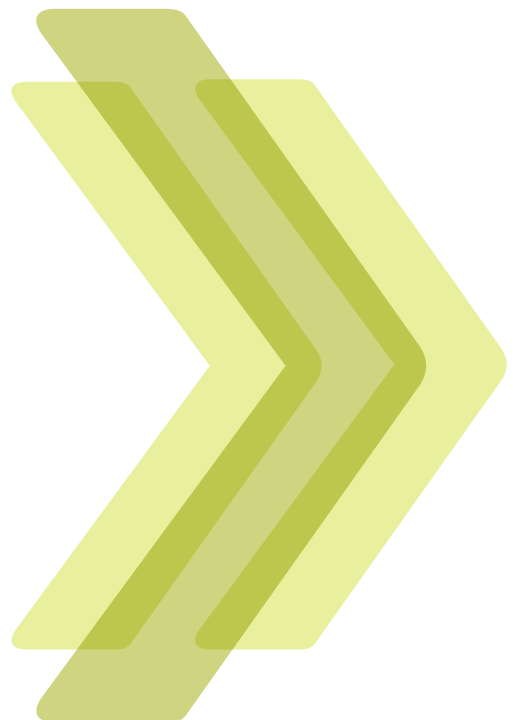


Trustees' annual report and accounts

**For the year ended
31 December 2023**



Contents

Message from the Chair and the Chief Executive	1
Objectives and activities	3
Achievements and performance	7
Plans for 2024	13
Our commitment to diversity and inclusion	18
Financial review	23
How The King's Fund is constituted and governed	27
Reference and administrative details	36
Statement of Trustees' responsibilities	41
Auditor's report and accounts	43
Independent Auditor's Report to the Trustees of The King's Fund	44
Consolidated statement of financial activities	49
Balance sheets	50
Consolidated cashflow statement	51
Notes to the accounts	52

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.

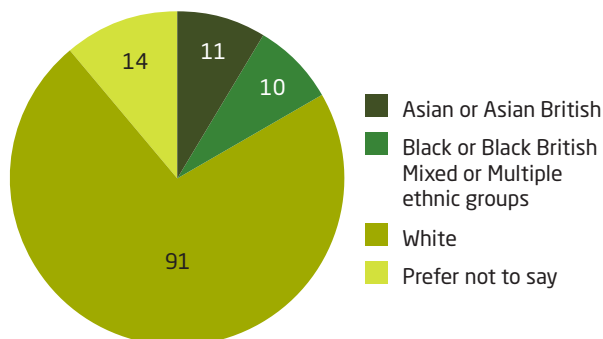
	Target (%)	Event speakers (%)
Female	50%	60%
Black and ethnic minority	20%	24%

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.

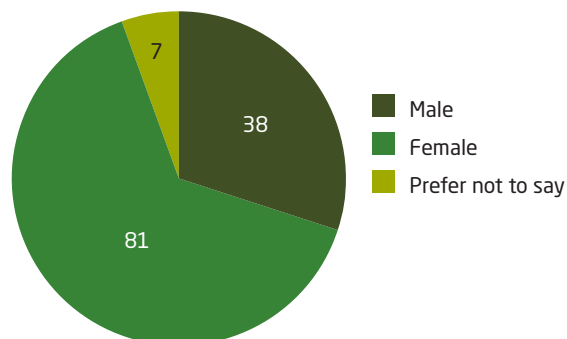
Our staff

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'.

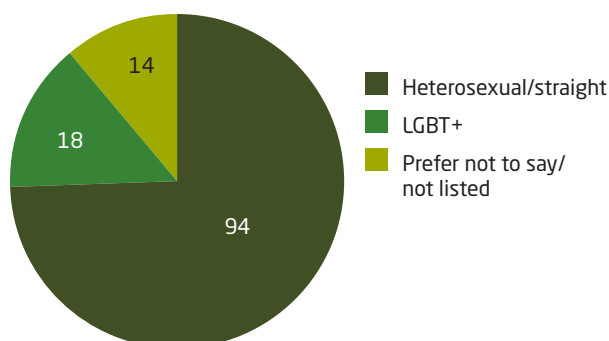
Ethnic origin



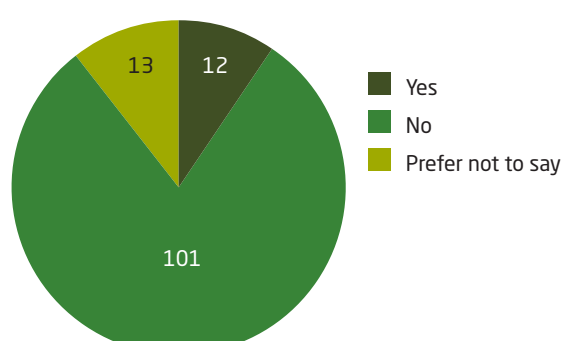
Gender identity



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.

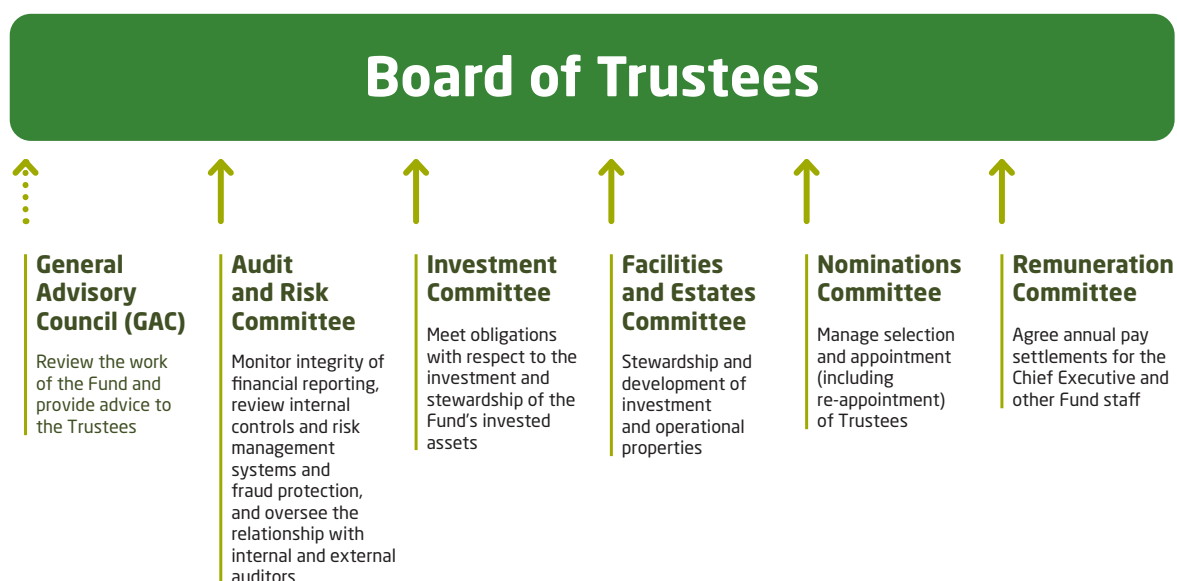
Working for the public benefit

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	<p data-bbox="424 504 1315 562">There is a risk that our strategy lacks focus, is difficult to deliver and fails to have an impact.</p> <p data-bbox="424 584 1366 705">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.</p> <p data-bbox="424 728 1366 848">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.</p> <p data-bbox="424 871 1321 929">We ensure that decision-making around income generation is aligned to our strategic priorities as far as possible.</p>
Ability to influence	<p data-bbox="424 952 1366 1010">There is a risk that our external activities fail to influence and prevent us from delivering impact.</p> <p data-bbox="424 1032 1286 1090">Flexibility is deliberately left in the operational plan each year to allow the Fund to respond to new or additional opportunities.</p> <p data-bbox="424 1113 1353 1202">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.</p> <p data-bbox="424 1225 1305 1314">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.</p> <p data-bbox="424 1337 1366 1489">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.</p>
Our reputation	<p data-bbox="424 1512 1278 1570">There is a risk that we lose our reputation for credibility and quality and that our independence, ethics and values are questioned.</p> <p data-bbox="424 1592 1350 1682">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.</p> <p data-bbox="424 1704 1305 1825">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.</p>

Risk area	Management of risk
Internal capability	<p data-bbox="424 344 1362 405">There is a risk that we are unable to deliver our operational commitment effectively and efficiently and that staff wellbeing and engagement suffers.</p> <p data-bbox="424 427 1362 577">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.</p> <p data-bbox="424 600 1326 723">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.</p> <p data-bbox="424 745 1321 896">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.</p>
Financial sustainability	<p data-bbox="424 925 1257 985">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.</p> <p data-bbox="424 1008 1362 1158">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.</p> <p data-bbox="424 1180 1350 1267">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.</p>

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
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Lifts	30 years
-------	----------

Furniture, fittings and equipment:

Catering equipment	3 to 20 years
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Furniture and fittings	5 to 20 years
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ICT hardware and software	2 to 5 years
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Office equipment	3 to 10 years
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Freehold buildings	50 years
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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 2023 £000	Consolidated 2022 £000	Charity 2023 £000	Charity 2022 £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.