

CLEVELAND CLINIC PHILANTHROPY (UK) LTD

England & Wales · Charity number 1188616

Details

Status Registered

Legal form Charitable company

Company number [11742522](#)

Registered 2020-03-18

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

Contact

Address Suite 1
7th Floor
50 Broadway
London
SW1H 0BL

Phone +18002232273

Email ccpuk@ccf.org

Activities

Objects: THE OBJECTS OF THE CHARITY ARE, TO THE EXTENT THAT THE SAME ARE EXCLUSIVELY CHARITABLE ACCORDING TO THE LAWS OF ENGLAND AND WALES:1 THE ADVANCEMENT OF HEALTH, INCLUDING (WITHOUT LIMITATION) BY THE RELIEF AND PREVENTION OF POOR HEALTH AND PHYSICAL AND / OR MENTAL ILLNESS OF ANY DESCRIPTION; AND 2 THE ADVANCEMENT OF MEDICAL EDUCATION AND RESEARCH, FOR THE BENEFIT OF THE PUBLIC AND IN PARTICULAR (BUT WITHOUT LIMITATION) IN SUPPORTING THE CLEVELAND CLINIC FOUNDATION.

Activities: The objects of the Charity are, to the extent that the same are exclusively charitable according to the laws of England and Wales, the advancement of health, medical education and research for the benefit of the public and in particular (but without limitation) in supporting The Cleveland Clinic Foundation.

Classification

- **How:** Makes Grants To Organisations
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£6,863,386	£5,888,098	£11,860,373	1
2023-12-31	£7,467,021	£3,516,521	£10,885,085	0
2022-12-31	£7,117,240	£1,065,338	£6,934,585	0
2021-12-31	£1,802,082	£781,365	£882,683	0
2020-12-31	£250,000	£348,576	-	-

Trustees

Name	Role	Appointed
Dr Robert Lorenz MD	Chair	2023-06-07
DAVID PETER PRITCHARD		2018-05-01
Deborah Coco Gordon		2024-06-01
Dennis Lee Laraway		2023-04-14
JOHN CHESTER BOTTS CBE		2018-05-01
Rola Gordon		2020-06-15
Tommaso Falcone MD		2024-06-01

CLEVELAND CLINIC PHILANTHROPY (UK) LTD

England & Wales - Charity number 1188616

Accounts

Registered number: 11742522

Charity number: 1188616

Cleveland Clinic Philanthropy (UK) Ltd

**Trustees' report and financial statements
for the year ended 31 December 2024**

Cleveland Clinic Philanthropy (UK) Ltd

Contents

	Page(s)
Reference and administrative information	1
Trustees and directors' report	2 - 5
Independent auditor's report on the financial statements	6 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 18

Cleveland Clinic Philanthropy (UK) Ltd

Reference and administrative information for the year ended 31 December 2024

Company registered number	11742522
Charity registered number	1188616
Registered office	Suite 1, 7th Floor 50 Broadway London, United Kingdom SW1H 0BL
Principal operating office	40 Grosvenor Place London, United Kingdom SW1X 7AW
Company secretary	Vistra Cosec Limited
Trustees (Directors)	J Botts Dr T Falcone D Gordon R Gordon D Laraway Dr R Lorenz D Pritchard
Independent auditor	Buzzacott Audit LLP 130 Wood Street London EC2V 6DL

Cleveland Clinic Philanthropy (UK) Ltd Trustees and Directors' report for the year ended 31 December 2024

The Trustees present their annual report and financial statements of Cleveland Clinic Philanthropy (UK) Ltd ("the charity") for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities effective 1 January 2019 and the Companies Act 2006.

Trustees

The Trustees are also the directors of the charity. The Trustees who held office during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

J Botts, Dr T Falcone (appointed 1 June 2024), D Gordon (appointed 1 June 2024), R Gordon, D Laraway, Dr R Lorenz, D Pritchard, W Peacock (resigned 1 June 2024), D Rowan (resigned 1 June 2024)

Structure, governance and management

The charity is a registered charity in England and Wales, number 1188616, and is constituted under a certificate of incorporation dated 27 December 2018. The charity is a private company limited by shares and is registered with Companies House, number 11742522. The Articles of Association of the charity were approved on 20 February 2020 and the Charities Commission approved it as a charity in February 2020. The charity was established by a contribution from The Cleveland Clinic Foundation, a non-profit corporation incorporated under the laws of the State of Ohio, United States ("Cleveland Clinic"), a non-profit healthcare system, which provides continual operating support so that all monies raised by the charity may be used for its mission. The charity began fundraising in 2021 and seeks to perform its charitable work through active fundraising.

The sole member of the charity, Cleveland Clinic, has the authority to appoint new Trustees provided that at all times at least a sufficient number of Trustees to be able to form a quorum are independent. The Trustees serve for an initial term of office for three years and may be reappointed for a further term or terms of three years each. The charity's Articles of Association provide for a minimum of five Trustees but is not subject to a maximum.

The Trustees agree on the broad strategy and areas of activity for the charity, including consideration of grant making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Administrator, B Mikhail. The charity hired two employees during 2024 to provide fundraising and other services for the charity. Prior to the hiring of employees, the charity utilized the services of a professional fundraiser. The Administrator monitors the fundraising activity by providing training and maintaining frequent communication with the employees. Fundraising is also monitored by Cleveland Clinic. Fundraising activities to date have been limited in scope and primarily from certain individuals. During the course of the year we did not receive any complaints about our fundraising practice. We do not engage in persistent or intrusive fundraising practices with any of our supporters.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 8 and 15 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Chair and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises.

On appointment new Trustees meet with the Chair and the Trustees. The Trustees maintain monitoring and oversight of the activities of the charity through formal meetings and continuous informal communications. The Trustees meet periodically to review strategic, governance, operational and financial matters. All Trustees are encouraged to attend appropriate external training events that will facilitate the undertaking of their role.

The Trustees formed a Grant-Making Committee in November 2020 to provide oversight and guidance regarding the charity's grant-making initiatives and activities. The committee has established a formal governance structure for grant decision making and review of grant applications. The charity began making grant distributions in 2022.

Cleveland Clinic Philanthropy (UK) Ltd Trustees and Directors' report (continued) for the year ended 31 December 2024

Objectives and activities for the public benefit

The objects of the charity are as follows:

- The advancement of health, including without limitation by the relief and prevention of poor health and physical and / or mental illness of any description
- The advancement of medical education and research, for the benefit of the public and in supporting Cleveland Clinic

In furtherance of these objectives, the charity supports and promotes the following programmes and activities:

- Clinical fellowships and education
- Nurse and allied health training and education
- Executive healthcare leadership for clinicians
- Clinical outcomes research
- Research collaborations with UK and Cleveland Clinic partners
- Charitable and community care

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Financial review

For the year ended 31 December 2024, the charity received income of £6,863,386 (2023: £7,467,021), consisting of £800,000 contributions received from the Cleveland Clinic, £5,609,226 contributions raised through fundraising, comprised of £160,131 of unrestricted contributions and £5,449,095 of restricted contributions, and £454,160 of interest income. Contributions from the Cleveland Clinic are used to pay unrestricted support costs, which totaled £899,716 in 2024 (2023: £1,003,478). Cleveland Clinic will make additional contributions to the charity in 2025 to enable the charity to cover support expenses incurred in 2025. Therefore, the charity will be able to utilize all contributions raised through active fundraising for its mission. Grant distributions from restricted funds totaled £4,863,782 in 2024 (2023: £2,513,043). These distributions were comprised of £4,852,122 provided to Cleveland Clinic London Ltd to support healthcare education and of nurses and physicians, medical research for the benefit of the general public, and the provision of medical care to the general public for those unable to pay and £11,660 provided to various individuals to support educational scholarships in nursing. Grant distributions from unrestricted funds totaled £124,600 in 2024 (2023: £nil). At 31 December 2024 the charity had accrued grant distribution liabilities of £1,981,100 (2023: £453,331).

At 31 December 2024 the charity had cash at bank and in hand of £14,034,419 (2023: £11,835,248), an increase of £2,199,171 from cash at bank and in hand at 31 December 2023 primarily resulting from an increase in accrued distribution liabilities during 2024. Cash at bank and in hand at 31 December 2024 was comprised of £1,302,184 (2023: £1,109,043) in unrestricted funds and £12,732,235 (2023: £10,726,205) in restricted funds, which will be utilized to support the charity's objectives in accordance with donor restrictions.

The charity has received pledge commitments from certain donors for future contributions. Total pledge commitments at 31 December 2024 were £11,743,000 (2023: £14,500,000) and are expected to be collected over the next four years. Pledge commitments are not recorded in the financial statements until entitlement of the pledged assets has passed to the charity, which is generally when the donation is received.

The Cleveland Clinic Foundation has confirmed that it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due for at least the next twelve months from the date of this report. The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the charity continues to adopt the going concern basis in preparing its financial statements.

Cleveland Clinic Philanthropy (UK) Ltd Trustees and Directors' report (continued) for the year ended 31 December 2024

Risk management

Effective risk management is fundamental in enabling the charity to deliver its strategy and ensure it remains strong and sustainable in the long term. The Trustees are responsible for the overall management of the administration of the charity and for ensuring that there are appropriate systems of controls in place. The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. Decisions by the Trustees concerning the charity are taken by the Trustees, acting collectively.

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. A major risk is attracting donors to help the charity satisfy its mission of advancing health and medical education and research. As the charity works to establish a good reputation, reputational risks may arise from its fundraising and grant-making activities. However, plans have been implemented to mitigate these risks as far as reasonably possible. To avoid inappropriate or unethical use of charitable funds, processes are in place to scrutinize grant applications for ethical issues and to ensure that, so far as practicable, charitable funds are disseminated in accordance with any specific wishes of each donor, or the stated aims of a particular campaign or fund.

Reserves policy

The Trustees aim to maintain unrestricted reserves that are sufficient to cover support costs for at least three months. Unrestricted reserves and funding for support costs are reviewed at least annually considering the annual operating budget and long-term financial projections of the charity. Support costs are funded by contributions received from the Cleveland Clinic that are contributed to the charity throughout the year as support costs are incurred. Contributions provided by the Cleveland Clinic are generally provided quarterly and reviewed to ensure that adequate funds are available to cover at least three months of support costs for the charity. Cleveland Clinic has provided contributions to the charity in 2024 and will continue to support the operating and governance costs as necessary to enable the charity to meet its obligations and liabilities as they fall due.

At 31 December 2024 the charity held free reserves (excluding restricted funds) of £1,000,619 (2023: £612,210) which corresponds to approximately 12 months (2023: 7 months) of unrestricted expenditure.

Plans for the future

The charity is committed to the advancement of healthcare and medical education and research. As a public charity, it appreciates and relies upon philanthropy contributions from grateful patients, friends of the charity, alumni, corporations, charities and foundations in order to support its mission: caring for life, researching for health, and education of those who serve. The plans for the future are to develop these philanthropic networks to raise funds in order to support its mission for the long term.

Qualifying third-party indemnity provisions

The charity has granted indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the financial year and remains in force as at the date of approving the Trustees' report.

Cleveland Clinic Philanthropy (UK) Ltd Trustees and Directors' report (continued) for the year ended 31 December 2024

Responsibilities of the Trustees

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) issued in 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the charity will continue on that basis.

The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for keeping adequate 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to the auditor

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditor, Buzzacott Audit LLP will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities (effective 1 January 2019) and in accordance with the small companies regime.

Approved by the Trustees on 02 June 2025 and signed on their behalf by:



**D Laraway
Trustee**

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Opinion

We have audited the financial statements of Cleveland Clinic Philanthropy (UK) Ltd (the 'charitable company') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2024 and of its income and expenditure 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 Companies Act 2006.

Basis for opinion

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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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:

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Auditor's responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature in cursive script that reads "Buzzacott Audit LLP".

Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

05 June 2025

Cleveland Clinic Philanthropy (UK) Ltd

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2024

		Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income:	Note				
Donations	3	960,131	5,449,095	6,409,226	7,467,021
Interest receivable and similar income	4	<u>452,594</u>	<u>1,566</u>	<u>454,160</u>	-
Total income		<u>1,412,725</u>	<u>5,450,661</u>	<u>6,863,386</u>	<u>7,467,021</u>
Expenditure on:					
Charitable activities	5	<u>(1,024,316)</u>	<u>(4,863,782)</u>	<u>(5,888,098)</u>	<u>(3,516,521)</u>
Total expenditure		<u>(1,024,316)</u>	<u>(4,863,782)</u>	<u>(5,888,098)</u>	<u>(3,516,521)</u>
Net income for the year		<u>388,409</u>	<u>586,879</u>	<u>975,288</u>	<u>3,950,500</u>
Reconciliation of capital and funds:					
Balances at beginning of year		<u>612,211</u>	<u>10,272,874</u>	<u>10,885,085</u>	<u>6,934,585</u>
Balances at end of year		<u>1,000,620</u>	<u>10,859,753</u>	<u>11,860,373</u>	<u>10,885,085</u>

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 18 form part of these financial statements.

Balance sheet as at 31 December 2024

	Note	2024 £	2024 £	2023 £	2023 £
Current assets					
Debtors: Amounts falling due within one year	10	32,578		-	
Cash at bank and in hand		<u>14,034,419</u>		<u>11,835,248</u>	
		14,066,997		11,835,248	
Creditors: Amounts falling due within one year	11	<u>(2,206,624)</u>		<u>(950,163)</u>	
Total net assets			<u>11,860,373</u>		<u>10,885,085</u>
Capital and funds					
Share capital	12		1		1
Unrestricted funds	13		1,000,619		612,210
Restricted funds	13		<u>10,859,753</u>		<u>10,272,874</u>
Total capital and funds			<u>11,860,373</u>		<u>10,885,085</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 02 June 2025 and signed on their behalf by:



D Laraway
Trustee

The notes on pages 13 to 18 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Statement of cash flows for the year ended 31 December 2024

	2024 £	2023 £
Cash flows from operating activities		
Net income for the year	975,288	3,950,500
Adjustments:		
(Increase) / decrease in debtors	(32,578)	11,858
Increase in creditors	1,256,461	609,363
Net cash provided by operating activities	<u>2,199,171</u>	<u>4,571,721</u>
Cash and cash equivalents at 1 January	<u>11,835,248</u>	<u>7,263,527</u>
Cash and cash equivalents at 31 December	<u>14,034,419</u>	<u>11,835,248</u>

The notes on pages 13 to 18 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements

for the year ended 31 December 2024

1. General information

The charity is a registered charity limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Suite 1, 7th Floor, 50 Broadway, London, SW1Y 0BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cleveland Clinic Philanthropy (UK) Ltd 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.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

2.2 Going concern

The Trustees have assessed the ability of the charity to continue to operate as a going concern taking into consideration forecasted operations and potential events requiring a cash outflow for the foreseeable future. The ultimate parent company, The Cleveland Clinic Foundation, provides contributions to the charity to support operational and governance costs and provide for the ability of the charity to meet their liabilities as they fall due. Grant distributions are paid from cash balances in unrestricted and restricted funds and do not exceed the available cash within each fund.

The ultimate controlling party The Cleveland Clinic Foundation, a non-profit corporation in Ohio, United States of America, has confirmed it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due, for at least the next twelve months from the date of this report. The Trustees have assessed the ability and intent of The Cleveland Clinic Foundation to provide financial support and concluded that it will be able to do so.

As such, the Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Functional and presentational currency

The charity's functional and presentational currency is the pound sterling.

2.4 Income

Donations are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Interest income is recognised in the statement of financial activities using the effective interest method.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements (continued)

for the year ended 31 December 2024

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

All expenditure is inclusive of irrecoverable VAT.

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Financial instruments

(i) Financial assets

The charity's financial assets comprise cash at bank and in hand. Management determines the classification of its financial assets at initial recognition.

The charity's financial assets are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities

The charity's financial liabilities comprise amounts owed to group undertakings and other creditors. Management determines the classification of its financial liabilities at initial recognition.

The charity's financial liabilities are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.8 Share capital

Ordinary shares are classified as equity.

2.9 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Fundraising and administrative costs are charged against unrestricted funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. Restricted funds are held by the charity for purposes that are consistent with its mission of advancing healthcare, medical education and research.

Grant distributions are paid from cash balances in unrestricted and restricted funds and do not exceed the available cash within each fund.

Cleveland Clinic Philanthropy (UK) Ltd
Notes to the financial statements (continued)
for the year ended 31 December 2024

3. Income from donations

	Unrestricted Funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	160,131	5,449,095	5,609,226	6,367,021
Contributions from parent undertaking	800,000	-	800,000	1,100,000
	<u>960,131</u>	<u>5,449,095</u>	<u>6,409,226</u>	<u>7,467,021</u>

The contribution from the parent undertaking relates to providing funds to cover the support costs of the charity. In 2023 restricted donation income totalled £6,079,207, there was no other restricted income in that year.

4. Interest receivable and similar income

	Unrestricted Funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Interest income	452,594	1,566	454,160	-

5. Expenditures on charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Grant distributions	124,600	4,863,782	4,988,382	2,513,043
Operational support costs	869,428	-	869,428	950,190
Governance support costs	30,288	-	30,288	53,288
	<u>1,024,316</u>	<u>4,863,782</u>	<u>5,888,098</u>	<u>3,516,521</u>

Grant distributions from restricted funds totaled £4,863,782 in 2024 (2023: £2,513,043). These distributions were comprised of £4,852,122 (2023: £2,505,723) provided to Cleveland Clinic London Ltd to support healthcare education and training of nurses and physicians, medical research for the benefit of the general public, and the provision of medical care to the general public for those unable to pay and £11,660 (2023: £7,320) provided to multiple individuals to support educational scholarships in nursing. Grant distributions from unrestricted funds totaled £124,600 in 2024 (2023: £nil)

Operational support costs include employee costs, expenses relating to a seconded employee from The Cleveland Clinic Foundation, services provided by a professional fundraiser and other administrative costs of the charity. The charity hired two employees during 2024.

Cleveland Clinic Philanthropy (UK) Ltd
Notes to the financial statements (continued)
for the year ended 31 December 2024

6. Staff costs

	2024	2023
	£	£
Wages and salaries	23,069	-
Social Security costs	2,676	-
Cost of defined contribution scheme	995	-
	<u>26,740</u>	<u>-</u>

	2024	2023
	No.	No.
Average number of employees during the year	<u>1</u>	<u>-</u>

There were no employees whose emoluments exceeded £60,000 during the year.

7. Auditor's remuneration

	2024	2023
	£	£
Fees payable to the charity's auditor for the audit of the charity's financial statements	<u>20,250</u>	<u>19,500</u>

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023: £nil).

During the year, no Trustee expenses have been incurred (2023: £nil).

9. Taxation

The charity is not liable for corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

10. Debtors: Amounts due within one year

	2024	2023
	£	£
Accrued interest receivable	<u>32,578</u>	<u>-</u>

11. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Amounts owed to group undertakings	83,306	293,535
Accruals for grants payable	1,981,100	453,331
Other taxation and social security	116,964	157,160
Accruals and deferred income	23,400	46,137
Trade creditors	1,854	-
	<u>2,206,624</u>	<u>950,163</u>

The amounts owed to group undertakings are unsecured, interest-free and are repayable on demand.

Cleveland Clinic Philanthropy (UK) Ltd
Notes to the financial statements (continued)
for the year ended 31 December 2024

12. Share capital

	2024 £	2023 £
Allotted, called up and not paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

13. Statement of funds

	Balance at 1 January 2024 £	Income £	Expenditure £	Balance at 31 December 2024 £
Unrestricted funds	612,210	1,412,725	1,024,316	1,000,619
Restricted funds:				
Clinical Institute Education	399,074	101,423	-	500,497
Nursing Education and Training	828,172	-	265,833	562,339
Lakshmi Mittal and Family Foundation	4,919,234	3,600,000	4,333,746	4,185,488
Clinical Institute Research	728,556	749,238	16,000	1,461,794
Community Support	3,397,838	1,000,000	248,203	4,149,635
Total restricted funds	<u>10,272,874</u>	<u>5,450,661</u>	<u>4,863,782</u>	<u>10,859,753</u>
	<u>10,885,084</u>	<u>6,863,386</u>	<u>5,888,098</u>	<u>11,860,372</u>

Statement of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
Unrestricted funds	227,874	1,387,814	1,003,478	612,210
Restricted funds:				
Clinical Institute Education	-	399,074	-	399,074
Nursing Education and Training	431,824	403,668	7,320	828,172
Lakshmi Mittal and Family Foundation	3,600,000	3,600,000	2,280,766	4,919,234
Clinical Institute Research	48,556	680,000	-	728,556
Community Support	2,626,330	996,465	224,957	3,397,838
Total restricted funds	<u>6,706,710</u>	<u>6,079,207</u>	<u>2,513,043</u>	<u>10,272,874</u>
	<u>6,934,584</u>	<u>7,467,021</u>	<u>3,516,521</u>	<u>10,885,084</u>

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements (continued)

for the year ended 31 December 2024

13. Statement of funds (continued)

The Clinical Institute Education Fund is to support professional staff development, student and faculty development, and educational/technical resources.

The Nursing Education and Training Fund is to support professional staff development, student and faculty development, and educational/technical resources for nurses.

The Lakshmi Mittal and Family Foundation Fund is to support the advancement of health, medical education and research in the UK.

The Clinical Institute Research Fund is to support research efforts in the advancement of healthcare in collaboration with research institutions.

The Community Support Fund is to support the community in furtherance of Cleveland Clinic Philanthropy (UK) Ltd.'s mission to advance health, medical education and research for the benefit of the public.

14. Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Debtors due within one year	32,578	-	32,578	-
Cash at bank and in hand	1,302,184	12,732,235	14,034,419	11,835,248
Creditors due within one year	<u>(334,142)</u>	<u>(1,872,482)</u>	<u>(2,206,624)</u>	<u>(950,163)</u>
	<u>1,000,620</u>	<u>10,859,753</u>	<u>11,860,373</u>	<u>10,885,085</u>

15. Related party transactions

During the year the charity received grants of £800,000 (2023: £1,100,000) from its ultimate parent entity, The Cleveland Clinic Foundation.

During the current year and prior year, no related party transactions took place outside of that group.

16. Immediate and ultimate parent undertaking and controlling party

The charity's immediate and ultimate parent undertaking and controlling party is The Cleveland Clinic Foundation, a non-profit corporation at 9500 Euclid Ave, Cleveland, OH 44195, Cleveland, United States of America. The Cleveland Clinic Foundation is organised and operated to provide medical and hospital care, research and education. The sole member of the charity is The Cleveland Clinic Foundation.

The State of Ohio corporation registration number for The Cleveland Clinic Foundation is #95560.

The financial statements of the charity are included in the consolidated financial statements of The Cleveland Clinic Foundation. These consolidated financial statements are publicly available from The Cleveland Clinic Foundation website www.clevelandclinic.org.

CLEVELAND CLINIC PHILANTHROPY (UK) LTD

England & Wales - Charity number 1188616

Accounts

Registered number: 11742522

Charity number: 1188616

Cleveland Clinic Philanthropy (UK) Ltd

**Trustees' report and financial statements
for the year ended 31 December 2023**

Cleveland Clinic Philanthropy (UK) Ltd

Contents

	Page(s)
Reference and administrative information	1
Trustees and directors' report	2 - 5
Independent auditor's report on the financial statements	6 - 9
Statement of financial activities	10
Balance sheet	11
Statement of cash flows	12
Notes to the financial statements	13 - 18

Cleveland Clinic Philanthropy (UK) Ltd

Reference and administrative information for the year ended 31 December 2023

Company registered number	11742522
Charity registered number	1188616
Registered office	Suite 1, 7th Floor 50 Broadway London, United Kingdom SW1H 0BL
Principal operating office	40 Grosvenor Place London, United Kingdom SW1X 7AW
Company secretary	Vistra Cosec Limited
Trustees (Directors)	J Botts R Gordon D Laraway Dr R Lorenz W Peacock D Pritchard D Rowan
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Cleveland Clinic Philanthropy (UK) Ltd Trustees and Directors' report for the year ended 31 December 2023

The Trustees present their annual report and financial statements of Cleveland Clinic Philanthropy (UK) Ltd ("the charity") for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the Charities Act 2011, the Statement of Recommended Practice: Accounting and Reporting by Charities effective 1 January 2019 and the Companies Act 2006.

Trustees

The Trustees are also the directors of the charity. The Trustees who held office during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

J Botts
T Falcone (resigned 1 June 2023)
R Gordon
A Helton (resigned 14 April 2023)
D Laraway (appointed 14 April 2023)
Dr R Lorenz (appointed 1 June 2023) (M.D., Chair of Trustees)
W Peacock
D Pritchard
D Rowan

Structure, governance and management

The charity is a registered charity in England and Wales, number 1188616, and is constituted under a certificate of incorporation dated 27 December 2018. The charity is a private company limited by shares and is registered with Companies House, number 11742522. The Articles of Association of the charity were approved on 20 February 2020 and the Charities Commission approved it as a charity in February 2020. The charity was established by a contribution from The Cleveland Clinic Foundation, a non-profit corporation incorporated under the laws of the State of Ohio, United States ("Cleveland Clinic"), a non-profit healthcare system, which provides continual operating support so that all monies raised by the charity may be used for its mission. The charity began fundraising in 2021 and seeks to perform its charitable work through active fundraising.

The sole member of the charity, Cleveland Clinic, has the authority to appoint new Trustees provided that at all times at least a sufficient number of Trustees to be able to form a quorum are independent. The Trustees serve for an initial term of office for three years and may be reappointed for a further term or terms of three years each. The charity's Articles of Association provide for a minimum of five Trustees but is not subject to a maximum.

The Trustees agree on the broad strategy and areas of activity for the charity, including consideration of grant making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Administrator, B Mikhail. The charity utilizes the services of a professional fundraiser. The Administrator monitors the fundraising activity by providing training and maintaining frequent communication with the fundraiser. Fundraising is also performed internally by the charity and monitored by Cleveland Clinic. Fundraising activities to date have been limited in scope and primarily from certain individuals. During the course of the year we did not receive any complaints about our fundraising practice. We do not engage in persistent or intrusive fundraising practices with any of our supporters.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 13 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Chair and, in accordance with the charity's policy, withdraw from decisions where a conflict of interest arises.

On appointment new Trustees meet with the Chair and the Trustees. The welcome information includes a copy of the Articles of Association, and a copy of the Charity Commission's guidance entitled "Guidance for Charities with a Connection to a Non-Charity", "The Essential Trustee: What You Need to Know" and "Charitable Purposes and Public Benefit". The Trustees maintain monitoring and oversight of the activities of the charity through formal meetings and continuous informal communications. The Trustees meet periodically to review strategic, governance, operational and financial matters. All Trustees are encouraged to attend appropriate external training events that will facilitate the undertaking of their role.

Cleveland Clinic Philanthropy (UK) Ltd Trustees and Directors' report (continued) for the year ended 31 December 2023

Structure, governance and management (continued)

The Trustees formed a Grant-Making Committee in November 2020 to provide oversight and guidance regarding the charity's grant-making initiatives and activities. The committee has established a formal governance structure for grant decision making and review of grant applications. The charity began making grant distributions in 2022.

Objectives and activities for the public benefit

The objects of the charity are as follows:

- The advancement of health, including without limitation by the relief and prevention of poor health and physical and / or mental illness of any description
- The advancement of medical education and research, for the benefit of the public and in supporting Cleveland Clinic

In furtherance of these objectives, the charity supports and promotes the following programmes and activities:

- Clinical fellowships and education
- Nurse and allied health training and education
- Executive healthcare leadership for clinicians
- Clinical outcomes research
- Research collaborations with UK and Cleveland Clinic partners
- Charitable and community care

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Financial review

For the year ended 31 December 2023, the charity received contributions of £7,467,021 (2022: £7,117,240), consisting of £1,100,000 received from the Cleveland Clinic and £6,367,021 raised through fundraising, comprised of £287,814 of unrestricted contributions and £6,079,207 of restricted contributions. Contributions from the Cleveland Clinic are used to pay unrestricted support costs, which totalled £1,003,478 in 2023 (2022: £963,621). Cleveland Clinic will make additional contributions to the charity in 2024 to enable the charity to cover support expenses incurred in 2024. Therefore, the charity will be able to utilize all contributions raised through active fundraising for its mission. Grant distributions from restricted funds totalled £2,513,043 in 2023 (2022: £101,717). These distributions were comprised of £2,505,723 provided to Cleveland Clinic London Ltd to support healthcare education and training and the provision of care to the general public and £7,320 provided to various individuals to support educational scholarships. At 31 December 2023 the charity had accrued grant distribution liabilities of £453,331 (2022: £nil), which were paid in early 2024. There were no grant distributions from unrestricted funds during 2023.

At 31 December 2023 the charity had cash at bank and in hand of £11,835,248 (2022: £7,263,527), an increase of £4,571,721 from cash at bank and in hand at 31 December 2022 primarily resulting from philanthropic fundraising efforts during 2023. Cash at bank and in hand at 31 December 2023 was comprised of £1,109,043 (2022: £556,817) in unrestricted funds and **£10,726,205** (2022: £6,706,710) in restricted funds, which will be utilized to support the charity's objectives in accordance with donor restrictions.

The charity has received pledge commitments from certain donors for future contributions. Total pledge commitments at 31 December 2023 were £14,500,000 and are expected to be collected over the next four years. Pledge commitments are not recorded in the financial statements until entitlement of the pledged assets has passed to the charity, which is generally when the donation is received.

The Cleveland Clinic Foundation has confirmed that it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due for the period to 30 June 2025. The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to 30 June 2025. Accordingly, the charity continues to adopt the going concern basis in preparing its financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2023

Risk management

Effective risk management is fundamental in enabling the charity to deliver its strategy and ensure it remains strong and sustainable in the long term. The Trustees are responsible for the overall management of the administration of the charity and for ensuring that there are appropriate systems of controls in place. The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. Decisions by the Trustees concerning the charity are taken by the Trustees, acting collectively.

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. A major risk is attracting donors to help the charity satisfy its mission of advancing health and medical education and research. As the charity works to establish a good reputation, reputational risks may arise from its fundraising and grant-making activities. However, plans are being developed to mitigate these risks as far as reasonably possible. To avoid inappropriate or unethical use of charitable funds, processes are being developed to scrutinize grant applications for ethical issues and to ensure that, so far as practicable, charitable funds are disseminated in accordance with any specific wishes of each donor, or the stated aims of a particular campaign or fund.

Reserves policy

The Trustees aim to maintain unrestricted reserves that are sufficient to cover support costs for at least three months. Unrestricted reserves and funding for support costs are reviewed at least annually considering the annual operating budget and long-term financial projections of the charity. Support costs are funded by contributions received from the Cleveland Clinic that are contributed to the charity throughout the year as support costs are incurred. Contributions provided by the Cleveland Clinic are generally provided quarterly and reviewed to ensure that adequate funds are available to cover at least three months of support costs for the charity. Cleveland Clinic has provided contributions to the charity in 2023 and will continue to support the operating and governance costs as necessary to enable the charity to meet its obligations and liabilities as they fall due.

At 31 December 2023 the charity held free reserves (excluding restricted funds) of £612,210 (2022: £227,874) which corresponds to approximately 7 months (2022: 3 months) of unrestricted expenditure.

Plans for the future

The charity is committed to the advancement of healthcare and medical education and research. As a public charity, it appreciates and relies upon philanthropy contributions from grateful patients, friends of the charity, alumni, corporations, charities and foundations in order to support its mission: caring for life, researching for health, and education of those who serve. The plans for the future are to develop these philanthropic networks to raise funds in order to support its mission for the long term.

Qualifying third-party indemnity provisions

The charity has granted indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the financial year and remains in force as at the date of approving the Trustees' report.

Cleveland Clinic Philanthropy (UK) Ltd Trustees and Directors' report (continued) for the year ended 31 December 2023

Responsibilities of the Trustees

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) issued in 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the charity will continue on that basis.

The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for keeping adequate 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to the auditor

In accordance with company law, each of the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity, they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditor, Buzzacott LLP will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities (effective 1 January 2019) and in accordance with the small companies regime.

Approved by the Trustees on 16 May 2024 and signed on their behalf by:



D Laraway
Trustee

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Opinion

We have audited the financial statements of Cleveland Clinic Philanthropy (UK) Ltd (the 'charitable company') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the notes to the financial statements. 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 charitable company's affairs as at 31 December 2023 and of its income and expenditure 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 Companies Act 2006.

Basis for opinion

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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the trustees' report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the trustees' report and financial statements. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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:

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011) and those that relate to data protection (General Data Protection Regulation).

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual variances;
- tested journal entries to identify unusual transactions;
- tested the authorisation of expenditure and bank payments; and
- reviewed the implementation and design of controls and procedures in place around the grants payable system.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Katharine Patel (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

17 May 2024

Cleveland Clinic Philanthropy (UK) Ltd

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2023

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income:	Note				
Donations	3	1,387,814	6,079,207	7,467,021	7,117,240
Total income		<u>1,387,814</u>	<u>6,079,207</u>	<u>7,467,021</u>	<u>7,117,240</u>
Expenditure on:					
Charitable activities	4	(1,003,478)	(2,513,043)	(3,516,521)	(1,065,338)
Total expenditure		<u>(1,003,478)</u>	<u>(2,513,043)</u>	<u>(3,516,521)</u>	<u>(1,065,338)</u>
Net income for the year		<u>384,336</u>	<u>3,566,164</u>	<u>3,950,500</u>	<u>6,051,902</u>
Reconciliation of capital and funds:					
Balances at beginning of year		<u>227,875</u>	<u>6,706,710</u>	<u>6,934,585</u>	882,683
Balances at end of year		<u>612,211</u>	<u>10,272,874</u>	<u>10,885,085</u>	<u>6,934,585</u>

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 13 to 18 form part of these financial statements.

Balance sheet as at 31 December 2023

	Note	2023 £	2023 £	2022 £	2022 £
Current assets					
Debtors: Amounts falling due within one year	8	-		11,858	
Cash at bank and in hand		<u>11,835,248</u>		<u>7,263,527</u>	
		11,835,248		7,275,385	
Creditors: Amounts falling due within one year	9	<u>(950,163)</u>		<u>(340,800)</u>	
Total net assets			<u>10,885,085</u>		<u>6,934,585</u>
Capital and funds					
Share capital	10		1		1
Unrestricted funds	11		612,210		227,874
Restricted funds	11		<u>10,272,874</u>		<u>6,706,710</u>
Total capital and funds			<u>10,885,085</u>		<u>6,934,585</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 16 May 2024 and signed on their behalf by:



D Laraway
Trustee

The notes on pages 13 to 18 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Statement of cash flows for the year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Net income for the year	3,950,500	6,051,902
Adjustments:		
Decrease / (increase) in debtors	11,858	(11,858)
Increase in creditors	609,363	114,232
Net cash provided by operating activities	4,571,721	6,154,276
Cash and cash equivalents at 1 January	7,263,527	1,109,251
Cash and cash equivalents at 31 December	<u>11,835,248</u>	<u>7,263,527</u>

The notes on pages 13 to 18 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements

for the year ended 31 December 2023

1. General information

The charity is a registered charity limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Suite 1, 7th Floor, 50 Broadway, London, SW1Y 0BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cleveland Clinic Philanthropy (UK) Ltd 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.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

2.2 Going concern

The Trustees have assessed the ability of the charity to continue to operate as a going concern through to the end of June 2025, including a horizon scan of potential events requiring a cash outflow to the end of 2025. The ultimate parent company, The Cleveland Clinic Foundation, provides contributions to the charity to support operational and governance costs and provide for the ability of the charity to meet their liabilities as they fall due. Grant distributions are paid from cash balances in unrestricted and restricted funds and do not exceed the available cash within each fund.

The ultimate controlling party The Cleveland Clinic Foundation, a non-profit corporation in Ohio, United States of America, has confirmed it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due, for the period to the end of June 2025. The Trustees have assessed the ability and intent of The Cleveland Clinic Foundation to provide financial support and concluded that it will be able to do so.

As such, the Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to 30 June 2025. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements (continued)

for the year ended 31 December 2023

2. Accounting policies (continued)

2.3 Functional and presentational currency

The charity's functional and presentational currency is the pound sterling.

2.4 Income

Donations are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

All expenditure is inclusive of irrecoverable VAT.

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Financial instruments

(i) Financial assets

The charity's financial assets comprise cash at bank and in hand. Management determines the classification of its financial assets at initial recognition.

The charity's financial assets are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities

The charity's financial liabilities comprise amounts owed to group undertakings and other creditors. Management determines the classification of its financial liabilities at initial recognition.

The charity's financial liabilities are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.8 Share capital

Ordinary shares are classified as equity.

Cleveland Clinic Philanthropy (UK) Ltd
Notes to the financial statements (continued)
for the year ended 31 December 2023

2. Accounting policies (continued)

2.9 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Fundraising and administrative costs are charged against unrestricted funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. Restricted funds are held by the charity for purposes that are consistent with its mission of advancing healthcare, medical education and research.

Grant distributions are paid from cash balances in unrestricted and restricted funds and do not exceed the available cash within each fund.

3. Income from donations

	Unrestricted Funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	287,814	6,079,207	6,367,021	6,117,240
Contributions from parent undertaking	1,100,000	-	1,100,000	1,000,000
	<u>1,387,814</u>	<u>6,079,207</u>	<u>7,467,021</u>	<u>7,117,240</u>

The contribution from the parent undertaking relates to providing funds to cover the support costs of the charity.

4. Expenditures on charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Grant distributions	-	2,513,043	2,513,043	101,717
Operational support costs	950,190	-	950,190	905,672
Governance support costs	53,288	-	53,288	57,949
	<u>1,003,478</u>	<u>2,513,043</u>	<u>3,516,521</u>	<u>1,065,338</u>

Grant distributions from restricted funds totalled £2,513,043 in 2023 (2022: £101,717). These distributions were comprised of £2,505,723 (2022: £94,112) provided to Cleveland Clinic London Ltd to support healthcare education and training and the provision of care to the general public and £7,320 (2022: £7,605) provided to 7 (2022: 5) individuals to support educational scholarships. There were no grant distributions from unrestricted funds during 2023 or 2022.

The charity had no employees during the current year or the prior year. Operational support costs include employee expenses relating to a seconded employee from The Cleveland Clinic Foundation, services provided by a professional fundraiser and other administrative costs of the charity.

Cleveland Clinic Philanthropy (UK) Ltd
Notes to the financial statements (continued)
for the year ended 31 December 2023

5. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the charity's auditor for the audit of the charity's financial statements	<u>23,400</u>	<u>32,062</u>

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022: £nil).

During the year, no Trustee expenses have been incurred (2022: £nil).

7. Taxation

The charity is not liable for corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

8. Debtors: Amounts due within one year

	2023	2022
	£	£
Prepayments	<u>-</u>	<u>11,858</u>

9. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	293,535	139,467
Accruals for grants payable	453,331	-
Other taxation and social security	157,160	154,886
Accruals and deferred income	<u>46,137</u>	<u>46,447</u>
	<u>950,163</u>	<u>340,800</u>

The amounts owed to group undertakings are unsecured, interest-free and are repayable on demand.

10. Share capital

	2023	2022
	£	£
Allotted, called up and not paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

Cleveland Clinic Philanthropy (UK) Ltd
Notes to the financial statements (continued)
for the year ended 31 December 2023

11. Statement of funds

	Balance at 1 January 2023 £	Income £	Expenditure £	Balance at 31 December 2023 £
Unrestricted funds	227,874	1,387,814	1,003,478	612,210
Restricted funds:				
Clinical Institute education	-	399,074	-	399,074
Nursing Education and training	431,824	403,668	7,320	828,172
Lakshmi Mittal and Family Foundation	3,600,000	3,600,000	2,280,766	4,919,234
Clinical Institute Research	48,556	680,000	-	728,556
Community Support	2,626,330	996,465	224,957	3,397,838
Total restricted funds	<u>6,706,710</u>	<u>6,079,207</u>	<u>2,513,043</u>	<u>10,272,874</u>
	<u><u>6,934,584</u></u>	<u><u>7,467,021</u></u>	<u><u>3,516,521</u></u>	<u><u>10,885,084</u></u>

Statement of funds - prior year

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
Unrestricted funds	144,299	1,047,196	963,621	227,874
Restricted funds:				
Nursing Education and training	-	439,429	7,605	431,824
Lakshmi Mittal and Family Foundation	-	3,600,000	-	3,600,000
Clinical Institute Research	-	48,556	-	48,556
Community Support	738,383	1,982,059	94,112	2,626,330
Total restricted funds	<u>738,383</u>	<u>6,070,044</u>	<u>101,717</u>	<u>6,706,710</u>
	<u><u>882,682</u></u>	<u><u>7,117,240</u></u>	<u><u>1,065,338</u></u>	<u><u>6,934,584</u></u>

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements (continued)

for the year ended 31 December 2023

11. Statement of funds (continued)

The Clinical Institute education fund is to support professional staff development, student and faculty development, and educational/technical resources.

The Nursing education and training fund is to support professional staff development, student and faculty development, and educational/technical resources for nurses.

The Lakshmi Mittal and Family Foundation fund is to support the advancement of health, medical education and research in the UK.

The Clinical Institute research fund is to support research efforts in the advancement of healthcare in collaboration with research institutions.

The Community Support fund is to support the community in furtherance of Cleveland Clinic Philanthropy (UK) Ltd.'s mission to advance health, medical education and research for the benefit of the public.

12. Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Debtors due within one year	-	-	-	11,858
Cash at bank and in hand	1,109,043	10,726,205	11,835,248	7,263,527
Creditors due within one year	<u>(496,832)</u>	<u>(453,331)</u>	<u>(950,163)</u>	<u>(340,800)</u>
	<u>612,211</u>	<u>10,272,874</u>	<u>10,885,085</u>	<u>6,934,585</u>

13. Related party transactions

During the year the charity received grants of £1,100,000 (2022: £1,000,000) from its ultimate parent entity, The Cleveland Clinic Foundation.

During the current year and prior year, no related party transactions took place outside of that group.

14. Immediate and ultimate parent undertaking and controlling party

The charity's immediate and ultimate parent undertaking and controlling party is The Cleveland Clinic Foundation, a non-profit corporation at 9500 Euclid Ave, Cleveland, OH 44195, Cleveland, United States of America. The Cleveland Clinic Foundation is organised and operated to provide medical and hospital care, research and education. The sole member of the charity is The Cleveland Clinic Foundation.

The State of Ohio corporation registration number for The Cleveland Clinic Foundation is #95560.

The financial statements of the charity are included in the consolidated financial statements of The Cleveland Clinic Foundation. These consolidated financial statements are publicly available from The Cleveland Clinic Foundation website www.clevelandclinic.org.

CLEVELAND CLINIC PHILANTHROPY (UK) LTD

England & Wales - Charity number 1188616

Accounts

Registered number: 11742522

Charity number: 1188616

Cleveland Clinic Philanthropy (UK) Ltd

**Trustees' report and financial statements
for the year ended 31 December 2022**

Cleveland Clinic Philanthropy (UK) Ltd

Contents

	Page(s)
Reference and administrative information	1
Trustees and directors' report	2 - 5
Independent auditor's report on the financial statements	6 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 17

Cleveland Clinic Philanthropy (UK) Ltd

Reference and administrative information for the year ended 31 December 2022

Company registered number	11742522
Charity registered number	1188616
Registered office	Suite 1, 7th Floor 50 Broadway London, United Kingdom SW1H 0BL
Principal operating office	40 Grosvenor Place London, United Kingdom SW1X 7AW
Company secretary	Vistra Cosec Limited
Trustees (Directors)	J Botts B Donley (resigned 17 October 2022) T Falcone (appointed 17 October 2022, resigned 1 June 2023) S Glass (resigned 13 June 2022) R Gordon A Helton (appointed 13 June 2022, resigned 14 April 2023) D Laraway (appointed 14 April 2023) R Lorenz (appointed 1 June 2023) W Peacock D Pritchard D Rowan
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report for the year ended 31 December 2022

The Trustees present their annual report and financial statements of Cleveland Clinic Philanthropy (UK) Ltd (the "charity") for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities effective 1 January 2019.

Trustees

The Trustees are also the directors of the charity. The Trustees who held office during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

J Botts
B Donley (resigned 17 October 2022)
T Falcone (appointed 17 October 2022, resigned 1 June 2023)
S Glass (resigned 13 June 2022)
R Gordon
A Helton (appointed 13 June 2022, resigned 14 April 2023)
D Laraway (appointed 14 April 2023)
R Lorenz (appointed 1 June 2023) (M.D., Chair of Trustees)
W Peacock
D Pritchard
D Rowan

Structure, governance and management

The charity is a registered charity in England and Wales, number 1188616, and is constituted under a certificate of incorporation dated 27 December 2018. The Articles of Association of the charity were approved on 20 February 2020 and the Charities Commission approved it as a charity in February 2020. The charity was established by a contribution by The Cleveland Clinic Foundation, a non-profit health care system in Ohio, United States ("Cleveland Clinic"), which provides continual operating support so that all monies raised by the charity may be used for its mission. The charity began fundraising in 2021 and seeks to perform its charitable work through active fundraising.

The sole member of the charity, Cleveland Clinic, has the authority to appoint new Trustees provided that at all times at least a sufficient number of Trustees to be able to form a quorum are independent. The Trustees serve for an initial term of office for three years and may be reappointed for a further term or terms of three years each. The charity's Articles of Association provide for a minimum of five Trustees but is not subject to a maximum.

At the Trustees' meetings, the Trustees agree on the broad strategy and areas of activity for the charity, including consideration of grant making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Administrator, B Mikhail. In 2022, the charity utilised the services of a professional fundraiser. The Administrator monitors the fundraising activity by providing training and maintaining frequent communication with the fundraiser. Fundraising is also performed internally by the charity and monitored by Cleveland Clinic. Fundraising activities to date have been limited in scope and primarily from certain individuals.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 13 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Chair and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

On appointment new Trustees meet with the Chair and the Trustees. The welcome packet includes a copy of the Articles of Association, and a copy of the Charity Commission's guidance entitled "Guidance for Charities with a Connection to a Non-Charity", "The Essential Trustee: What You Need to Know" and "Charitable Purposes and Public Benefit".

The Trustees approved the formation of a Grant-Making Committee in November 2020, which held its first meeting in March 2021. The committee has established a formal governance structure for grant decision making and review of grant applications. The charity began making grant distributions in 2022.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2022

Objectives and activities for the public benefit

The objects of the charity are as follows:

- The advancement of health, including without limitation by the relief and prevention of poor health and physical and / or mental illness of any description
- The advancement of medical education and research, for the benefit of the public and in supporting Cleveland Clinic

In furtherance of these objectives, the charity supports and promotes the following programmes and activities:

- Clinical fellowships and education
- Nurse and allied health training and education
- Executive healthcare leadership for clinicians
- Clinical outcomes research
- Research collaborations with UK and Cleveland Clinic partners
- Charitable and community care

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

Financial review

For the year ended 31 December 2022, the charity received contributions of £7,117,240, consisting of £1,000,000 received from the Cleveland Clinic and £6,117,240 raised through fundraising, comprised of £47,196 of unrestricted contributions and £6,070,044 of restricted contributions. Contributions from the Cleveland Clinic are used to pay unrestricted support costs, which totalled £963,621 in 2022. Cleveland Clinic will make additional contributions to the charity in 2023 to enable the charity to cover support expenses incurred in 2023. Therefore, the charity will be able to utilise all contributions raised through active fundraising for its mission. Grant distributions from restricted funds totalled £101,717 in 2022. These distributions were comprised of £94,112 provided to Cleveland Clinic London Ltd to support the provision of health care and £7,605 provided to various individuals to support educational scholarships. There were no grant distributions from unrestricted funds during 2022.

At 31 December 2022 the charity had cash at bank and in hand of £7,263,527, an increase of £6,154,276 from cash at bank and in hand at 31 December 2021 primarily resulting from philanthropic fundraising efforts during 2022. The charity has £6,706,710 of restricted funds available at 31 December 2022 to support the charity's objectives in accordance with donor restrictions.

The charity has received pledge commitments from certain donors for future contributions. Total pledge commitments at 31 December 2022 were £16,900,000 and are expected to be collected over the next five years. Pledge commitments are not recorded in the financial statements until entitlement of the pledged assets has passed to the charity, which is generally when the donation is received.

The Cleveland Clinic Foundation has confirmed that it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due for the period to 30 June 2024. The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to 30 June 2024. Accordingly, the charity continues to adopt the going concern basis in preparing its financial statements.

The invasion of Ukraine by Russia on 24 February 2022 has led to significant sanctions against Russia. The charity has no ongoing exposures to, or investments in, Russian-related interests, and the conflict is not expected to have any impact on the charity at this time.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2022

Risk management

Effective risk management is fundamental in enabling the charity to deliver its strategy and ensure it remains strong and sustainable in the long term. The Trustees are responsible for the overall management of the administration of the charity and for ensuring that there are appropriate systems of controls in place. The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. Decisions by the Trustees concerning the charity are taken by the Trustees, acting collectively.

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. A major risk is attracting donors to help the charity satisfy its mission of advancing health and medical education and research. As the charity works to establish a good reputation, reputational risks may arise from its fundraising and grant-making activities. However, plans are being developed to mitigate these risks as far as reasonably possible. To avoid inappropriate or unethical use of charitable funds, processes are being developed to scrutinize grant applications for ethical issues and to ensure that, so far as practicable, charitable funds are disseminated in accordance with any specific wishes of each donor, or the stated aims of a particular campaign or fund.

Reserves policy

The Trustees aim to maintain unrestricted reserves that are sufficient to cover support costs. Support costs are funded by contributions received from the Cleveland Clinic that are contributed to the charity throughout the year as support costs are incurred. Cleveland Clinic has provided contributions to the charity in 2022 and will continue to support the operating and governance costs as necessary to enable the charity to meet its obligations and liabilities as they fall due.

Plans for the future

The charity is committed to the advancement of healthcare and medical education and research. As a public charity, it appreciates and relies upon philanthropy contributions from grateful patients, friends of the charity, alumni, corporations, charities and foundations in order to support its mission: caring for life, researching for health, and education those who serve. The plans for the future are to develop these philanthropic networks to raise funds in order to support its mission for the long term.

Qualifying third party indemnity provisions

The charity has granted indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force during the financial year and remains in force as at the date of approving the Trustees' report.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2022

Responsibilities of the Trustees

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) issued in 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the charity will continue on that basis.

The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are also responsible for keeping adequate 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 to enable them to ensure that the financial statements comply with the Charities Act 2011 and the Companies Act 2006.

Disclosure of information to the auditor

In accordance with company law, the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditor, Ernst & Young LLP will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities (effective 1 January 2019) and in accordance with the small companies regime.

Approved by the Trustees on 7 June 2023 and signed on their behalf by:



D Laraway
Trustee

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Opinion

We have audited the financial statements of Cleveland Clinic Philanthropy (UK) Ltd for the year ended 31 December 2022 which comprise the Statement of financial activities (incorporating income and expenditure account), the Balance Sheet and the related notes 1 to 14, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Basis for opinion

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 below. We are independent of the charitable company 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 the provisions available for small entities, in circumstances set out in note 2 to the financial statements, 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 charitable company's ability to continue as a going concern for a period to 30 June 2024.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees and directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees and directors' report included within the trustees' report

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report.

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that 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 charitable company'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 management either intends to liquidate the charitable company or to cease operations, or has 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (FRS 102, the Companies Act 2006 and the Charities Act 2011). In addition, the Company must comply with laws and regulations relating to its operations, including the UK Bribery Act and GDPR.
- We understood how Cleveland Clinic Philanthropy (UK) Ltd is complying with those frameworks by making enquiries of management to understand how the charitable company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing of board minutes as well as consideration of the results of all our audit procedures across the charitable company's transactions and balances. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by making enquiries of those charged with governance and by considering the risk of management override. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.

Cleveland Clinic Philanthropy (UK) Ltd

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

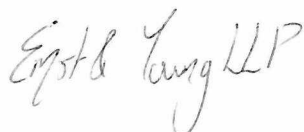
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involve:
 - Enquiry of members of senior management, and when appropriate those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
 - Reading board minutes of those charged with governance.
 - Obtaining and reading correspondence from legal and regulatory bodies where applicable; and
 - Testing journals identified by specific risk criteria and journals indicating large or unusual transactions based on our understanding of the business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Lovegrove (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 8 June 2023

Cleveland Clinic Philanthropy (UK) Ltd

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Incoming resources from generated funds:					
Donations	3	1,047,196	6,070,044	7,117,240	1,802,082
Total income		1,047,196	6,070,044	7,117,240	1,802,082
Expenditures on:					
Charitable activities	4	(963,621)	(101,717)	(1,065,338)	(781,365)
Total expenditures		(963,621)	(101,717)	(1,065,338)	(781,365)
Net income for the year		83,575	5,968,327	6,051,902	1,020,717
Reconciliation of capital and funds:					
Balances at beginning of year		144,300	738,383	882,683	(138,034)
Balances at end of year		227,875	6,706,710	6,934,585	882,683

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 12 to 17 form part of these financial statements.

**Balance sheet
as at 31 December 2022**

	Note	2022 £	2022 £	2021 £	2021 £
Current assets					
Debtors: Amounts falling due within one year	8	11,858	-	-	-
Cash at bank and in hand		7,263,527	1,109,251	1,109,251	
		<u>7,275,385</u>	<u>1,109,251</u>	<u>1,109,251</u>	
Creditors: Amounts falling due within one year	9	(340,800)	(226,568)	(226,568)	
		<u>(340,800)</u>	<u>(226,568)</u>	<u>(226,568)</u>	
Total net assets			6,934,585		882,683
			<u><u>6,934,585</u></u>		<u><u>882,683</u></u>
Capital and funds					
Share capital	10		1		1
Unrestricted funds	11		227,874		144,299
Restricted funds	11		6,706,710		738,383
			<u>6,934,585</u>		<u>882,683</u>
Total capital and funds			6,934,585		882,683
			<u><u>6,934,585</u></u>		<u><u>882,683</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 7 June 2023 and signed on their behalf by:



D Laraway
Trustee

The notes on pages 12 to 17 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2022

1. General information

The charity is a registered charity limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Suite 1, 7th Floor, 50 Broadway, London, SW1Y 0BL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cleveland Clinic Philanthropy (UK) Ltd 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.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

2.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- from preparing a statement of cashflows;
- from preparing certain financial instrument disclosures; and
- from disclosing key management personnel compensation.

The charity has taken advantage of these exemptions on the basis that it meets the definition of a qualifying entity and its ultimate parent company, The Cleveland Clinic Foundation, includes the necessary disclosures in its consolidated financial statements.

Other than the exemptions taken above, the charity has applied the recognition, measurement and disclosure requirements of FRS 102.

2.3 Going concern

The Trustees have assessed the ability of the charity to continue to operate as a going concern through to the end of June 2024, including a horizon scan of potential events requiring a cash outflow to the end of 2024. Having prepared a detailed budget for 2023 and 2024 the Trustees have concluded that they will continue to require the support of and investment from their ultimate parent company The Cleveland Clinic Foundation, to meet their liabilities as they fall due. Grant distributions are paid from cash balances in unrestricted and restricted funds and do not exceed the available cash within each fund.

The ultimate controlling party The Cleveland Clinic Foundation, a non-profit corporation in Ohio, United States of America, has confirmed it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due, for the period to the end of June 2024. The Trustees have assessed the ability and intent of CCF to provide the required financial support and concluded that it will be able to do so.

As such, the Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to 30 June 2024. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2022

2. Accounting policies (continued)

2.4 Functional and presentational currency

The charity's functional and presentational currency is the pound sterling.

2.5 Income

Donations are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

All expenditure is inclusive of irrecoverable VAT.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Financial instruments

(i) Financial assets

The charity's financial assets comprise cash at bank and in hand. Management determines the classification of its financial assets at initial recognition.

The charity's financial assets are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities

The charity's financial liabilities comprise amounts owed to group undertakings and other creditors. Management determines the classification of its financial liabilities at initial recognition.

The charity's financial liabilities are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.9 Share capital

Ordinary shares are classified as equity.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2022

2. Accounting policies (continued)

2.10 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Fundraising and administrative costs are charged against unrestricted funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. Restricted funds are held by the charity for purposes that are consistent with its mission of advancing healthcare, medical education and research.

3. Income from donations

	Unrestricted Funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	47,196	6,070,044	6,117,240	802,082
Contributions from parent undertaking	1,000,000	-	1,000,000	1,000,000
	1,047,196	6,070,044	7,117,240	1,802,082

The contribution from the parent undertaking relates to providing funds to cover the support costs of the charity.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2022

4. Expenditures on charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Grant distributions	-	101,717	101,717	-
Operational support costs	905,672	-	905,672	741,621
Governance support costs	57,949	-	57,949	39,744
	<u>963,621</u>	<u>101,717</u>	<u>1,065,338</u>	<u>781,365</u>

Grant distributions from restricted funds totaled £101,717 in 2022. These distributions were comprised of £94,112 provided to Cleveland Clinic London Ltd to support the provision of health care and £7,605 provided to various individuals to support educational scholarships. There were no grant distributions from unrestricted funds during 2022.

The charity had no employees during the current year or the prior year. Operational support costs include employee expenses relating to a seconded employee from The Cleveland Clinic Foundation and other administrative costs of the charity. In 2022, operational support costs also include services provided by a professional fundraiser.

5. Auditor's remuneration

	2022 £	2021 £
Fees payable to the charity's auditor for the audit of the charity's financial statements	<u>32,062</u>	<u>28,227</u>

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021: £nil).

During the year, no Trustee expenses have been incurred (2021: £nil).

7. Taxation

The charity is not liable for corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

8. Debtors: Amounts due within one year

	2022 £	2021 £
Prepayments	<u>11,858</u>	<u>-</u>

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2022

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	139,467	63,251
Other taxation and social security	154,886	138,819
Accruals and deferred income	46,447	24,498
	<u>340,800</u>	<u>226,568</u>

The amounts owed to group undertakings are unsecured, interest-free and are repayable on demand.

10. Share capital

	2022 £	2021 £
Allotted, called up and not paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

11. Statement of funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Balance at 31 December 2022 £
Unrestricted funds	144,299	1,047,196	(963,621)	227,874
Restricted funds	738,383	6,070,044	(101,717)	6,706,710
	<u>882,682</u>	<u>7,117,240</u>	<u>(1,065,338)</u>	<u>6,934,584</u>

Statement of funds - prior year

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds	(138,035)	1,063,699	(781,365)	144,299
Restricted funds	-	738,383	-	738,383
	<u>(138,035)</u>	<u>1,802,082</u>	<u>(781,365)</u>	<u>882,682</u>

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2022

12. Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Debtors due within one year	11,858	-	11,858	-
Cash at bank and in hand	556,817	6,706,710	7,263,527	1,109,251
Creditors due within one year	<u>(340,800)</u>	<u>-</u>	<u>(340,800)</u>	<u>(226,568)</u>
	<u>227,875</u>	<u>6,706,710</u>	<u>6,934,585</u>	<u>882,683</u>

13. Related party transactions

The charity is exempt from disclosing related party transactions with other companies which are wholly owned by The Cleveland Clinic Foundation.

During the current year and prior year, no related party transactions took place outside of that group.

14. Immediate and ultimate parent undertaking and controlling party

The charity's immediate and ultimate parent undertaking and controlling party is The Cleveland Clinic Foundation, a non-profit corporation at 9500 Euclid Ave, Cleveland, OH 44195, Cleveland, United States of America. The Cleveland Clinic Foundation is organised and operated to provide medical and hospital care, research and education. The sole member of the charity is The Cleveland Clinic Foundation.

The State of Ohio corporation registration number for The Cleveland Clinic Foundation is #95560.

The financial statements of the charity are included in the consolidated financial statements of The Cleveland Clinic Foundation. These consolidated financial statements are publicly available from The Cleveland Clinic Foundation website www.clevelandclinic.org.

CLEVELAND CLINIC PHILANTHROPY (UK) LTD

England & Wales - Charity number 1188616

Accounts

Registered number: 11742522

Charity number: 1188616

Cleveland Clinic Philanthropy (UK) Ltd

**Trustees' report and financial statements
for the year ended 31 December 2021**

Cleveland Clinic Philanthropy (UK) Ltd

Contents

	Page(s)
Reference and administrative information	1
Trustees and directors' report	2 - 5
Independent auditor's report on the financial statements	6 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 18

Cleveland Clinic Philanthropy (UK) Ltd

Reference and administrative information for the year ended 31 December 2021

Company registered number	11742522
Charity registered number	1188616
Registered office	Suite 1, 3rd Floor 11-12 St. James's Square London, United Kingdom SW1Y 4LB
Principal operating office	40 Grosvenor Place London, United Kingdom SW1X 7AW
Company secretary	Vistra Cosec Limited
Trustees (Directors)	J Botts B Donley S Glass (resigned 13 June 2022) R Gordon A Helton (appointed 13 June 2022) W Peacock D Pritchard D Rowan
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report for the year ended 31 December 2021

The Trustees present their annual report and financial statements of Cleveland Clinic Philanthropy (UK) Ltd (the "charity") for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities effective 1 January 2019.

Trustees

The Trustees are also the directors of the charity. The Trustees who held office during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

J Botts
B Donley (M.D., Chair of Trustees)
S Glass (resigned 13 June 2022)
R Gordon
A Helton (appointed 13 June 2022)
W Peacock
D Pritchard
D Rowan

Structure, governance and management

The charity is a registered charity in England and Wales, number 1188616, and is constituted under a certificate of incorporation dated 27 December 2018. The Articles of Association of the charity were approved on 20 February 2020 and the Charities Commission approved it as a charity in February 2020. The charity was established by a contribution by The Cleveland Clinic Foundation, a non-profit health care system in Ohio, United States ("Cleveland Clinic"), which provides continual operating support so that all monies raised by the charity may be used for its mission. The charity began fundraising in 2021 and seeks to perform its charitable work through active fundraising.

The sole member of the charity, Cleveland Clinic, has the authority to appoint new Trustees provided that at all times at least a sufficient number of Trustees to be able to form a quorum are independent. The Trustees serve for an initial term of office for three years and may be reappointed for a further term or terms of three years each. The charity's Articles of Association provide for a minimum of five Trustees but is not subject to a maximum.

At the Trustees' meetings, the Trustees agree on the broad strategy and areas of activity for the charity, including consideration of grant making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Administrator, B Mikhail. The charity did not use a professional fundraiser in 2021. Fundraising has been handled internally by the charity and monitored by Cleveland Clinic. Fundraising activities to date have been limited in scope and primarily from certain individuals.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 12 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Chair and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

On appointment new Trustees meet with the Chair and the Trustees. The welcome packet includes a copy of the Articles of Association, and a copy of the Charity Commission's guidance entitled "Guidance for Charities with a Connection to a Non-Charity", "The Essential Trustee: What You Need to Know" and "Charitable Purposes and Public Benefit".

The Trustees approved the formation of a Grant-Making Committee in November 2020, which held its first meeting in March 2021.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2021

Objectives and activities for the public benefit

The objects of the charity are as follows:

- The advancement of health, including without limitation by the relief and prevention of poor health and physical and / or mental illness of any description
- The advancement of medical education and research, for the benefit of the public and in supporting Cleveland Clinic
- Clinical fellowships and education
- Nurse and allied health training and education
- Executive healthcare leadership for clinicians
- Clinical outcomes research
- Research collaborations with UK and Cleveland Clinic partners
- Charitable and community care

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

To date the charity has not yet made any grants, but is in the process of developing its grant-making strategy and priorities. It intends to provide grants for medical education and training, especially for nurses who practice in the United Kingdom.

Financial review

For the year ended 31 December 2021, the charity received contributions of more than £1,800,000, consisting of £1,000,000 received from the Cleveland Clinic and more than £800,000 raised through fundraising. Contributions from the Cleveland Clinic are used to pay support costs, which totaled £781,365 in 2021. Cleveland Clinic will make additional contributions to the charity in 2022 to enable the charity to cover support expenses incurred in 2022. Therefore, the charity will be able to utilize all contributions raised through active fundraising for its mission. There were no grant distributions made during the year ended 31 December 2021.

The Trustees have decided to make a restatement of £39,459 for additional taxation costs that were not recorded in the prior year. The impact to 2020 has been to increase support costs in unrestricted funds with a corresponding increase to creditors due within one year. See note 4 for further details.

Cleveland Clinic has confirmed that it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due, for at least the next twelve months from the date of this report. The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to 30 June 2023. Accordingly, the charity continues to adopt the going concern basis in preparing its financial statements.

The Trustees believe that the coronavirus (COVID-19) does not impact the charity's ability to continue as a going concern. The charity has the financial support of Cleveland Clinic, which has sufficient cash and liquidity to fund the charity's operations if necessary.

The invasion of Ukraine by Russia on 24 February 2022 has led to significant sanctions against Russia. The charity has no ongoing exposures to, or investments in, Russian-related interests, and the conflict is not expected to have any impact on the charity at this time.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2021

Risk management

Effective risk management is fundamental in enabling the charity to deliver its strategy and ensure it remains strong and sustainable in the long term. The Trustees are responsible for the overall management of the administration of the charity and for ensuring that there are appropriate systems of controls in place. The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. Decisions by the Trustees concerning the charity are taken by the Trustees, acting collectively.

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. Given that it is a new charity, a major risk is attracting donors to help the charity satisfy its mission of advancing health and medical education and research. As the charity works to establish a good reputation, reputational risks may arise from its fundraising and grant-making activities. However, plans are being developed to mitigate these risks as far as reasonably possible. To avoid inappropriate or unethical use of charitable funds, processes are being developed to scrutinise grant applications for ethical issues and to ensure that, so far as practicable, charitable funds are disseminated in accordance with any specific wishes of each donor, or the stated aims of a particular campaign or fund.

Reserves policy

The Trustees aim to maintain unrestricted reserves that are sufficient to cover support costs. Support costs are funded by contributions received from the Cleveland Clinic that are contributed to the charity throughout the year as support costs are incurred. Cleveland Clinic has provided contributions to the charity in 2021 and will continue to support the operating and governance costs as necessary to enable the charity to meet its obligations and liabilities as they fall due, for at least the next twelve months from the date of this report.

Plans for the future

The charity is committed to the advancement of healthcare and medical education and research. As a public charity, it appreciates and relies upon philanthropy contributions from grateful patients, friends of the charity, alumni, corporations, charities and foundations in order to support its mission: caring for life, researching for health, and education those who serve. As a new charity, the plans for the future are to develop these philanthropic networks to raise funds in order to support its mission for the long term.

Qualifying third party indemnity provisions

The charity has granted indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force during the financial year and remains in force as at the date of approving the Trustees' report.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2021

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) issued in 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the charity will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to comply with the Charities Act 2011 and the Companies Act 2006. The Trustees 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.

Disclosure of information to the auditor

In accordance with company law, the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities (effective 1 January 2019) and in accordance with the small companies regime.

Approved by the Trustees on 17 June 2022 and signed on their behalf by:



B Donley, M.D.

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Opinion

We have audited the financial statements of Cleveland Clinic Philanthropy (UK) Ltd for the year ended 31 December 2021 which comprise the Statement of financial activities (incorporating income and expenditure account), the Balance Sheet and the related notes 1 to 13, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Basis for opinion

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 below. We are independent of the charitable company 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 the provisions available for small entities, in circumstances set out in note 2 to the financial statements, 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 charitable company's ability to continue as a going concern for a period to 30 June 2023.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees and directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the trustees and directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report.

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that 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 charitable company'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 management either intends to liquidate the charitable company or to cease operations, or has 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (FRS 102, Charities Act 2011 and the Companies Act 2006).
- We understood how Cleveland Clinic Philanthropy (UK) Ltd is complying with those frameworks by making enquiries of management to understand how the charitable company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Ammara Hussain (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Dat 21 June 2022

Cleveland Clinic Philanthropy (UK) Ltd

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 Restated* £
Incoming resources from generated funds:					
Donations	3	1,063,699	738,383	1,802,082	250,000
Total income		1,063,699	738,383	1,802,082	250,000
Expenditure on:					
Support costs	4	(781,365)	-	(781,365)	(388,035)
Total expenditure		(781,365)	-	(781,365)	(388,035)
Net income / (expenses) for the year		282,334	738,383	1,020,717	(138,035)
Reconciliation of capital and funds:					
Share capital		1	-	1	1
Net movement in funds		282,334	738,383	1,020,717	(138,035)
Total capital and funds		282,335	738,383	1,020,718	(138,034)

*The prior year restatement is in relation to additional taxation costs of £39,459 that increased support costs with a corresponding decrease in unrestricted funds (see note 4).

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Registered number: 11742522

Balance sheet as at 31 December 2021

	Note	2021 £	2021 £	2020 Restated* £	2020 Restated* £
Current assets					
Cash at bank and in hand		1,109,251		99,469	
		<u>1,109,251</u>		<u>99,469</u>	
Creditors: Amounts falling due within one year	8	(226,568)		(237,503)	
Total net assets / (liabilities)			882,683		(138,034)
Capital and funds					
Share capital	9		1		1
Unrestricted funds	10		144,299		(138,035)
Restricted funds	10		738,383		-
Total capital and funds			882,683		(138,034)

*The prior year restatement is in relation to additional taxation costs of £39,459 that increased creditors due within one year with a corresponding decrease in unrestricted funds (see note 4).

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 17 June 2022 and signed on their behalf by:


B Donley, M.D.

The notes on pages 12 to 18 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2021

1. General information

The charity is a registered charity limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cleveland Clinic Philanthropy (UK) Ltd 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.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The Trustees have decided to make a restatement of £39,459 for additional taxation costs that were not recorded in the prior year. The impact to 2020 has been to increase support costs in unrestricted funds with a corresponding increase to creditors due within one year. See note 4 for further details.

2.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- from preparing a statement of cashflows;
- from preparing certain financial instrument disclosures; and
- from disclosing key management personnel compensation.

The charity has taken advantage of these exemptions on the basis that it meets the definition of a qualifying entity and its ultimate parent company, The Cleveland Clinic Foundation, includes the necessary disclosures in its consolidated financial statements.

Other than the exemptions taken above, the charity has applied the recognition, measurement and disclosure requirements of FRS 102.

2.3 Going concern

The ultimate controlling party The Cleveland Clinic Foundation, a non-profit corporation in Ohio, United States of America, has confirmed it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due, for at least the next twelve months from the date of this report. The Trustees have also assessed the ability of The Cleveland Clinic Foundation to provide the support. The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to 30 June 2023. Accordingly, they have adopted the going concern basis in preparing the financial statements.

The Trustees believe that the coronavirus (COVID-19) does not impact the charity's ability to continue as a going concern. The charity has the financial support of Cleveland Clinic, which has sufficient cash and liquidity to fund the charity's operations if necessary.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.4 Functional and presentational currency

The charity's functional and presentational currency is the pound sterling.

2.5 Income

Donations are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

2.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

Expenditure on raising funds includes all expenditure incurred by the charitable company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

All expenditure is inclusive of irrecoverable VAT.

2.7 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.8 Financial instruments

(i) Financial assets

The charity's financial assets comprise cash at bank and in hand. Management determines the classification of its financial assets at initial recognition.

The charity's financial assets are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities

The charity's financial liabilities comprise amounts owed to group undertakings and other creditors. Management determines the classification of its financial liabilities at initial recognition.

The charity's financial liabilities are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.9 Share capital

Ordinary shares are classified as equity.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.10 Fund accounting

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Fundraising and administrative costs are charged against unrestricted funds.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. Restricted funds are held by the charity for purposes that are consistent with its mission of advancing healthcare, medical education and research.

3. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	63,699	738,383	802,082	-
Contributions from parent undertaking	1,000,000	-	1,000,000	250,000
	<u>1,063,699</u>	<u>738,383</u>	<u>1,802,082</u>	<u>250,000</u>

The contribution from the parent undertaking relates to providing funds to cover the support costs of the charity.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2021

4. Expenditure analysis

Support costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 Restated* £
Operational costs	741,621	-	741,621	369,388
Governance costs	39,744	-	39,744	18,647
	<u>781,365</u>	<u>-</u>	<u>781,365</u>	<u>388,035</u>

*Operational costs for 2020 have been restated to reflect additional taxation costs of £39,459, as follows:

	£
Operational costs (as previously reported)	329,929
Add: prior year restatement	<u>39,459</u>
Operational costs (as restated)	<u>369,388</u>

The charity had no employees during the current year or the prior year. Operational costs include employee expenses relating to a seconded employee from The Cleveland Clinic Foundation and other administrative costs of the charity.

5. Auditor's remuneration

	2021 £	2020 £
Fees payable to the charity's auditor for the audit of the charity's financial statements	<u>28,227</u>	<u>18,647</u>

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020: £nil).

During the year, no Trustee expenses have been incurred (2020: £nil).

7. Taxation

The charity is not liable for corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2021

8. Creditors: Amounts falling due within one year

	2021 £	2020 Restated* £
Amounts owed to group undertakings	63,251	119,031
Other taxation and social security	138,819	99,825
Accruals and deferred income	24,498	18,647
	<u>226,568</u>	<u>237,503</u>

*Other taxation and social security has been restated to reflect additional taxation costs of £39,459 (see note 4).

The amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

9. Share capital

	2021 £	2020 £
Allotted, called up and not paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2021

10. Statement of funds

	Balance at 1 January 2021 (as restated*) £	Income £	Expenditure £	Balance at 31 December 2021 £
Unrestricted funds	(138,035)	1,063,699	(781,365)	144,299
Restricted funds	-	738,383	-	738,383
	<u>(138,035)</u>	<u>1,802,082</u>	<u>(781,365)</u>	<u>882,682</u>

Statement of funds - prior year

	Balance at 31 December 2020 (as previously reported) £	Prior year restatement £	Balance at 31 December 2020 (as restated*) £
Unrestricted funds	(98,576)	(39,459)	(138,035)
	<u>(98,576)</u>	<u>(39,459)</u>	<u>(138,035)</u>

*Details of the prior year restatement are set out in note 4.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2021

11. Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 Restated* £
Cash at bank and in hand	370,868	738,383	1,109,251	99,469
Creditors due within one year	(226,568)	-	(226,568)	(237,503)
Total	144,300	738,383	882,683	(138,034)

*Details of the prior year restatement are set out in note 4.

12. Related party transactions

The charity is exempt from disclosing related party transactions with other companies which are wholly owned by The Cleveland Clinic Foundation.

During the current year and prior year, no related party transactions took place outside of that group.

13. Immediate and ultimate parent undertaking and controlling party

The charity's immediate and ultimate parent undertaking and controlling party is The Cleveland Clinic Foundation, a non-profit corporation at 9500 Euclid Ave, Cleveland, OH 44195, Cleveland, United States of America. The Cleveland Clinic Foundation is organised and operated to provide medical and hospital care, research and education. The sole member of the charity is The Cleveland Clinic Foundation.

The State of Ohio corporation registration number for The Cleveland Clinic Foundation is #95560.

The consolidated financial statements of The Cleveland Clinic Foundation are publicly available from www.clevelandclinic.org.

CLEVELAND CLINIC PHILANTHROPY (UK) LTD

England & Wales - Charity number 1188616

Accounts

Registered number: 11742522

Charity number: 1188616

Cleveland Clinic Philanthropy (UK) Ltd

**Trustees' report and financial statements
for the year ended 31 December 2020**

Cleveland Clinic Philanthropy (UK) Ltd

Contents

	Page(s)
Reference and administrative information	1
Trustees and Directors' report	2 - 5
Independent auditor's report on the financial statements	6 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 16

Cleveland Clinic Philanthropy (UK) Ltd

Reference and administrative information for the year ended 31 December 2020

Company registered number	11742522
Charity registered number	1188616
Registered office	Suite 1, 3rd Floor 11-12 St. James's Square London, United Kingdom SW1Y 4LB
Principal operating office	40 Grosvenor Place London, United Kingdom SW1X 7AW
Company secretary	Vistra Cosec Limited
Trustees (Directors)	J Botts Dr B Donley S Glass R Gordon W Peacock D Pritchard D Rowan
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report for the year ended 31 December 2020

The Trustees present their annual report and financial statements of Cleveland Clinic Philanthropy (UK) Ltd (the "charity") for the year ended 31st December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities effective 1 January 2019.

Trustees

The Trustees are also the directors of the charity. The Trustees who held office during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

J Botts
Dr B Donley (M.D., Chair of Trustees)
S Glass
R Gordon (appointed 15 June 2020)
W Peacock
D Pritchard
D Rowan

Structure, governance and management

The charity is a registered charity in England and Wales, number 1188616, and is constituted under a certificate of incorporation dated 27 December 2018. The Articles of Association of the charity were approved on 20 February 2020 and the Charities Commission approved it as a charity in February 2020. The charity was established by a contribution by The Cleveland Clinic Foundation, a non-profit health care system in Ohio, United States ("Cleveland Clinic"), which provides continual operating support so that all monies raised by the charity may be used for its mission. The charity recently began fundraising in 2021 and seeks to perform its charitable work through active fundraising.

The sole member of the charity, Cleveland Clinic, has the authority to appoint new Trustees provided that at all times at least a sufficient number of Trustees to be able to form a quorum are independent. The Trustees serve for an initial term of office for three years and may be reappointed for a further term or terms of three years each. The charity's Articles of Association provide for a minimum of five Trustees but is not subject to a maximum.

At the Trustees' meetings, the Trustees agree on the broad strategy and areas of activity for the charity, including consideration of grant making, investment, reserves and risk management policies and performance. The day-to-day administration of grants and the processing and handling of applications prior to consideration by the relevant subcommittee is delegated to the Administrator.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 6 and 13 to the financial statements. Trustees are required to disclose all relevant interests and register them with the Chair and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises.

On appointment new Trustees meet with the Chair and the Trustees. The welcome packet includes a copy of the Articles of Association, and a copy of the Charity Commission's guidance entitled "Guidance for Charities with a Connection to a Non-Charity", "The Essential Trustee: What You Need to Know" and "Charitable Purposes and Public Benefit".

The Trustees approved the formation of a Grant-Making Committee in November 2020, which held its first meeting in March 2021.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2020

Objectives and activities for the public benefit

The objects of the charity are as follows:

- The advancement of health, including without limitation by the relief and prevention of poor health and physical and / or mental illness of any description
- The advancement of medical education and research, for the benefit of the public and in supporting Cleveland Clinic
- Clinical fellowships and education
- Nurse and allied health training and education
- Executive healthcare leadership for clinicians
- Clinical outcomes research
- Research collaborations with UK and Cleveland Clinic partners
- Charitable and community care

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant-making policy for the year.

To date the charity has not yet made any grants, but is in the process of developing its grant-making strategy and priorities. It intends to provide grants for medical education and training, especially for nurses who practice in the United Kingdom.

Financial review

For the year ended 31 December 2020, the charity was primarily reliant on contributions from the Cleveland Clinic for its operations. The charity received £250,000 from Cleveland Clinic in 2020 and incurred support expenses of £348,576. Cleveland Clinic will make additional contributions to the charity in 2021 to enable the charity to cover the net liability position on the balance sheet and to cover support expenses incurred in 2021. There were no grant distributions made during the year ended 31 December 2020.

Cleveland Clinic has confirmed that it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due, for at least the next twelve months from the date of this report. The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to the end of May 2022. Accordingly, the charity continues to adopt the going concern basis in preparing its financial statements.

The Trustees believe that the coronavirus (COVID-19) does not impact the charity's ability to continue as a going concern. The charity has the financial support of Cleveland Clinic, which has sufficient cash and liquidity to fund the charity's operations if necessary.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2020

Risk management

Effective risk management is fundamental in enabling the charity to deliver its strategy and ensure it remains strong and sustainable in the long term. The Trustees are responsible for the overall management of the administration of the charity and for ensuring that there are appropriate systems of controls in place. The Trustees are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. Decisions by the Trustees concerning the charity are taken by the Trustees, acting collectively.

The Trustees have considered the major risks to which the charity is exposed and have reviewed those risks and established systems and procedures to manage those risks. Given that it is a new charity, a major risk is attracting donors to help the charity satisfy its mission of advancing health and medical education and research. As the charity works to establish a good reputation, reputational risks may arise from its fundraising and grant-making activities. However, plans are in place to mitigate these risks as far as reasonably possible. To avoid inappropriate or unethical use of charitable funds, all grant applications will be scrutinised for ethical issues in certain circumstances, charitable funds are disseminated in accordance with a donor's specific wishes within reason, or the stated aims of a particular campaign or fund.

Reserves policy

The Trustees aim to maintain unrestricted reserves that are sufficient to cover operating and governance costs. The balance of unrestricted cash at bank and in hand available for operations and governance costs at 31 December 2020 is £99,469. Cleveland Clinic has provided contributions to the charity in 2020 and will continue to support the operating and governance costs as necessary to enable the charity to meet its obligations and liabilities as they fall due, for at least the next twelve months from the date of this report.

Plans for the future

The charity is committed to the advancement of healthcare, patient experience, clinical outcomes, medical education and research. As a public charity, it appreciates and relies upon philanthropy contributions from grateful patients, friends of the charity, alumni, corporations, charities and foundations in order to support its mission: caring for life, researching for health, and education those who serve. As a new charity, the plans for the future are to develop these philanthropic networks to raise funds in order to support its mission for the long term.

Qualifying third party indemnity provisions

The charity has granted indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force during the financial year and remains in force as at the date of approving the Trustees' report.

Cleveland Clinic Philanthropy (UK) Ltd

Trustees and Directors' report (continued) for the year ended 31 December 2020

Responsibilities of the Trustees

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102) issued in 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the charity will continue on that basis.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to comply with the Charities Act 2011 and the Companies Act 2006. The Trustees 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.

Disclosure of information to the auditor

In accordance with company law, the Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the Trustees of the charity they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

Ernst & Young LLP were appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and reporting by Charities (effective 1 January 2019) and in accordance with the small companies regime.

Approved by the Trustees on 20 May 2021 and signed on their behalf by:



Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd

Opinion

We have audited the financial statements of Cleveland Clinic Philanthropy (UK) Ltd for the year ended 31 December 2020 which comprise the Statement of financial activities (incorporating income and expenditure account), the Balance Sheet and the related notes 1 to 14, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Basis for opinion

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 below. We are independent of the charitable company 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 the provisions available for small entities, in circumstances set out in note 2 to the financial statements, 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 charitable company's ability to continue as a going concern for the period to the end of May 2022.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the trustee's ability to continue as a going concern.

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that 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 charitable company'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 management either intends to liquidate the charitable company or to cease operations, or has 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

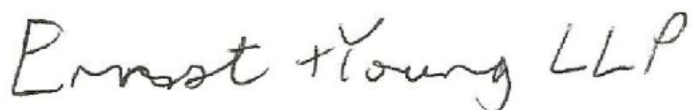
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant are those that relate to the reporting framework (FRS 102, Charities Act 2011 and the Companies Act 2006).
- We understood how the charitable company is complying with those frameworks by making enquiries of management to understand how the charitable company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We tested specific transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of Cleveland Clinic Philanthropy (UK) Ltd (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature in black ink that reads "Ernst + Young LLP".

Louise Pennell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 21/5/2021

Cleveland Clinic Philanthropy (UK) Ltd

Statement of financial activities (incorporating income and expenditure account) for the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Total funds 2020 £	Total funds Period from 27 December 2018 to 31 December 2019 £
Incoming resources from generated funds:				
Donations	3	250,000	250,000	-
Total income		250,000	250,000	-
Expenditure on:				
Support costs	4	348,576	348,576	-
Total expenditure		348,576	348,576	-
Net (expenses) / income for the year		(98,576)	(98,576)	-
Reconciliation of capital and funds:				
Share capital		1	1	-
Net movement in funds		(98,576)	(98,576)	1
Total capital and funds carried forward		(98,575)	(98,575)	1

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

The notes on pages 12 to 16 form part of these financial statements.

**Balance sheet
as at 31 December 2020**

	Note	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors: Amounts falling due within one year	8	-		1	
Cash at bank and in hand		99,469		-	
		<u>99,469</u>		<u>1</u>	
Creditors: Amounts falling due within one year	9	(198,044)		-	
Total net (liabilities) / assets			(98,575)		1
Capital and funds					
Share capital	10		1		1
Unrestricted funds	11		(98,576)		-
Total capital and funds			(98,575)		1

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 20 May 2021 and signed on their behalf by:



The notes on pages 12 to 16 form part of these financial statements.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2020

1. General information

The charity is a registered charity limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Cleveland Clinic Philanthropy (UK) Ltd 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.

The charity is exempt from the requirement to prepare a cash flow statement as it is a small charity.

2.2 Going concern

The ultimate controlling party The Cleveland Clinic Foundation, a non-profit corporation in Ohio, United States of America, has confirmed it will continue to support the charity's obligations, to enable it to meet its liabilities as they fall due, for at least the next twelve months from the date of this report. The Trustees have also assessed the ability of The Cleveland Clinic Foundation to provide the support. The Trustees have a reasonable expectation that the charity and the group have adequate resources to continue in operational existence for the period to the end of May 2022. Accordingly, they have adopted the going concern basis in preparing the financial statements.

The Trustees believe that the coronavirus (COVID-19) does not impact the charity's ability to continue as a going concern. The charity has the financial support of Cleveland Clinic, which has sufficient cash and liquidity to fund the charity's operations if necessary.

2.3 Functional and presentational currency

The charity's functional and presentational currency is the pound sterling.

2.4 Income

Donations are recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2020

2. Accounting policies (continued)

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

All expenditure is inclusive of irrecoverable VAT.

2.6 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.7 Financial instruments

(i) Financial assets

The charity's financial assets comprise cash at bank and in hand. Management determines the classification of its financial assets at initial recognition.

The charity's financial assets are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities

The charity's financial liabilities comprise amounts owed to group undertakings and other creditors. Management determines the classification of its financial liabilities at initial recognition.

The charity's financial liabilities are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.8 Share capital

Ordinary shares are classified as equity.

2.9 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds will be used for specific purposes as identified by the donor. The charity did not have any restricted funds at 31 December 2020.

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2020

3. Income from donations

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds Period from 27 December 2018 to 31 December 2019 £
Contributions from parent undertaking	250,000	250,000	-

4. Expenditure analysis

Support costs

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds Period from 27 December 2018 to 31 December 2019 £
Operational costs	329,929	329,929	-
Governance costs	18,647	18,647	-
	<u>348,576</u>	<u>348,576</u>	<u>-</u>

The charity had no employees during the current year or the prior period.

5. Auditor's remuneration

	2020 £	Period from 27 December 2018 to 31 December 2019 £
Fees payable to the charity's auditor for the audit of the charity's financial statements	18,647	-

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2020

6. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (period to 31 December 2019: £nil).

During the year, no Trustee expenses have been incurred (period to 31 December 2019: £nil).

7. Taxation

The charity is not liable for corporation tax on income derived from charitable activities, as it falls within the various exemptions available to registered charities.

8. Debtors: Amounts due within one year

	2020 £	2019 £
Amounts owed by group undertakings	-	1

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	119,031	-
Other taxation and social security	60,366	-
Accruals and deferred income	18,647	-
	<u>198,044</u>	<u>-</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. Share capital

	2020 £	2019 £
Allotted, called up and not paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

Cleveland Clinic Philanthropy (UK) Ltd

Notes to the financial statements for the year ended 31 December 2020

11. Statement of funds

	Balance at 1 January 2020 £	Income £	Expenditure £	Balance at 31 December 2020 £
Unrestricted funds				
General Funds	-	250,000	(348,576)	(98,576)

12. Analysis of net assets between funds

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Current assets	99,469	99,469	-
Creditors due within one year	(198,044)	(198,044)	-
Total	(98,575)	(98,575)	-

13. Related party transactions

The charity is exempt from disclosing related party transactions with other companies which are wholly owned by The Cleveland Clinic Foundation.

During the current year and prior period, no related party transactions took place outside of that group.

14. Immediate and ultimate parent undertaking and controlling party

The charity's immediate and ultimate parent undertaking and controlling party is The Cleveland Clinic Foundation, a non-profit corporation at 9500 Euclid Ave, Cleveland, OH 44195, Cleveland, United States of America. The Cleveland Clinic Foundation is organised and operated to provide medical and hospital care, research and education. The sole member of the charity is The Cleveland Clinic Foundation.

The State of Ohio corporation registration number for The Cleveland Clinic Foundation is #95560.

The consolidated financial statements of The Cleveland Clinic Foundation are publicly available from www.clevelandclinic.org.