

10 Queen Street Place

London EC4R 1AG

Investment Advisers

Stanhope Capital LLP

35 Portman Square

London W1H 6LR

Investment Property Manager

Savills plc

33 Margaret Street

London W1G 0JD

Old Basing Estate Monitoring Agent [from July 2020]

Bidwells

25 Old Burlington Street

London W1S 3AN

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and Accounts in accordance with applicable law and regulations.

Under charity law the Trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of their net outgoing resources for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees



Lord Kakkar

Chair

- 12 May 2021

AUDITOR'S REPORT AND ACCOUNTS

Independent auditor's report to the Trustees of The King's Fund

Opinion

We have audited the financial statements of The King's Fund for the year ended 31 December 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of the group's net movement in funds for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 and report in accordance with the Act and relevant regulations made or having effect thereunder. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity or
- sufficient accounting records have not been kept or
- the parent charity financial statements are not in agreement with the accounting records and returns or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on page 42, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 the Trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, employment law and health and safety, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, the Charities SORP and FRS 102.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the valuation of investment property, the stage of completion of contracted work, and the valuation of the defined benefit pension scheme liability. Audit procedures performed by the engagement team included:

- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- reviewing the controls and procedures of the Charity to ensure these were in place throughout the year, including during the Covid-19 remote working period
- evaluating management's controls designed to prevent and detect irregularities
- reviewing and testing journal entries made in the year, particularly those made as part of the year-end financial reporting process
- challenging assumptions and judgements made by management in their critical accounting estimates including the valuation of investment property and the stage of completion of contracted work
- reviewing the assumptions and judgements used by the professional actuary in relation to the defined benefit pension liability.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Haysmacintyre LLP
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG

- 12 May 2021

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

Consolidated statement of financial activities

for the year ended 31 December 2020

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Total 2020 £000	Total 2019 £000
Income and endowments from:						
Donations and legacies		2	-	-	2	5
Charitable activities						
Research and analysis		612	446	-	1,058	609
Developing individuals, teams and organisations		2,116	169	-	2,285	3,445
Promoting understanding		100	17	-	117	89
Bringing people together		246	30	-	276	822
Total charitable activities	4	3,074	662	-	3,736	4,965
Other trading activities	5	1,737	54	-	1,791	4,230
Investments	6	2,749	-	-	2,749	2,678
Other		9	-	-	9	160
Total		7,571	716	-	8,287	12,038
Expenditure on:						
Charitable activities						
Research and analysis		3,990	471	-	4,461	4,847
Developing individuals, teams and organisations		4,092	169	-	4,261	4,635
Promoting understanding		2,820	17	-	2,837	2,362
Bringing people together		874	30	-	904	970
Total charitable activities	4	11,776	687	-	12,463	12,814
Other trading activities	7	1,154	54	-	1,208	3,077
Investment management costs	8	371	-	221	592	591
Total		13,301	741	221	14,263	16,482
Operating (deficit)		(5,730)	(25)	(221)	(5,976)	(4,444)
Net gain on investments		2,003	-	4,643	6,646	16,922
Net income/(expenditure)		(3,727)	(25)	4,422	670	12,478
Transfers between funds		(1)	1	-	-	-
Actuarial (loss) on defined benefit pension scheme	17	(6,163)	-	-	(6,163)	(1,143)
Net movement in funds		(9,891)	(24)	4,422	(5,493)	11,335
Reconciliation of funds:						
Total funds brought forward	18	79,277	(1)	132,792	212,068	200,733
Total funds carried forward	18	69,386	(25)	137,214	206,575	212,068

All of the operations represented by the information above are continuing.

The notes on pages 52 to 71 form part of these financial statements.

Balance sheets

as at 31 December 2020

	Notes	Consolidated 2020 £000	Consolidated 2019 £000	Charity 2020 £000	Charity 2019 £000
Fixed assets:					
Tangible assets	11	54,045	54,886	54,045	54,886
Intangible assets	12	73	167	73	167
Investments	13	163,835	161,143	163,885	161,193
Total fixed assets		217,953	216,196	218,003	216,246
Current assets:					
Debtors	15	2,087	2,253	2,106	2,460
Cash at bank and in hand		1,603	1,292	992	353
Total current assets		3,690	3,545	3,098	2,813
Liabilities:					
Creditors: Amounts falling due within one year	16	(4,577)	(3,577)	(4,038)	(2,899)
Net current (liabilities)		(887)	(32)	(940)	(76)
Net assets excluding pension liability		217,066	216,164	217,063	216,160
Defined benefit pension scheme liability	17	(10,491)	(4,096)	(10,491)	(4,096)
Total net assets		206,575	212,068	206,572	212,064
The funds of the charity:					
Expendable endowment funds		137,214	132,792	137,211	132,788
Restricted funds		(25)	(1)	(25)	(1)
Unrestricted funds		79,877	83,373	79,877	83,373
Pension reserve		(10,491)	(4,096)	(10,491)	(4,096)
Total unrestricted funds	18	69,386	79,277	69,386	79,277
Total charity funds	18	206,575	212,068	206,572	212,064

Approved on behalf of the Board of Trustees and authorised for issue on 12 May 2021.

Simon Fraser

Simon Fraser
Treasurer

The notes on pages 52 to 71 form part of these financial statements.

Consolidated cashflow statement

for the year ended 31 December 2020

	Notes	2020 £000	2019 £000
Net cash (used in) operating activities	A	(5,608)	(4,548)
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,640	2,546
Investment management fees		(592)	(591)
Purchase of tangible fixed assets		(193)	(510)
Purchase of intangible fixed assets		-	(16)
Net proceeds from sale of investments		4,064	3,546
Net cash provided by investing activities		5,919	4,975
Change in cash and cash equivalents in the reporting period	B	311	427

A. Reconciliation of net income to net cash flow from operating activities

	2020 £000	2019 £000
Net income for the reporting period	670	12,478
Adjustments for:		
Investment income	(2,749)	(2,678)
Net (gain) on investments	(6,646)	(16,922)
Investment management fees	592	591
Depreciation and amortisation charges	1,116	1,223
Loss on disposal of fixed assets	12	18
Other finance cost of the pension scheme	79	77
Current service cost less contributions to the pension scheme	152	94
Decrease in debtors	166	179
Increase in creditors	1,000	392
Net cash (used in) operating activities	(5,608)	(4,548)

B. Movement of cash and cash equivalents

	At 1 January 2020 £000	Movement £000	At 31 December 2020 £000
Cash at bank and in hand	1,292	311	1,603

Notes to the accounts

for the year ended 31 December 2020

1. Charity information

The Charity (registered number 1126980) is incorporated by Royal Charter and is governed by the provisions and byelaws of the charter; any revocation, alteration or additions to the byelaws must be approved by the Privy Council.

The charity has a wholly owned subsidiary trading company, KEHF Limited (company registration number 2754697).

The address of the registered office of both The King's Fund and KEHF Limited is 11-13 Cavendish Square, London, W1G 0AN.

2. Accounting policies

The principal accounting policies adopted and critical areas of judgements are as follows.

Basis of preparation

The accounts have been prepared to give a 'true and fair view' and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The King's Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The accounts of The King's Fund and KEHF Limited are consolidated, on a line-by-line basis, to produce the Consolidated Accounts. No separate Statement of Financial Activities has been presented for The King's Fund but the charity's total income and net movement in funds in the year are set out in note 14.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

2. Accounting policies (continued)

Going concern

The Fund's planning process, including financial projections, takes into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The Fund has a reasonable expectation that its resources are adequate to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have, therefore, been prepared on the basis that the charity is a going concern.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described below, Trustees are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period and future periods if the revision affects the current and future periods.

The key sources of estimation uncertainty that have a significant effect on the accounts recognised in the financial statements are summarised below:

- Pension liabilities: The charity recognises the liability to its defined benefit pension scheme which involves a number of estimations as disclosed in note 17.
- Valuation of investment properties: The charity's Basing investment properties are stated at their fair values. These are based on an external valuation as at the 31 December 2020. The Deans Mews investment property is stated at valuation as at July 2019 with a management update as disclosed in note 13.
- Private equity investments are valued at the most recent investment manager valuations.
- Income recognition: When accounting for project income in line with the percentage completion basis set out below, the percentage of completion of a project is estimated using the actual costs incurred, including time spent, as a proportion of total planned costs.

2. Accounting policies (continued)

Other accounting policies

Donations and legacies

Donations and legacies are recognised in the Statement of Financial Activities when they become receivable, that is when it is reasonably certain that they will be received and where the value can be measured with sufficient reliability.

Grants receivable

Grants receivable are recognised in the Statement of Financial Activities in full in the year in which they become receivable, that is when the conditions for receipt have been met.

Investment income

Income from investments is accounted for when dividends and interest are receivable and includes recoverable taxation. Income received, but not distributed, by pooled funds is included as part of the net gains/losses on investment assets in the Statement of Financial Activities.

Other income recognition

Project income is recognised on a percentage completion basis in relation to actual costs spent at the Balance Sheet date as a proportion of total planned costs over the life of the project. Projected losses on projects are provided as soon as they can be reasonably foreseen.

All other income is included in the Statement of Financial Activities when The King's Fund is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

The costs of certain support departments are allocated to the principal activities on the basis set out in note 4.

Pension costs

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The current service costs of the Plan, together with the net interest on the net defined benefit liability (calculated at the discount rate), are charged to the Statement of Financial Activities within staff costs. The actuarial gains and losses on the Plan are recognised immediately as other recognised gains and losses.

2. Accounting policies (continued)

Pension costs (continued)

The assets of the Plan are measured at fair value at the Balance Sheet date. Liabilities are measured on an actuarial basis at the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately on the face of the Balance Sheet.

The NHS Pension Scheme is a multi-employer defined benefit scheme. Contributions have been accounted for in the period to which they relate, as if it were a defined contribution scheme as it is not possible to identify our share of the underlying assets and liabilities.

The King's Fund Group Personal Pension Plan is a defined contribution scheme and contributions have been accounted for in the period to which they relate.

Intangible assets

Intangible assets relate to the enterprise resource planning project. Once brought into use, they are amortised on a straight-line basis over the anticipated life of the benefits arising from the completed project. The anticipated life has been taken as five years.

Tangible assets

Tangible assets costing more than £5,000, including any incidental expenses of acquisition, are capitalised and recorded at cost.

Depreciation is calculated so as to write off the cost of the tangible assets on a straight-line basis over the expected useful economic lives of the assets concerned which are taken as:

Plant and machinery:

Electrical installations	3 to 30 years
Mechanical installations	5 to 30 years
Lifts	30 years

Furniture, fittings and equipment:

Catering equipment	3 to 20 years
Furniture and fittings	5 to 20 years
ICT hardware and software	2 to 5 years
Office equipment	3 to 10 years
Freehold buildings	50 years

Freehold land is not depreciated.

Financial instruments

The King's Fund has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at the present value of future cash flows (amortised cost). Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

Investments, including bonds and cash held as part of an investment portfolio, are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates. Assets and liabilities are translated at rates applying at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

Funds

Expendable endowment: The expendable endowment is maintained to generate income for the benefit of The King's Fund. The capital sum may be spent at the discretion of the Trustees.

Restricted funds: Funds received in relation to a restricted grant that can only be used for that purpose.

Unrestricted funds: Unrestricted funds include the net book value of the tangible fixed assets, the intangible fixed assets of the charity, investments and net current assets, less the pension reserve. The split between these categories is shown in note 18. The King's Fund has the power to spend its unrestricted funds within its objects as it sees fit.

3. Taxation

No corporation tax is payable by The King's Fund as it is able to make use of the tax exemptions on income and capital gains available to charities. No corporation tax is payable by the subsidiary company, KEHF Limited, as it is expected that each year an amount equal to its taxable profits will be paid to The King's Fund under the Gift Aid scheme.

4. Income and expenditure on charitable activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting Understanding £000	Bringing people together £000	Total 2020 £000	Total 2019 £000
Commissioned work	612	1,375	18	-	2,005	2,158
Grants	446	169	17	30	662	424
Course places or event tickets	-	741	-	246	987	2,157
Other	-	-	82	-	82	226
Total income	1,058	2,285	117	276	3,736	4,965
Direct expenditure	2,404	2,654	1,294	551	6,903	7,354
Support departments (4a)	2,057	1,607	1,543	353	5,560	5,460
Total expenditure	4,461	4,261	2,837	904	12,463	12,814

4a. Support departments

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting Understanding £000	Bringing people together £000	Total 2019 £000	Total 2018 £000
Facilities (1)	483	377	363	90	1,313	1,537
Communications (2)	169	131	126	-	426	590
Other support (3)	1,405	1,099	1,054	263	3,821	3,333
Total cost of support departments	2,057	1,607	1,543	353	5,560	5,460

(1) Facilities costs have been apportioned based on average headcount of the various departments during the year.

(2) Communication costs have been apportioned based on average headcount of the various departments during the year.

(3) Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.

The comparatives for 2019 can be seen in note 23.

5. Income from other trading activities

	2020 £000	2019 £000
Income from other trading activities comprises:		
External conference and catering services	539	2,485
Income from sponsorship and partnership	832	1,110
Income from tenants	356	504
Income from non-charitable consultancy	64	131
	1,791	4,230

6. Income from investments

	2020 £000	2019 £000
Income from securities and cash assets:		
Equities	1,809	1,762
Bonds	200	320
Cash	2	30
Investment properties	738	566
	2,749	2,678

7. Expenditure on other trading activities

	2020 £000	2019 £000
Expenditure on other trading activities comprises:		
External conference and catering services, including sponsorship	868	2,726
Cost associated with sponsorship and partnerships	277	271
Cost associated with tenants	22	5
Cost associated with non-charitable consultancy	41	75
	1,208	3,077

8. Investment management costs

	2020 £000	2019 £000
Expenditure on investment management costs comprises:		
Fees paid to managers, custodians, administrators and advisers for the discharge of their duties in connection with the investment portfolio and properties	422	456
Property repairs and maintenance	170	135
	592	591

9. Employees

	2020 £000	2019 £000
Wages and salaries	7,597	7,591
Social security costs (including apprenticeship levy)	881	886
Pension costs	1,190	1,165
Total emoluments before final salary pension adjustments	9,668	9,642
Pension costs	233	172
Total emoluments after final salary pension adjustments	9,901	9,814

Included in the above pension costs is £305,000 (2019: £273,000) relating to the current employer service costs of the defined benefit pension scheme and £0 relating to settlement agreement payments (2019: £25,000).

9. Employees (continued)

Average number of staff:

	2020	2019
Research and analysis	32	32
Developing individuals, teams and organisations	25	26
Promoting understanding	24	19
Bringing people together	6	6
Other trading activities	13	14
Facilities	11	11
Communications	7	7
Other support departments	25	24
Total	143	139

The number of employees with remuneration (employee benefits excluding employer pension costs) exceeding £60,000 were:

	2020	2019
£60,000 - £69,999	10	15
£70,000 - £79,999	10	9
£80,000 - £89,999	3	4
£90,000 - £99,999	10	6
£100,000 - £109,999	2	3
£110,000 - £119,999	3	3
£120,000 - £129,999	2	1
£170,000 - £179,999	-	1
£190,000 - £199,999	1	-

Contributions were made to The King's Fund Staff Pension and Life Assurance Plan, which is a defined benefit scheme, for 4 (2019: 5) higher-paid employees and to the NHS Pension Scheme, which is also a defined benefit scheme, for 6 (2019: 6) higher-paid employees. Contributions totalling £403,000 (2019: £365,000) were made to The King's Fund Group Personal Pension Plan, which is a defined contribution scheme, for 29 (2019: 30) higher-paid employees.

The total employee benefits, including employer pension costs, received by the Chief Executive in 2020 were £216,941 (2019: £218,326).

The key management personnel of the charity comprise the Trustees and the Senior Management Team. None of the Trustees have been paid any remuneration or received any other benefits from an employment with the charity or a related entity. No Trustee was reimbursed for expenses incurred (2019: none). The total employee benefits, including employer pension costs and National Insurance, received by the key management personnel in 2020 were £1,009,000 (2019: £991,000).

10. Resources expended on governance

	2020 £000	2019 £000
Auditor's remuneration		
External audit fees (Charity)	21	20
External audit fees (KEHF Limited)	5	5
Meeting costs	-	5
	26	30

Fees totalling £1,050 (2019: £6,250) were payable to the auditors for taxation services (2019 also included internal audit services).

11. Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Furniture, fittings and equipment £000	2020 Total assets £000
Cost				
At 1 January	55,350	4,754	2,982	63,086
Additions	-	23	170	193
Disposals	-	-	(61)	(61)
At 31 December	55,350	4,777	3,091	63,218
Depreciation				
At 1 January	2,920	3,330	1,950	8,200
Charge for the year	482	211	329	1,022
Disposals	-	-	(49)	(49)
At 31 December	3,402	3,541	2,230	9,173
Net Book Value				
At 31 December	51,948	1,236	861	54,045
Previous year	52,430	1,424	1,032	54,886

Freehold land and buildings represent the Fund's offices at 11–13 Cavendish Square, London W1G 0AN. When adopting FRS 102, the Fund has chosen to use the fair value of the freehold land and buildings as its deemed cost as at 1 January 2014. Within the above total, the amount attributable to the freehold land is £33,600,000 based on the valuation completed by Savills plc.

As at 31 December 2020 The King's Fund had no capital commitments (2019: £0).

12. Intangible fixed assets

	2020 £000	2019 £000
Cost		
At 1 January	918	902
Additions	-	16
At 31 December	918	918
Amortisation		
At 1 January	751	544
Charge for the year	94	207
At 31 December	845	751
Net Book Value		
31 December	73	167
Previous year	167	358

Intangible assets relate to costs expended on the Fund's enterprise resource planning project, website and other software.

13. Fixed asset investments

	2020 Total £000	2019 Total £000
Securities		
Equities	119,803	116,698
Index Linked bonds	4,448	7,633
Fixed Interest bonds	5,694	7,569
Private Equity funds	3,217	3,243
Cash and cash equivalents	4,014	767
Investment properties	26,659	25,233
Consolidated total	163,835	161,143
Shareholding in subsidiary company	50	50
Charity total	163,885	161,193

13. Fixed asset investments (continued)

Within the total securities, £129,945,000 is classified as Level 1 as defined by IFRS 7, that is 'the investment is quoted in an active market and measured at the unadjusted quoted price at the reporting date'. The remaining £3,217,000 is classified as Level 3, that is 'the investment is measured using unobservable inputs at the reporting date'. The Level 3 amount comprises two Private Equity Funds of Funds. No readily identifiable market price is available for these unquoted funds and therefore they are included at the most recent valuations provided by the manager.

In respect of the above Private Equity funds, the managers have confirmed that all future commitments to both funds have been waived and have therefore deemed the shares to be fully paid. The funds will continue to return cash to investors prior to their final closure in 2021 and 2023 respectively.

The Fund has freehold interest in two investment properties. The Old Basing Estate is a mixed agricultural estate extending to approximately 981 acres and has been included at Fair Value of £15,259,000 (2019: £13,833,000) based on a valuation by Savills as at 31 December 2020. In 2015 the Fund purchased a freehold interest in properties at 7–10 Dean's Mews which adjoin the Fund's offices at 11–13 Cavendish Square. They have been included at market value of £11,400,000 from the valuation in July 2019 as management assessment indicates there has not been a significant change in markets trends over the past year (2019: £11,400,000).

A reconciliation of the movement in the market value of the Fund's investments during the year is as follows:

	2020	2019
	£000	£000
Opening balance at 1 January	161,143	147,635
Net monies (disinvested)	(3,954)	(3,369)
Increase on revaluation	6,646	16,877
	163,835	161,143
Shareholding in subsidiary company	50	50
Closing balance at 31 December	163,885	161,193

14. Subsidiary company

KEHF Limited, a company registered in England number 2754697, began trading on 2 August 2007 having previously been reported as a dormant company.

The authorised share capital of the company is 50,000 shares of £1 each. The King's Fund owns all the shares and is therefore the sole member of the company. The company has five directors, two are Trustees of The King's Fund, two are employees of The King's Fund and one is neither a Trustee or an employee.

The activities undertaken by the company comprise the letting of conference space within the premises of The King's Fund to third parties, along with the provision of catering and other related services. In addition, KEHF Limited manages sponsorship arrangements including with partners and supporters, and consulting activities that are outside the charitable objects. These activities were adversely affected by Covid-19, hence the significant decrease in income and reduced costs in 2020 compared to 2019.

In the year to 31 December, the company had income of £1,405,000 (2019: £3,826,000) and incurred expenditure of £1,083,000 (2019: £2,810,000) thereby generating an operating profit of £322,000 (2019: £1,016,000). The directors have made donations in the year of £321,727 to The King's Fund through Gift Aid. The resultant accumulated surplus of KEHF Limited at 31 December 2020 is £3,000 (2019: £4,000).

Excluding KEHF Limited's results, the Charity's total income in 2020 was £7,430,000 (2019: £10,467,000) and the Charity's net decrease in funds was £4,998,000 (2019: net increase of £11,411,000).

15. Debtors

	Consolidated 2020 £000	Consolidated 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade debtors	1,355	1,571	1,160	1,074
Amounts owed by KEHF Limited	-	-	101	166
Prepayments and accrued income	209	178	208	176
Other debtors	523	504	523	503
Donations from KEHF Limited	-	-	114	541
	2,087	2,253	2,106	2,460

16. Creditors: amounts falling due within one year

	Consolidated 2020 £000	Consolidated 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade creditors	425	707	419	558
Amounts owed to KEHF Limited	-	-	4	8
Deferred income - see analysis below	2,796	1,980	2,276	1,451
Taxation and social security	282	9	282	9
Other creditors and accruals	1,074	881	1,057	873
	4,577	3,577	4,038	2,899
	Balance at 1 January 2020 £000	Released during the year £000	Additional deferrals £000	Balance at 31 December 2020 £000
Deferred income analysis				
Programme fees received in advance	1,451	(1,451)	2,276	2,276
Charity Total	1,451	(1,451)	2,276	2,276
Other deferred income including KEHF Limited	529	(529)	520	520
Consolidated Total	1,980	(1,980)	2,796	2,796

17. Pension schemes

The King's Fund Staff Pension and Life Assurance Plan

The King's Fund Staff Pension and Life Assurance Plan (the Plan) is a defined benefit scheme. The Plan was open to all employees of The King's Fund who were not members of another scheme until it was closed to new members on 28 February 2008, as at 31 December 2020 there were 12 active members (2019: 15).

	2020 £000	2019 £000
The amounts recognised in the Balance Sheet are as follows:		
Fair value of plan assets	59,982	59,971
Present value of plan liabilities	(70,473)	(64,067)
Net Plan liability	(10,491)	(4,096)
	2020 £000	2019 £000
The movement in defined benefit obligations over the year was as follows:		
Present value of obligations at start of year	64,067	56,683
Current employer service cost	305	273
Employee contributions	82	83
Interest costs	1,254	1,618
Actuarial (gains)/losses	7,473	7,194
Benefits paid	(2,708)	(1,784)
Closing value of the plan liability	70,473	64,067

17. Pension schemes (continued)

	2020 £000	2019 £000
The movement in the fair value of assets over the year was as follows:		
Opening fair value of plan assets	59,971	53,901
Return on plan assets in excess of/ (lower than) interest income	1,310	6,051
Interest income on planned assets	1,175	1,541
Employee contributions	82	83
Employer contributions	152	179
Benefits paid	(2,708)	(1,784)
Closing fair value of plan assets	59,982	59,971

The Plan has pension liabilities which are insured with a value of approximately £110,000 (2019: £140,000). The value of these liabilities has been excluded from both the assets and the liabilities since the liability is matched directly by an asset of equal value.

	2020 £000	2019 £000
Total (expense) recognised in the Statement of Financial Activities:		
Current employer service cost	(305)	(273)
Net interest on the net defined benefit obligation	(79)	(77)
Return on Plan assets excluding interest income	1,310	6,051
Actuarial (losses) arising from change in assumptions	(7,473)	(7,194)
Total (expense) recognised in the Statement of Financial Activities	(6,547)	(1,493)

Proportion of total Plan assets by asset class:

Equities (including property)	62%	63%
Bonds	29%	28%
Index-linked	9%	9%
Cash and equivalents	0%	0%

The overall expected rate of return on the Plan assets is determined by applying each asset type's expected long-term rate of return to that asset type's market value and calculating a weighted average rate of return over all asset types.

	2020 £000	2019 £000
Actual return/(loss) on Plan assets	(10,491)	(4,096)
The principal actuarial assumptions used at the balance sheet date:		
Discount rate	1.35%	2.00%
Rate of increase in salaries	2.40%	2.45%
General price inflation	2.20%	2.05%
Rate of increase in pension payments:		
Service before 1 April 2000	4.15%	4.15%
Service after 1 April 2000	2.85%	2.90%

17. Pension schemes (continued)

The King's Fund expects contributions of £160,000 to be made to the Plan in the year ending 31 December 2021 (excluding contributions made by employees).

NHS Pension Scheme

The Fund contributes to the NHS Pension Scheme, a defined benefit scheme, for 10 (2019: 12) eligible members of staff as at the 31 December. In 2020 The Fund contributed £104,000 (2019: £118,000) to the scheme. The employer's contribution rate is set by the Government Actuary at 14.4%.

The King's Fund Group Personal Pension Scheme

The Fund contributes to the Group Personal Pension Scheme, a defined contribution scheme established in 2008, for 119 (2019: 114) members of staff as at 31 December. The Fund contributed £776,000 (2019: £722,000) to the scheme. The employer's contribution rates are double each individual employee's contribution rate within the range from 6% to 12% of pensionable salary.

The pension charges for the period are shown below:

	2020	2019
	£000	£000
The King's Fund Staff Pension and Life Assurance Plan	152	179
NHS Pension Scheme	104	118
The King's Fund Group Personal Pension Scheme	776	722
Total charges	1,032	1,019

18. Split of assets between funds

	Expendable endowment	Restricted funds	Unrestricted funds	Total funds 2020	Total funds 2019
	£000	£000	£000	£000	£000
Tangible assets	-	-	54,045	54,045	54,886
Intangible assets	-	-	73	73	167
Investments: Securities	123,147	-	14,029	137,176	135,910
Investments: Property	14,067	-	12,592	26,659	25,233
Net current (liabilities)	-	(25)	(862)	(887)	(32)
Pension fund reserve	-	-	(10,491)	(10,491)	(4,096)
Total funds	137,214	(25)	69,386	206,575	212,068

19. Movements in funds

	At the start of the year £000	Income and gains £000	Expenditure and losses £000	Transfers £000	At the end of the year £000
Restricted funds:					
Department of Health with University of York	-	419	(444)	-	(25)
The National Lottery Community Fund (previously named Big Lottery)	-	144	(144)	-	-
Government furlough	-	153	(153)	-	-
Other	(1)	-	-	1	-
Total restricted funds	(1)	716	(741)	1	(25)

Our contract – run jointly with the University of York – to provide a fast-response research and analytical facility to the Department of Health and Social Care was renewed for a further five years in April 2020. During 2020, we undertook 11 pieces of work – the highest number for any year to date – because of the Department's increased need for rapid research during the Covid-19 pandemic. In addition to projects to look specifically at Covid-19 (most notably in changes to general practice, and lessons for recovery from other emergency situations), we delivered research projects in diverse areas of health and care policy including supported housing, tobacco packaging, drug treatment services and health services for people who sleep rough. There is a small negative balance on this grant as at the end of 2020, which is being resolved as part of the ending of the old contract being negotiated in 2021 and will be resolved by the end of 2021.

In 2018, a new grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768. The programme started in 2018 and £326,000 of funding had been received by 31 December 2019. In 2020 we received £119,000, bringing the total income to £445,000, of which we have recognised £355,000 in total. The remaining income will be recognised in 2021.

The Fund utilised the government furlough scheme to reduce losses in areas where staff who could not undertake their duties as a result of the Covid-19 pandemic.

20. Related party transactions

There have been no related party transactions that require disclosure other than transactions with the subsidiary company, KEHF Limited, as set out below.

- In 2020 the Charity charged KEHF Limited management fees totalling £59,000 (2019: £297,000). This is calculated as a percentage of external income.
- In 2020 the Charity charged KEHF Limited licence fees totalling £150,000 (2019: £765,000). This is calculated as a percentage of room hire income from external conference and catering services.
- In 2020 KEHF Limited charged the Charity administration fees totalling £15,000 (2019: £89,000). This is calculated as a percentage of internal room hire costs.
- As at the 31 December 2020 KEHF owed the Charity £114,000 of additional gift aid (2019: £541,000). For the total gift aid payable in the year see note 14 above.

21. Lessor operating leases

The future minimum lease payments under non-cancellable operating leases for each of the following periods are set out below:

	2020 £000	2019 £000
Not later than one year	500	709
Later than one year and not later than five years	511	889
Later than five years	144	216
Total	1,155	1,814

Operating lease commitments relate to the minimum future rental income for both investment and non-investment properties.

22 Post balance sheet event

On 1 April 2021 The King's Fund committed to taking a loan of £20 million repayable in 30 years with MetLife which will be drawn down on 14 May 2021. The loan was taken to enhance the long-term value of the King's Fund investments and will be invested in line with the strategic asset allocation.

23. Comparative statements

23a. Comparative split of assets between funds

	Expendable Endowment £000	Restricted Funds £000	Unrestricted Funds £000	Total Funds 2019 £000
Tangible assets	-	-	54,886	54,886
Intangible assets	-	-	167	167
Investments: Securities	118,737	-	17,173	135,910
Investments: Property	14,055	-	11,178	25,233
Net current assets/ (liabilities)	-	(1)	(31)	(32)
Pension fund reserve	-	-	(4,096)	(4,096)
Total funds	132,792	(1)	79,277	212,068

23b. Comparative movements in funds

	At the start of the year £000	Incoming resources and gains £000	Outgoing resources and losses £000	Transfers £000	At the end of the year £000
Restricted funds:					
Department of Health with University of York	(2)	246	(244)	-	-
Comic Relief and Big Lottery	(3)	19	(16)	-	-
Big Lottery	4	162	(166)	-	-
Other	(11)	(3)	(1)	14	(1)
Total restricted funds	(12)	424	(427)	14	(1)

The project funded by the Department of Health and Social Care is run jointly with the University of York and provides a fast response research and analytical facility to the Department. In 2019 a number of pieces of work were undertaken, including learning from effective practice in improving access to health and care for people who sleep rough, reviewing the research literature on women's experiences of gynaecology and urology services, and scoping ways to evaluate the impact of the Department's Care And Specialised Supported Housing fund (CASSH).

In 2019 we finished the first stage of the Cascading leadership programme for voluntary and community sector leaders in health and care. This project started in 2017 and was funded by Comic Relief and the Big Lottery Fund (now called The National Lottery Community Fund). Total funding for this work was £252,000 (£177,000 from Big Lottery and £75,000 from Comic Relief).

In 2018 a new grant of £449,357 was awarded by The National Lottery Community Fund to extend the Cascading leadership programme. In August 2019, we received a top-up grant of £15,411 from The National Lottery Community Fund, bringing the total budget for this project to £464,768. The programme started in 2018 and £116,000 of funding had been received by 31 December 2018. In 2019 the Fund received £210,000, bringing the total income to £326,000, of which we have recognised £212,000 in total. The remaining income will be recognised in 2020-21.

23. Comparative statements (continued)

23c. Comparative consolidated statement of financial activities

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2019 Total £000
Income and endowments from:				
Donations and legacies	5	-	-	5
Research and analysis	363	246	-	609
Developing individuals, teams and organisations	3,267	178	-	3,445
Promoting understanding	89	-	-	89
Bringing people together	822	-	-	822
Charitable activities	4,541	424	-	4,965
Other trading activities	4,230	-	-	4,230
Investments	2,678	-	-	2,678
Other	160	-	-	160
Total	11,614	424	-	12,038
Expenditure on:				
Research and analysis	4,603	244	-	4,847
Developing individuals, teams and organisations	4,452	183	-	4,635
Promoting understanding	2,362	-	-	2,362
Bringing people together	970	-	-	970
Charitable activities	12,387	427	-	12,814
Other trading activities	3,077	-	-	3,077
Investment management costs	283	-	308	591
Total	15,747	427	308	16,482
Operating (deficit)	(4,133)	(3)	(308)	(4,444)
Net gains on investments	1,436	-	15,486	16,922
Net income/(expenditure)	(2,697)	(3)	15,178	12,478
Transfers	(14)	14	-	-
Actuarial (loss) on defined benefit pension scheme	(1,143)	-	-	(1,143)
Net movement in funds	(3,854)	11	15,178	11,335
Reconciliation of funds:				
Total funds brought forward	83,131	(12)	117,614	200,733
Total funds carried forward	79,277	(1)	132,792	212,068

23. Comparative statements (continued)

23d. Comparative income and expenditure on charitable activities

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2019 £000
Commissioned work	363	1,795	-	-	2,158
Grants	246	178	-	-	424
Course places or event tickets	-	1,446	-	711	2,157
Other	-	26	89	111	226
Total income	609	3,445	89	822	4,965
Direct expenditure	2,724	2,910	1,102	618	7,354
Support departments (23a)	2,123	1,725	1,260	352	5,460
Total expenditure	4,847	4,635	2,362	970	12,814

23e. Support departments

	Research and analysis £000	Developing individuals, teams and organisations £000	Promoting understanding £000	Bringing people together £000	Total 2019 £000
Facilities ⁽¹⁾	593	482	351	111	1,537
Communications ⁽²⁾	245	199	146	-	590
Other support ⁽³⁾	1,285	1,044	763	241	3,333
Total cost of support departments	2,123	1,725	1,260	352	5,460

⁽¹⁾ Facilities costs have been apportioned based on average headcount of the various departments during the year.

⁽²⁾ Communication costs have been apportioned based on average headcount of the various departments during the year.

⁽³⁾ Other support departments include: Chief Executive's Office, Finance, HR, Operations and Information Technology. Depreciation is also included within this category. The amount paid by the trading subsidiary via a management charge is excluded and has been allocated to expenditure on other trading activities. Remaining costs have been apportioned based on average headcount of the various departments during the year.