

Royal
Papworth
Charity

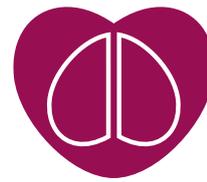


Annual Report and Accounts

2018/19

Contents

Foreword from the Chairman	3
1. Who we are	4
2. What we aim to do: our objectives and activities	5
3. How we fund our work, our achievements and performance	6
4. Risks	9
5. Case Study – Skydive	10
6. Ely Cathedral Carol Service	11
7. Royal Papworth Volunteers	11
8. How we support Royal Papworth Hospital	12
9. Our Major Projects	14
10. Financial Review	16
11. Case study – Rob Green	18
12. Our Future Plans	19
13. Case study – Forbester Family	20
14. Reserves Statement	21
15. About our investments	22
16. Charity governance, structure and management arrangements Trustee recruitment, appointment and induction	23
17. Current Members of the Trustee Board (Agents of the Corporate Trustee)	24
18. Reference and administrative details	27
19. Wider networks and our relationship with the wider community	28
20. How to contact us	29
21. Related Parties	29
22. Thank you!	30
23. Charity Annual Accounts 2018/19	32



Foreword from the Chairman

The last 12 months have been incredibly exciting for Royal Papworth Charity.

We have reached a milestone which so many of us have come together to achieve, and our staff and partners have worked extremely hard to carefully manage our big move from our old Hospital site in Papworth Everard to our new Hospital on the Cambridge Biomedical Campus.

We have been working towards our vision for a brand new purpose built state-of-the art Hospital for more than 15 years and I am thrilled to begin this exciting new chapter that will allow us to continue to provide world-class cardiothoracic care for our patients.

I am proud to report that the Charity has had another successful year of fundraising seeing an uplift in regular donations, an increase in legacy gifts and the development of a number of new exciting products for our supporters to engage with.

Since we migrated to a new donor management system the Charity has worked tirelessly to build up its supporter base and further its reach. This year we have recorded over 4,000 new active supporter records taking our database to over 11,000 members. It is only with the generosity of our community of supporters that we are able to provide such an incredible level of funding for a variety of projects across the Hospital.

This report highlights some of the areas of work the Charity has been able to support thanks to the generosity of our wonderful donors. The projects include the transformational DCD Transplant Programme, our commitment to the Heart and Lung Research Institute, the investment in the Nurse Apprenticeship Programme and the development of a Community Sanctuary Project which will feed into the wider Arts and Health Initiative that looks to enhance the Hospital environment for the benefits of our patients and staff.

As with all NHS Hospital Trusts, Royal Papworth Hospital is facing an ever challenging and an ever increasing demand for its services. All of us at Royal Papworth Charity are incredibly grateful for your generous and continued support. Now more than ever we need you to join us to ensure we are able to deliver the life-changing medicine of tomorrow, today.

From everyone here at Royal Papworth Charity we thank you, whether you have run, walked, cycled, swam, joined a skydive, sponsored a supporter, organised a danceathon, climbed Kilimanjaro or trekked to Everest Base Camp – your support gives our patients the chance of a brighter future.

Thank you for your continued support.

**Professor John Wallwork CBE
Chairman**



1. Who we are

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

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

The Charity objectives set out in the governing document are “for any purpose or purposes relating to the National Health Service.”

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

1.2 Our Vision

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

Our Vision Statement 2017-2022:

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

We would like you to support us in our work so please read on and let us tell you more about ourselves, what we do, what we have achieved and how we go about spending the money given to us.



2. What we aim to do: our objectives and activities

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

- Improve the Hospital environment;
- Provide both state-of-the-art and additional equipment;
- Develop new ways of treating cardiothoracic diseases;
- Support and develop Hospital staff;
- Develop and expand the Hospital's research capability.

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

- Supporting community fundraising activities and our own events;
- Running fundraising campaigns for specific projects;
- Encouraging grateful patient giving;
- Developing close relationships with corporate partners and grant-making organisations;
- Promoting legacies and in-memory giving;
- Effectively managing the Charity funds and investing wisely.

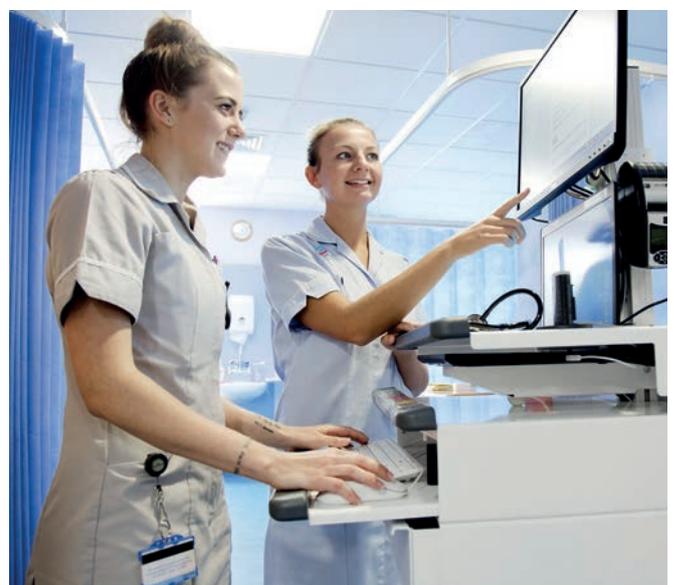
2.2 The Corporate Trustee of Royal Papworth Charity via the Trustee Board has complied with the duty in Section 17 of the Charities Act 2011 and has paid due regard to Charity Commission guidance on public benefit in deciding what activities the Charity should undertake.

This year we have funded 95 grants for a variety of projects across Royal Papworth Hospital for the benefit of patients, their families and staff.

Our primary objective for the year was to support with the provision of additional equipment for our new purpose-built Hospital and pump-prime the capital costs for a new Heart and Lung Research Institute.

The provision of additional state-of-the-art equipment is one of the ways we ensure that Royal Papworth Hospital remains a center of excellence for cardiothoracic medicine and research in the UK.

We are proud to have helped deliver initiatives that have direct and often immediate impact for the benefit of our patients, their families and our staff. We could not do our work without the generosity of our supporters – together we are Royal Papworth Charity.



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

Our Year Together in Numbers



Value of grants made
to the Hospital:
£2,917,000



Inpatient/day cases:

22,795



Outpatient appointments:

93,852



Total patient episodes:

116,647



Charity funded into research:

£1,272,000



DCD Transplants:

64



Patients enrolled in
63 research studies:

3,038



No of grateful patient
in aid of events:

91



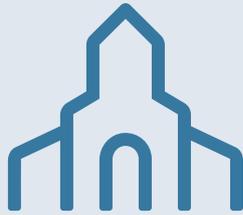
Gifts received from Wills:

51



No. of Christmas
card packets sold:

2,053



No. of guests at Ely
Cathedral Carol Service:

538



Amount raised in gift shop:

£35,748



No. of miles run by
supporters (marathons etc):

2,833 miles



Total distance cycled:

368 miles



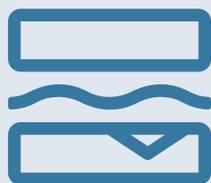
No. of mountains climbed:
included trek to Everest
base camp and Kilimanjaro:

8



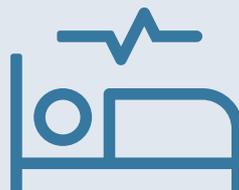
Distance sailed or canoed:

5,325 miles



Cakes and sandwiches eaten at
Staff Garden Thank You Event:

4000+



Heart and lung
transplant/VAD:

4,841



Distance swam:

113 miles



4. Risks

Royal Papworth Hospital Charity has identified 24 risks graded in line with the national risk framework detailed below. Risks are reviewed annually to assess our plans to manage those risks and any factors which will affect the financial position of the Charity.

Title	Risk level (current)
Project or Service Development	Low Risk
Competition from similar organisations	Low Risk
Trustee body lacks relevant skills or commitment	Low Risk
Conflicts of Interest	Low Risk
Fraud or error	Low Risk
Working in a foreign country	Low Risk
Regulatory reporting requirements: Financial and other reporting requirements	Moderate Risk
Taxation	Moderate Risk
Public Perception	Moderate Risk
Government Policy	Moderate Risk
Dependency on income sources	Moderate Risk
Security of Assets	Moderate Risk
Fundraising	Moderate Risk
Volunteers	Moderate Risk
Health, Safety and Environment	Moderate Risk
Procedural and Systems Documentation	Moderate Risk
Reserves Policies	Moderate Risk
High Staff Turnover	Moderate Risk
Investment Policies	Moderate Risk
Compliance with donor imposed restrictions	Moderate Risk
Reporting to Trustees (accuracy, timeliness and relevance)	Moderate Risk
Compliance with legislation and regulations appropriate to the activities, size and structure of the Charity	Moderate Risk
Relationship with funders	Moderate Risk
The Charity lacks direction, strategy and forward planning	Moderate Risk

5. Case Study – Skydive

In March, five fabulous fundraisers took to the sky to free-fall from over 13,000 feet to raise funds for Royal Papworth Charity.

The group collectively raised over £2,000 and all five members of the team had a very special connection to Royal Papworth which is what inspired them to take on this challenge.

Jim McRury, a member of the team was a patient at Royal Papworth Hospital in 2016 where he spent time in the Critical Care Department waiting for a heart transplant. Fortunately, a suitable match was found and Jim recovered well from his transplant. During the wait for the transplant, Jim even got married at the Hospital!

Ben Wilson, Sarah Littlechild and Ashleigh Clennell all work at Royal Papworth Hospital and took part in the skydive.

Ashleigh told us: 'I loved my skydive and can honestly say falling head first towards the ground was a great feeling. If given the opportunity, I would strongly recommend anyone to complete a skydive, especially to raise money for a charity.'

We have another day scheduled in September with places filling fast. One of our supporters taking to the skies in March is Sarah Wilson. Sarah said: 'Working as a Staff Nurse on Critical Care at Royal Papworth Hospital I have seen first-hand how the money donated through the Charity is used to enhance the services and care we are able to provide to our patients and staff.'

I felt truly inspired to fundraise for this phenomenal charity and to give something back to the Hospital and staff, who have supported and invested in me from the age of eighteen, helping me to achieve my goal of becoming a Registered Nurse.'



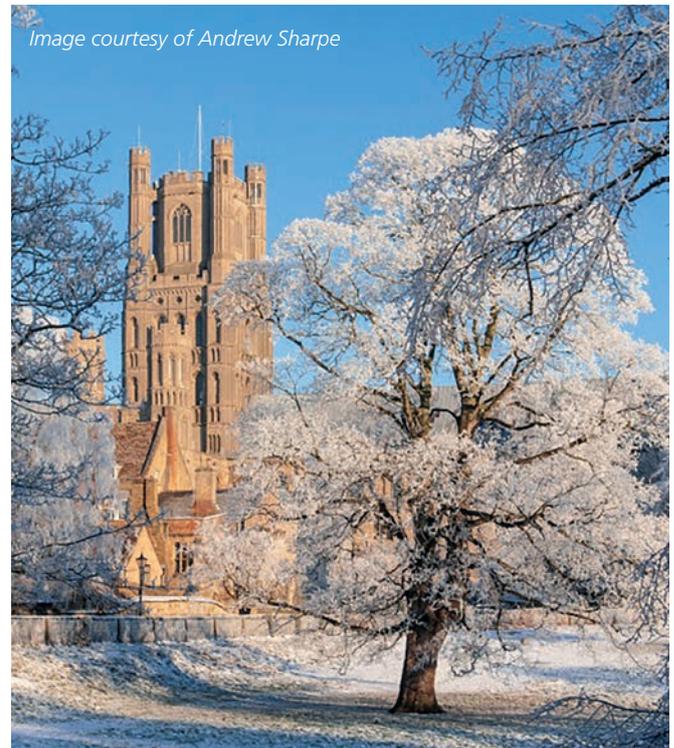
6. Ely Cathedral Carol Service

This year our Ely Carol Service welcomed over 500 guests who all enjoyed a beautiful service. Dr Sarah Clarke recognised in her speech the incredible year we had at Royal Papworth Hospital as we celebrated 100 years since we opened and acknowledged the many achievements we had collectively enjoyed.

Dr Clarke introduced Michelle Hemmings, who shared her incredible experience at Royal Papworth as one of the 'famous five' whose lives were all saved when they each received a transplant in less than 36 hours.

This year we also said goodbye and thank you to Canon Jan Payne who led the service for 12 years for Royal Papworth Charity. She was recognised by Mr Stephen Posey, Chief Executive Officer, for her incredible support and dedication to the event.

The service was followed by a mince pie reception, where the guests were able to come together to celebrate the work of the Hospital and all it had achieved in the year. The service raised an incredible **£9,000** in support of Royal Papworth Hospital.



7. Royal Papworth Volunteers

During 2018/19, the Charity continued to develop our network of Volunteers and has been working closely with our community fundraisers to ensure that we can continue to provide charitable income to support Royal Papworth as the country's leading cardiothoracic hospital.

The Charity currently has 10 Ambassadors who are crucial to the Charity to help raise awareness and generate income. We will be looking to develop our network of community volunteers and cultivate relationships with local businesses and organisations within Cambridge as we settle into our new home on the Biomedical Campus.



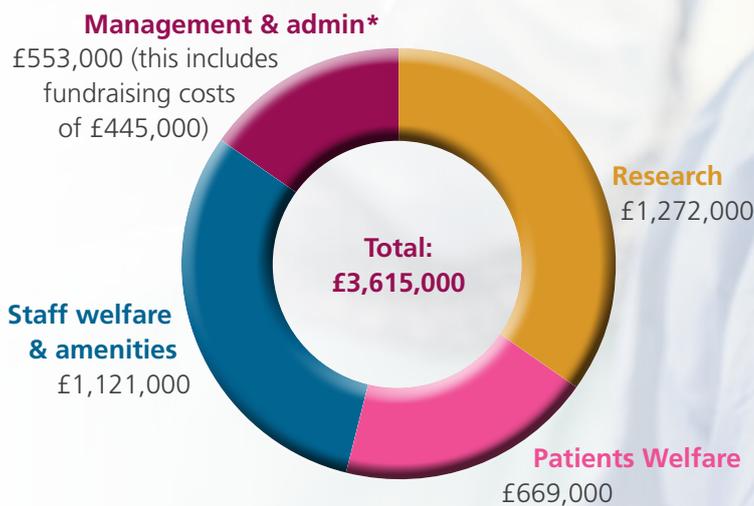
8. How we support Royal Papworth Hospital

8.1 Expenditure

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

Funds used in the year to further the Charity's objectives amounted to **£3,615,000** (2017/18:£1,985,000) and comprised:

8.2 Charitable Expenditure 2018/19



*This includes the Consultancy Fee from Cambridge University's Development and Alumni Relations (CUDAR) as we invest in the development of the Heart and Lung Research Institute (HLRI). In addition this includes fundraising costs relating to Royal Papworth Charity for 18/19 and 19/20 due to accounting formalities.

Under the Statement of Reporting Practice (SORP) the Charity is also required to include future commitments in this expenditure. The majority of the Charity's commitments relate to preparatory costs for the Heart and Lung Research Institute, medical equipment for DCD Heart Transplantation, New Royal Papworth Hospital equipment and staff educational activities.

8.3 Vision Statements

To ensure we are delivering the very best projects, with our patients at the heart of them, charitable expenditure is mapped to our five strategic aims.



Hospital Environment and Patient Welfare

Patients are at the heart of all that Royal Papworth Hospital does.

Supporting the ongoing welfare of patients within a high-quality environment significantly benefits their clinical outcomes. Royal Papworth

Charity will ensure that the Hospital can continue to offer a holistic approach to care by supporting amenities that have a positive bearing on patient care and enabling the Hospital to achieve excellence every day.



Medical Equipment

State-of-the-art medical equipment forms the corner stone of all activity at Royal Papworth. Royal Papworth Charity will continually invest

in medical equipment to match our clinical expertise and ensure compatibility with the new Hospital infrastructure in 2019.



Medicine of Tomorrow

As an internationally leading cardiothoracic centre of excellence, Papworth continually develops new ways of treating cardiothoracic diseases. Royal Papworth

Charity will bridge the financial gap from bench to bedside and beyond to ensure that we can offer our patients pioneering treatments that would otherwise not be possible.



Recruiting Excellence and Staff Welfare

It is the staff at Royal Papworth Hospital who enable the Hospital to achieve excellence. Royal Papworth Charity will ensure that the Hospital can

recruit, retain and develop the highest quality workforce to deliver the best possible patient outcomes.



Research

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

the medicines of tomorrow are delivered today. In line with our Vision Statements Royal Papworth Hospital Charity has supported a variety of grants across the Trust for the benefit of our patients, their families and our staff.

9. Our Major Projects

New Royal Papworth Hospital

In May 2019, we moved into our brand new state-of-the-art Hospital on the Cambridge Biomedical Campus. The Hospital offers cutting edge facilities for patients requiring heart and lung treatment in a bespoke building.

The facilities include:

- 310 beds, with almost all single rooms
- 46 bed Critical Care Area
- 7 state-of-the-art theatres
- 5 Catheter Laboratories
- 6 inpatient wards and 24 bed day ward
- A centrally located outpatient unit
- State of the art diagnostic and treatment facilities

Royal Papworth Charity is proud to have supported the move to the Biomedical Campus and with the donations of our generous supporters we have been able to help provide **£2,500,000** of essential funding for vital facilities, including the purchase of a hybrid catheter laboratory.



Heart and Lung Research Institute

In 2018/19, the Trust has continued to develop joint plans with the University of Cambridge to create a world-class Heart and Lung Research Institute (HLRI) alongside the new Royal Papworth Hospital. The HLRI will establish one of the largest concentrations of biomedical and scientific research into heart and lung disease in the UK leading to many future benefits for patients.

Capital contributions totalling £12m have been committed by the University of Cambridge (UoC) and the Trust which includes £5m from Royal Papworth Charity. The British Heart Foundation has committed a £10m strategic Initiative Award.

Cambridge University Health Partnership have applied for £30m from the UK Research Partnership Investment Fund to bring the total funds to £52m. If successful, the remaining funds c.£12.6m, are to be secured by UoC and other philanthropic donations.



Nurse Trainee Apprentices

In 2018 Royal Papworth Charity launched a pilot programme to support 8 members of staff undertaking an apprenticeship. By doing this we ensure our patients receive the very best standards of care, the staff on the wards are not over stretched and the apprentices are able to attend their training. During their training our apprentices are required to study off-site. To allow this vital training, educational activity and ensure our wards are appropriately staffed to deliver exceptional patient care, we have provided funding for additional staff to cover this absence. Royal Papworth Charity are proud to have committed to support the funding of a further 20 Nurse Training Apprentices after the initial success of our pilot scheme.

“Developing my skills and learning further with the apprenticeship has made me love my job even more. It has confirmed to me that nursing is what I want to do long-term”

Rosie McAvoy, Royal Papworth Hospital



Community Sanctuary Project

The Community Sanctuary Project sought to create a community space around a new pond, encouraging wildlife, and showcasing artwork to tie in with our arts strategy and build a reflective space that our patients, patient's families, community and staff can enjoy and use at their convenience. This year we received commitments of over £100,000 in support of the Community Sanctuary Project including generous donations from the British Cardiac Patients Association (BCPA) and the Mick George Community Foundation.

As we settle in to our new site we have already begun to see a large number of patients appreciating the area and have begun to see it as a place of relaxation. This area is fast becoming the sanctuary which we hoped to create for our patients, staff, the community and the employees from other areas of the Cambridge Biomedical Campus.



Keith Jackson, Chairman of the BCPA told us:

'We wanted to donate to the Charity in a way that would help bring a part of the old Royal Papworth to the new site. The pond has always been at the heart of Papworth and we are so happy that we are able to provide a lasting legacy for patients, their families and staff to enjoy forever.'

The development and success of the non-beating heart transplant programme

The Charity has committed over £1.4 million to the Non-Beating (DCD) Heart Transplant Programme since it started.

This programme has enabled 64 patients to receive hearts from donors which would otherwise not have been used, resulting in an increase in the number of transplants per year by a third at Royal Papworth.

This programme offers patients with the poorest outcomes a chance at a new life and we are proud to support the research into the further development of this life saving technique.

Royal Papworth is leading the way in this research and we are honored to support a programme which is having such a transformational impact on the lives of our patients and those across the world.



10. Financial Review

10.1 The following figures are taken from the full accounts, which carry an unqualified audit report, and the accounts should be viewed if more details are required. This part of the Trustee's Report comments on key features of those accounts. The full accounts, entitled Royal Papworth Hospital Charity Accounts 2018/19 have also been lodged with the Charity Commission. The following section explains how we reformed against our Financial Targets and how we managed our funds once received.

10.2 Royal Papworth Charity can only continue to support the work of Royal Papworth Hospital for as long as we receive donations. The majority of our income comes from the voluntary efforts of the general public, to whom we are most grateful.

	2017/18	2018/19
Income	£1,828,000	£2,458,000
Restricted	£280,000	£752,000
Unrestricted	£1,548,000	£1,706,000
Expenditure	£1,985,000	£3,615,000
Free reserves	£1,240,000	£1,219,000

10.3 How we manage the money

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

A breakdown of the individual Charity funds, including a brief description, is listed in the **Accounts – Note 11**.

10.4 Fund Balance

Balances reduced by £865,000 (2017/18: increased by £126,000). During the year unrestricted funds decreased by £547,000 and restricted decreased by £318,000.

10.5 Reserves

Restricted balance

£1,609,000 arises where our donors have specifically requested that their donations are used for a particular purpose or they have responded to an appeal for donations to a specific project.

Unrestricted funds

£1,738,000 are unrestricted funds which are donations the charity may use for any purpose as no restrictions have been placed by our donors.

Of which:

Designated funds: £519,000 are funds set aside out of unrestricted funds by the Trustee Board for specific purposes relating to Royal Papworth Hospital without restricting or committing the funds legally.

Free reserves: £1,219,000 are unrestricted funds not already committed or designated that can be used as part of active financial management and forward financial planning for sustainability of the Charity.

10.6 Income

Royal Papworth Charity is fortunate to receive generous support from many members of the public, including former patients from across the UK. Our income comes from a variety of sources of which legacy and community are most prevalent. Total income for the year amounted to £2,458,000 (2017/18: £1,828,000), which exceeded our target of £1,763,853 by £694,147.

Details of some of the activities that contributed to this result are provided opposite:



Fundraising stream	2018/19 Full Year Actual	2018/19 Target	Variance
Grateful Patients	£204,661.00	£347,476.00	(£142,815.00)
Community Activities	£176,627.00	£272,728.00	(£96,101.00)
Papworth Led Events	£8,604.00	£11,866.00	(£3,262.00)
Raffles and Lottery	£34,019.00	£19,196.00	£14,823.00
Retail	£32,165.00	£82,714.00	(£50,549.00)
Regular Giving	£28,845.00	£25,114.00	£3,731.00
Trusts and Grants	£152,560.00	£94,759.00	£57,801.00
Legacy	£1,626,000.00	£910,000.00	£716,000.00
Total	£2,263,481.00	£1,763,853.00	£499,628.00

*This table does not include £195k of investment income.

Legacy Income (£1,626,000)

The Charity is honored to have received a number of generous legacy gifts throughout 2018/19 exceeding the target of £910,000 by £716,000. Such support enables the Charity to provide transformational grants across the Hospital for direct patient benefit. We are hugely grateful for these gifts as legacy income makes up for over half of all donations we receive as a charity and make a huge difference to the level of support we are able to provide.

This year legacy income has come in higher than originally forecast and this was due to two large residuary gifts the Charity received from patients who were grateful for their care at Royal Papworth. Our partnership with McClure Solicitors launched this year and we are delighted to be able to offer our supporters and staff a free Will writing service, Will review service and special price Powers of Attorney from McClure's specialist Estate Planning Team. This partnership offers vital services to our supporters and provides income for the Charity in two forms; one off donations the clients are offered to make when accessing the services and in the legacy gifts the clients may make in their Wills.

Legacy income by its nature is unpredictable, and as such, the Charity will be looking to invest in this area to ensure it is well managed.

Community Fundraising

It is only thanks to the generosity of our wonderful supporters in the community that we are able to raise vital funds to support Royal Papworth Hospital. From head-shaves to hosting picnic tea parties, we continue to be amazed at the incredible dedication, support and enthusiasm of people looking to find new ways to show their support.

This year an incredible **£176,627** was raised by our community of supporters and we wish to extend our gratitude to all those who continue to support us. We hope they share great pride in knowing that they have supported a variety of projects across the Hospital for the benefit of our patients.

We have had several supporters take on thrilling activities to challenge themselves and to raise money for the Charity. This year we held our first skydive day, which saw five brave supporters freefall from 13 thousand feet. We also had a team of eight marathon runners raise over £10,000 at this year's Virgin London Marathon. With so much interest in these types of events, we recognise this income stream presents a huge opportunity of growth for the Charity as more supporters seek exciting new ways to fundraise. We are pleased to have employed a new Fundraising Manager to support with the stewardship of our wonderful community of supporters in this area.



11. Case study – Rob Green

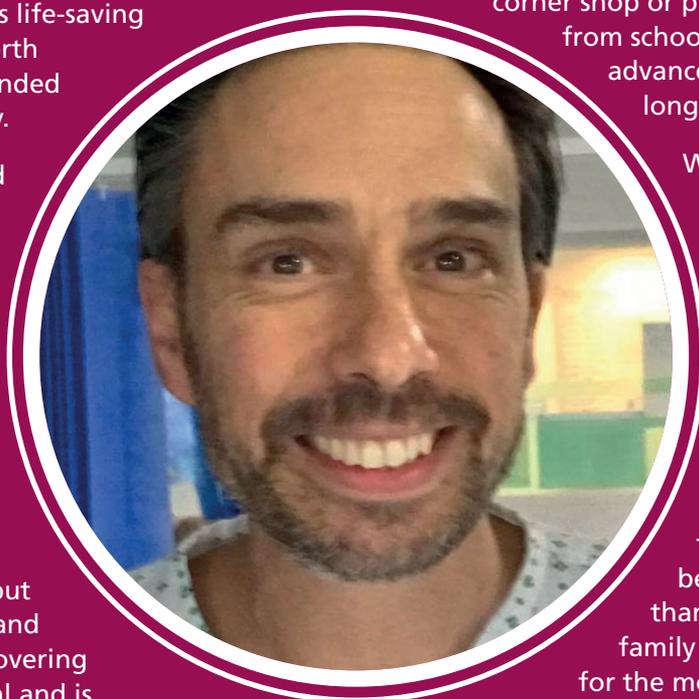
Rob received a heart transplant through the Non-Beating (DCD) Heart Transplant programme. Rob was diagnosed with Dilated Cardiomyopathy in 1998 and lived with the condition until his health began to deteriorate in October 2018. Rob spent a week in Barts Hospital in London before being transferred to Royal Papworth where he got put onto the heart transplant list. Rob became the 53rd patient to receive this life-saving procedure at Royal Papworth Hospital which is partly funded by Royal Papworth Charity.

Rob's tall height combined with his rare blood type meant that he had been warned by doctors that the likelihood of finding a heart that was a good match was not high. Fortunately, against the odds a match was found for Rob. Rob explained: "I had no heart when the clock struck midnight on the day of the operation but by the next day I had a brand new one". Rob is now recovering in Royal Papworth Hospital and is looking forward to returning home to his wife Simone and 9 year old daughter Poppy.

Only a handful of other people in the UK have undergone this particular operation so we asked Rob how he felt when offered a DCD heart: "I felt confident to receive a heart through this new programme as I trusted the excellent reputation of Royal Papworth Hospital.

The staff who explained the different options to me were so positive and made me feel at ease when making this difficult decision."

Rob explained that his life had gradually become more challenging over the years due to his condition and how his 'circle of normality' had become smaller. Simple tasks like walking to the corner shop or picking his daughter up from school had to be planned in advance as everything took him longer that it once used to.



When speaking to Rob three weeks post operation, he told us: "I feel marvellous after receiving my new heart. It feels so strong beating through my chest, I asked my doctor to turn off my pacemaker machine as I didn't realise it was in fact just my own heart beating! I want to especially thank my donor and their family and express my gratitude for the most incredible gift they have given me."

Royal Papworth Charity is so proud to be able to support and be a part of such an amazing programme that really does save lives. None of this would have been possible without the generosity of our supporters that have donated to the DCD Appeal and enabled the Hospital to carry out 64 DCD transplants.

“

I feel marvellous after receiving my new heart. It feels so strong beating through my chest, I asked my doctor to turn off my pacemaker machine as I didn't realise it was in fact just my own heart beating! I want to especially thank my donor and their family and express my gratitude for the most incredible gift they have given me.

”

12. Our Future Plans

Our Fundraising Strategy

Royal Papworth Charity operates with a very efficient expenditure-to-income ratio allowing us to spend charitable donations to make the greatest possible difference to the Hospital's patients. We can only continue to support the life saving work of Royal Papworth Hospital because of the generosity of our supporters. Their continual fundraising efforts and charitable giving enables us to make a real difference to our patient's lives.

The NHS is facing an unprecedented period of financial challenge. Royal Papworth Hospital is not immune to this; the Charity is therefore under increasing pressure to provide additional financial support to the Hospital. It is important, now more than ever, that Royal Papworth Charity has a clear and defined strategy.

With such high pressures on the Charity and an increasingly growing portfolio of activities and responsibilities, the structure of the team must mirror this demand. Staff levels and resources will be closely monitored to ensure that we have the necessary skill-set to be able to raise the funds much needed for the Hospital.

The 2017-22 charity strategy will ensure that we achieve our vision and create a sustainable future by having a clear strategic framework that is backed up with a maintainable reserves policy, an effective fundraising plan and a successful governance programme.

The strategy focuses on 5 principle areas of active fundraising, including;



13. Case study – Forbester Family

In 2007, Iain Forbester was diagnosed with heart failure when he was in his early-fifties. Iain was referred to Royal Papworth Hospital where his enlarged heart was treated using drug therapy and ablation. Iain has made an amazing recovery and this year he, alongside his family, all completed the Cambridge Town and Gown 10k to raise money for Royal Papworth Charity.

Prior to Iain’s diagnosis he had been healthy, playing rugby and squash, going out for runs in the Suffolk countryside and spending hours tending to his beloved house and garden. He also worked a demanding job, requiring lots of international travel and long hours in the office. He was a busy man!

Jessica, Iain’s daughter explains, “Dad found his heart failure extremely hard to deal with, he just wasn’t used to resting, and he wasn’t ready to slow down yet. It was hard for him to climb a short flight of steps.

...it was the positive attitude of every member of staff at Royal Papworth which left him never doubting he would recover.”

“At first the surgeons at Royal Papworth Hospital were unsuccessful in treating Dad using ablation, but, Dad’s surgeon never gave up. After the fourth attempt they succeeded and since then he has been on the path to recovery getting fitter and stronger each year. Despite his illness, and thanks to the expert care he received at Papworth, Dad has managed to see his three children through four universities, and help the company he works for grow internationally. In fact, we sometimes forgot how ill he was, because he rarely complained and he achieved so much each day.”

Thankfully, Iain has made an incredible recovery; he is now able to start to build up a more active life. Iain’s wife Karen and three children Jessica, Hannah and Ben all completed the Cambridge Town and Gown 10K race in October and raised an amazing total of over £2,700 for the Charity.



“

As a family, we are extremely grateful for the care Dad received at Papworth because we don’t know how we could have coped without him.

Forbester Family

”

14. Reserves Statement

Approved statement of policy on reserves

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

Having carefully considered the best interests of the Charity and its beneficiaries, the Trustee Board believes it appropriate to aim to hold £1m free reserves. £0.4m is required for working capital and £0.6m is the Trustee Boards' best estimate of the amount which should be held for potential future (but as yet unknown) opportunities.

Any free reserves held by the Charity over and above this amount which are not expected to be used in the short term will be made available by the Trustee Board for grants to benefit the patients of Royal Papworth Hospital NHS Foundation Trust.

If free reserves fall below this level the Trustee Board will consider whether this is due to short term circumstances or a longer term reason, and will review its expenditure and fundraising plans accordingly.

The investment properties fund, £220k

This fund represents the net book value of the Charity's investment properties. These funds have been set aside because the investment properties are held as part of a diversified investment strategy to produce an income for the Charity and could not easily be sold to produce funds for use in other charity activities. The Trustee Board expects this to remain the case for the foreseeable future.

Material Designated Funds

Approved specific project/scheme funds, £193k

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

Planned future commitments, £438k

Where the Trustee Board approves the allocation of free reserves towards the funding of future capital programmes/projects/schemes which have been identified by the beneficiary NHS Body as required within the next 3-5 years, a designated fund is set up for the amount the Trustee Board expects to contribute, and the expected time frame is agreed and recorded. The designation, timeframe and specific proposals are then reviewed by the Trustees as requirements are updated and the fund is closed either when a specific commitment is made or if the proposals are withdrawn.

15. About our investments

15.1 Monitoring of Investments

Investment performance is monitored by the Charitable Funds Committee, which receives reports from the investment advisers.

The Charitable Funds Committee reviews the investment policy on an annual basis and undertakes periodic reviews of arrangements for investment advice to ensure that value for money is being achieved.

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

15.2 Investment Policy

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

The Trustee Board has adopted this Investment Policy to regulate the activities of their Investment Manager from time to time and to meet the requirements of the Trustee Act 2000.

As an unincorporated charity, the Trustee Board has the general powers of investment and duties provided for in the Trustee Act 2000, subject only to any specific provisions in the governing document. The Trustee Board makes full use of its powers to invest for the benefit of the Charity and its beneficiaries and reserves the right to hold

any asset for the purpose of generating money, whether income or capital growth, with which to further the work of the Charity.

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

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

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

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

A full copy of the Investment Policy is available on the website. www.royalpapworthcharity.com

16. Charity governance, structure and management arrangements Trustee recruitment, appointment and induction

Non-executive Directors of the Board of Directors are appointed by the Council of Governors. The Chief Executive is appointed by the Non-executive Directors, subject to the approval of the Council of Governors. Executive Directors of the Board are appointed by a Committee, normally comprising of the chairman, the chief Executive, at-least-two other Non-executive Directors and an independent assessor. Members of the Board of Directors and the Charitable Funds Committee are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

As part of their induction, new Executive and Non-executive Directors of the Royal Papworth Hospital NHS Foundation Trust are made aware of their responsibilities as Corporate Trustee of the Royal Papworth Charity, which include a standing declaration of interests at all meetings. The induction includes an introduction to the objectives, scope and policies of the Trustee Board and Charitable Funds Committee, Charity Commission information on trustee responsibilities, copies of the previous years' Trustee's Annual Report and Accounts and a copy of the governing documents for the Charity.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under the trust deed of the Charity and charity law, the Trustee Board is responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The Trustee Board has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the excess of expenditure over income for that period.

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

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

The Corporate Trustee is required to act in accordance with the trust deed of the Charity, within the framework of trust law. The Trustee Board is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the Trustee Board to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision.

The Trustee Board is responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

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

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

17.1

Name	Title
John Wallwork	Chairman
Stephen Posey	Chief Executive Officer
Oonagh Monkhouse	Director of Workforce and OD
Eilish Midlane	Chief Operating Officer
Roy Clarke	Chief Finance Officer
Dr Roger Hall	Medical Director
Ms Josie Rudman	Chief Nurse
Mr Andrew Raynes	Director of Information Management and Technology and Chief Information Officer
Michael Blastland	Non-Executive Director (from 22 March 2019)
Cynthia Conquest	Non-executive Director (from 1 January 2019)
David Dean	Non-executive Director (from 1 November 2018 & Designate NED from 1 August 2018)
David Hughes	Non-executive Director and Deputy Chairman
Susan Lintott	Non-executive Director and Senior Independent Director
Professor Nicholas Morrell	Non-executive Director

17.2 Members of Corporate Trustees who left during 2018/19

Name	Title
Karen Caddick	Non-executive Director (to 31 October 2018)
Mark Millar	Non-executive Director (to 31 October 2018)
Ron Zimmern	Non-executive Director (to 28 February 2019)

17.3 Pen profiles of members of the Corporate Trustee:

*For further information see Royal Papworth Hospital NHS Foundation Trust Annual Report 2018/19.

Professor John Wallwork CBE, Chairman.

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

Stephen Posey, Chief Executive

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

Oonagh Monkhouse, Director of Workforce and Organisation Development

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

Dr Roger Hall, Medical Director

Roger is a consultant cardiothoracic anaesthetist and intensivist. From 1991 to 2002 he was a consultant at Green Lane Hospital in Auckland, New Zealand, practicing both pediatric and adult cardiac anesthesia and intensive care before moving to Royal Papworth Hospital. In May 2015 he was appointed Medical Director.

Josie Rudman, Chief Nurse

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

Mrs Karen Caddick, Non-Executive Director Karen is currently Group Human Resources Director at Saga plc.

Mr Roy Clarke, Chief Finance Officer

Roy was appointed in November 2015 from Norfolk Community Health and Care NHS Trust where he was the Director of Finance. Roy is a Chartered Management Accountant.

Mrs Eilish Midlane, Chief Operating Officer

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

Andrew Raynes, Director of Information Management and Technology and Chief Information Officer

Andrew joins Papworth from his former role as IM & T Programme Director at Barking, Havering and Redbridge University Hospitals NHS Trust in East London. Andrew has over 20 years' experience working in the NHS and overseas within the health, care and private sectors.

Michael Blastland

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

Cynthia Conquest

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

David Dean

David has experience both at Executive and Non-Executive level within the NHS. From 2007 to 2014 he was a Non-Executive Director at Guy's and St Thomas' NHS Foundation Trust where he served as Audit Chair and later as Vice Chairman of the Trust. Prior to his NHS career David was an Investment Banker in London and Hong Kong.

David Hughes

David had a wide-ranging executive career at BT in both CEO, CTO and most recently CIO service improvement roles. He began his career with a BSc in Electrical and Electronic Engineering, has been awarded 4 patents and became a Fellow of the IET.

Susan Lintott

Susan is Senior Bursar of Downing College, University of Cambridge.

Professor Nicholas Morrell

Nick's research focuses on understanding genetic causes of cardiovascular disease, particularly pulmonary arterial hypertension, and developing new treatments for these conditions. Nick is the interim Director of the planned Heart and Lung Research Institute to be built alongside the new Royal Papworth.

Karen Caddick

Karen is Group Human Resources Director at SAGA plc.

Mark Millar

Mark is a Certified Accountant who is an experienced Chief Executive and Executive Director in the NHS.

Ron Zimmern

Ron is a Public Health Physician with a special interest in public health genomics. Ron is Chairman of the Foundation for Genomics and Population Health.

17.4 The Charitable Funds Committee

The Trustee Board has devolved responsibility for the on-going management of the investment funds and some other duties to the Charitable Funds Committee.

The Charitable Funds Committee Terms of Reference state that its role is to undertake the following duties on behalf of the Corporate Trustee:

- Receive information on charitable funds income and expenditure as prepared by the Finance Department.
- Monitor on behalf of the Trustee Board the performance of the Trust's Fundraising Department against the Charity's Annual Plan.
- Authorise expenditure of charitable funds over £25,001 and up to a delegated limit of £50,000, for each item of expenditure.
- Receive reports of the Trust's activity in relation to fundraising.
- Receive and review the Trust's Charitable Funds' Annual Report and Accounts and recommend these to the Audit Committee and Trustee Board.
- Establish and annually review the Trust's Charitable Funds Reserves Policy and receive assurance that the Trust is carrying an appropriate amount of charitable funds as reserves, in line with policy and best practice.
- Establish and regularly review a policy for the use of Charitable Funds and to monitor the implementation of that policy.
- Approve and review at least every 3 years the appointment of investment managers to advise, invest, administer and realise the Trust's charitable funds in accordance with the policy.
- Regularly review a Charitable Funds Investment Policy (CG0 13). To ensure that the investment of funds by the investment managers is in accordance with the policy and in accordance with any policy on ethical investments that the Trust may establish.
- Review a Gift Acceptance Policy (Charitable Donations Procedure - DN338).
- Receive assurance that the receipt, management and use of the Trust's charitable funds is in accordance with the Trust's Standing Financial Instructions.
- Ensure through documented policies and procedures and delegated authority, that charitable funds are used for any reasonable purpose connected with patients or staff of Royal Papworth Hospital NHS Foundation Trust, consistent with the overall policies and objectives of the Trust, including clinical research and in accordance with the wishes of the donor.
- Ensure all policies within the purview of the Committee are reviewed in line with the timescales defined in the Trust's Document Control Policy, and ensure new policies are approved and distributed to relevant staff. In the absence of a separate charity policy the policies of Royal Papworth Hospital NHS Foundation Trust will apply.
- The Committee shall contribute to the Trust's assessment of risk for those areas that fall within the Committee's terms of reference and report on these to the Trustee Board.
- Receive the minutes from the Fundraising Group and ensure that any approvals sought by that Group are met.

17.5 **Members of the Charitable Funds Committee 2018/19**

Dr Susan Lintott

Chair and non-executive Director

Mr David Hughes

Non-Executive Director

Mr Roy Clarke

Chief Finance Officer

Mrs Oonagh Monkhouse

Director of Workforce Organisation Development

Mrs Mary Macdonald

Trust Secretary (left March 2018)

Mrs Anna Jarvis

Trust Secretary (started April 2018)

Mrs Cynthia Conquest

Non-Executive Director (Started January 2019)

The day to day management of the Charity has been delegated to the Trust Business Services Department within the Finance Directorate.

18. Reference and administrative details

Our Advisors

Bankers

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

Legal Advisers

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

Legal Advisers

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

External Auditors

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

Investment Managers

Quilter Cheviot – One Kingsway, London WC2B 6AN

Internal Auditors

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

Key Management Personnel Remuneration

The Trustee has concluded that the Trustee Board comprise the key management personnel of the Charity as it is in control of directing and controlling the Charity. All members of the Trustee Board give of their time freely and no remuneration was paid in the year. Members of the Trustee Board are required to disclose all relevant interests and register them with the Trust Secretary. See note 13 to the Accounts. The Charity does not directly employ any staff. Staff that solely work for the Charity are employed by Royal Papworth Hospital NHS Foundation Trust and these costs are recharged to the Charity. See Note 3.5 to the Accounts.

19. Wider networks and our relationship with the wider community

Royal Papworth Charity is one of over 250 NHS Charities in England and Wales which are eligible to join the Association of NHS Charities. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and Corporate Trustee.

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

Fundraising Regulator

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

Fundraising Governance

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

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

Royal Papworth Charity recognises the regulations in place to ensure we are doing everything in our power to protect vulnerable people and other members of the public during fundraising activities. We remain compliant with these regulations and support the Fundraising Regulator's voluntary regulation scheme. In addition the Charity has donated to the Gambling Commission in support of their work to provide help, advice or support in relation to gambling.

20. How to contact us

Registered office:

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

For Fundraising queries please contact:

01223 639950

papworth.charity@nhs.net

www.royalpapworthcharity.com



21. Related Parties

During the financial year 2018/19, Royal Papworth Hospital was the main beneficiary of the Charity and is a related party by virtue of being Corporate Trustee of the Charity. **Note 13** to the Accounts provide further detail.

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

- **Fund Holders** – employed by Royal Papworth Hospital NHS Foundation Trust, who oversee and ensure our designated and restricted funds are spent in accordance with the donor's wishes and in accordance with the Charity's aims.
- **Volunteers** – Royal Papworth Charity has 68 volunteers recorded who are all proud to support the Charity throughout the year. This included support at events and with running a small convenience shop at our Papworth Everard site. The shop was manned entirely by volunteers and we would like to express our gratitude to all our volunteers who supported the Shop throughout 2018/19.
- **Fundraisers and Ambassadors** – Many supporters of Royal Papworth Charity give up their free time and conduct a number of fundraising activities to raise money for the Charity.
- Royal Papworth Charity has a third party fundraising partnership in place with Cambridge University, specifically the Cambridge University Development and Alumni Relations (CUDAR) Department to commission the Heart and Lung Research Institute (HLRI). CUDAR are supporting the capital campaign and the Charity monitors the activities carried on by CUDAR for the purpose of fundraising, via contract and quarterly updates to the Charitable Funds Committee.

22. Thank you!

Only together can we continue to deliver world leading medicine at Royal Papworth Hospital. We are truly grateful to all of our wonderful supporters who have made every effort to raise vital funds for the benefit of all of our patients.

This year we have seen a number of changes including the rebrand of the Charity and the relocation of the Hospital; the continued support from all of our staff, patients, partners, friends and family has been overwhelming.

We hope that 2019 is another fantastic year and from everyone here at Royal Papworth Hospital Charity, thank you.

For and on behalf of the Corporate Trustee



Roy Clarke
Chief Finance Officer

On behalf of the Trustee Board
Royal Papworth NHS Foundation Trust

Date: 7th November 2019



Royal
Papworth
Charity



NATIONAL HEALTH SERVICE

ROYAL PAPWORTH HOSPITAL CHARITY

FUNDS HELD ON TRUST ANNUAL FINANCIAL STATEMENTS 2018/19

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

FOREWORD

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

STATUTORY BACKGROUND

The Royal Papworth Hospital Charity funds held on trust are registered with the Charity Commission and include funds in respect of the Royal Papworth Hospital NHS Foundation Trust.

MAIN PURPOSE OF THE FUNDS HELD ON TRUST

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

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

Opinion

We have audited the financial statements of Royal Papworth Hospital Charity ("the charity") for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Brexit other matter paragraph

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of investments, recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Charities future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Charities future prospects and performance. However, no audit should be expected to predict the unknowable factors

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we

considered the inherent risks to the charity's business model, including the impact of Brexit, and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charity will continue in operation.

Other information

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

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

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

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 23, the trustee board on behalf of the corporate trustee is responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

S Beavis

Stephanie Beavis

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Botanic House
100 Hills Road
Cambridge
CB2 1AR

19 December 2019

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

Statement of Financial Activities for the year ended 31 March 2019

		Unrestricted funds	Restricted funds	Total funds 2018/19 £000	Total funds 2017/18 £000
	Note	£000	£000	£000	
Income from:					
Donations and legacies	2.1	1,527	661	2,188	1,536
Charitable activities	2.3	48	-	48	57
Other trading activities	2.4	27	-	27	47
Investments	2.2	104	91	195	188
Total		<u>1,706</u>	<u>752</u>	<u>2,458</u>	<u>1,828</u>
Expenditure on:					
Charitable activities	3.1	(2,161)	(901)	(3,062)	(1,886)
Raising funds	3.2	(228)	(325)	(553)	(99)
Total		<u>(2,389)</u>	<u>(1,226)</u>	<u>(3,615)</u>	<u>(1,985)</u>
Net gains on investments		136	156	292	283
Net (expenditure)/income		<u>(547)</u>	<u>(318)</u>	<u>(865)</u>	<u>126</u>
Net movement in funds	4	<u>(547)</u>	<u>(318)</u>	<u>(865)</u>	<u>126</u>
Reconciliation of funds:					
Total funds brought forward	11	<u>2,285</u>	<u>1,927</u>	<u>4,212</u>	<u>4,086</u>
Total funds carried forward	11	<u>1,738</u>	<u>1,609</u>	<u>3,347</u>	<u>4,212</u>

The notes on pages 37 to 51 form part of these financial statements.

All incoming resources and resources expended derive from continuing activities.

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

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

Balance Sheet as at 31 March 2019

	Note	Unrestricted Funds £000	Restricted Funds £000	Total at 31 March 2019 £000	Total at 31 March 2018 £000
Fixed assets:					
Tangible assets - Land and buildings	5	220	-	220	224
Investments	6	<u>4,245</u>	<u>3,465</u>	7,710	9,264
Total fixed assets		<u>4,465</u>	<u>3,465</u>	7,930	9,488
Current assets:					
Stocks		13	-	13	18
Debtors and accrued income	7	463	-	463	167
Cash and cash equivalents	8	<u>332</u>	<u>270</u>	602	1,403
Total current assets		<u>808</u>	<u>270</u>	1,078	1,588
Liabilities:					
Creditors: Amounts falling due within one year	9	(153)	(124)	(277)	(1,137)
Net current assets		<u>655</u>	<u>146</u>	801	451
Total assets less current liabilities		<u>5,120</u>	<u>3,611</u>	8,731	9,939
Provision for liabilities	10	<u>(3,382)</u>	<u>(2,002)</u>	(5,384)	(5,727)
Net assets		<u>1,738</u>	<u>1,609</u>	3,347	4,212
The funds of the charity:					
Restricted income funds	11.1	-	1,609	1,609	1,927
Unrestricted funds	11.3	<u>1,738</u>	-	1,738	2,285
Total charity funds		<u>1,738</u>	<u>1,609</u>	3,347	4,212

The financial statements on pages 34 to 51 were approved by the trustee on and signed on its behalf by:

Signed:



Roy Clarke
Chief Finance Officer

Date: 7th November 2019

The notes on pages 37 to 51 form part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2019

		Total Funds at 31 March 2019 £000	Total Funds at 31 March 2018 £000
	Note		
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	14	<u>(2,842)</u>	<u>(602)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		195	188
Decrease/(increase) in investments - cash held		1,541	(197)
Proceeds from sale of investments		1,185	571
Purchase of investments		<u>(880)</u>	<u>(552)</u>
Net cash provided by (used in) investing activities		<u>2,041</u>	<u>10</u>
Change in cash and cash equivalents in the year		(801)	(592)
Cash and cash equivalents brought forward		1,403	1,995
Cash and cash equivalents carried forward	8	<u>602</u>	<u>1,403</u>

The notes on pages 37 to 51 form part of these financial statements.

Notes to the Financial Statements

1 Accounting Policies

1.1 Basis of preparation and assessment of going concern

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

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis and the principal accounting policies have been applied consistently throughout the year. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

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

1.2 Incoming resources

- a) All incoming resources are included in the Statement of Financial Activities as soon as the following three factors can be met:
- Entitlement – control over the rights or other access to the economic benefit has passed to the Charity.
 - Probable – where it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity.
 - Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.
- b) Gifts in kind
- Assets given for distribution by the funds are included in the Statement of Financial Activities only when distributed;
 - Gifts made in kind but in trust for conversion into cash and subsequent application by the funds are included in the accounting period in which the gift is sold.

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

c) Legacies

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

d) Investment income

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

1.3 Resources expended and irrecoverable VAT

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

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

a) Charitable activities

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

A constructive obligation arises when:

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

b) Costs of raising funds

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

c) Support costs

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

d) Staff costs

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

1.4 Structure of funds

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

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

All transfers between funds are approved by either the Chief Executive or the Chief Finance Officer of the Royal Papworth Hospital NHS Foundation Trust, who are both representatives of the Corporate Trustee of the Charity. Restricted monies are not transferred to unrestricted funds.

1.5 Tangible fixed assets

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

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

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

Depreciation

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

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

The current estimated life of dwellings is 39 years.

Revaluation and impairment

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

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

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

1.6 Fixed asset investments

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

1.7 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or date of purchase if later).

1.8 Stocks

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

1.9 Change in the Basis of Accounting

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

1.10 Corporation Tax

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

1.12 Cash and cash equivalents

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

1.13 Debtors

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

1.14 Creditors

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

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

1.15 Provisions

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

2. Income

2.1 Donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total Funds £000	2017/18 Total Funds £000
Legacies	1,258	368	1,626	760
Donations	269	293	562	776
	1,527	661	2,188	1,536

2.2 Details of investment income

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total Funds £000	2017/18 Total Funds £000
Investments in listed equities	102	89	191	188
Short term investments and deposits	2	2	4	-
	104	91	195	188

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

2.3 Analysis of income from Charitable activities

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total Funds £000	2017/18 Total Funds £000
Merchandise and shop	36	-	36	45
Rental income	12	-	12	12
	48	-	48	57

2.4 Analysis of income from Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2018/19 Total Funds £000	2017/18 Total Funds £000
Charitable events income	<u>27</u>	<u>-</u>	<u>27</u>	<u>47</u>

3. Expenditure

3.1 Analysis of Charitable activities

	Grant funded activity £000	Support and governance costs £000	2018/19 Total £000	2017/18 Total £000
Patients' welfare and amenities	669	-	669	886
Staff welfare and amenities	777	344	1,121	451
Research	<u>1,272</u>	<u>-</u>	<u>1,272</u>	<u>549</u>
	<u>2,718</u>	<u>344</u>	<u>3,062</u>	<u>1,886</u>

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

3.2 Analysis of Raising Funds

	Unrestricted funds £000	Restricted funds £000	2018/19 Total funds £000	2017/18 Total funds £000
Gift shop expenditure	28	-	28	9
Investment management	43	-	43	25
Fundraising events	120	325	445	20
Support costs	<u>37</u>	<u>-</u>	<u>37</u>	<u>45</u>
	<u>228</u>	<u>325</u>	<u>553</u>	<u>99</u>

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

3.3 Analysis of Support costs

	Raising funds £000	Charitable activities £000	2018/19 Total Funds £000	2017/18 Total Funds £000
Audit fee	1	5	6	6
Seconded staff costs	22	201	223	168
Database	4	37	41	45
Publications and literature	2	14	16	35
Other	8	87	95	110
	37	344	381	364

	Unrestricted funds £000	Restricted funds £000	2018/19 Total funds £000	2017/18 Total funds £000
Raising funds	37	-	37	20
Charitable activities	301	43	344	344
	338	43	381	364

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

3.4 The role of volunteers

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

Fund Holders – Royal Papworth Hospital Charity uses fund holders to oversee and ensure the funds are spent in accordance with the donor's wishes and in accordance with the Charity's aims.

Shop Volunteers – Royal Papworth Hospital Charity ran a small convenience shop for the benefit of patients, relatives and Hospital staff. The shop was manned by a rota of 10 volunteers, who process payments for goods.

Fundraisers and ambassadors - Many supporters of Royal Papworth Hospital Charity give up their free time and conduct a number of fundraising activities to raise money for the Charity.

3.5 Staff costs and employee benefits

	2018/19	2017/18
	£000	£000
Salaries and wages	194	145
Social security costs	11	8
Employers pension contributions	18	15
	<u>223</u>	<u>168</u>

Included within Seconded staff costs are those costs for staff working exclusively for the Charity, but whose contracts are with and paid by Royal Papworth Hospital NHS Foundation Trust. The average number of employees for 2018/19 is 6 (2017/18: 6). No employee was paid in excess of £60,000 during the year (2017/18: Nil).

3.6 Trustees remuneration, benefits and expenses

The Charity's trustees give their time freely and receive no remuneration for the work that they undertake as trustees. However, they can claim expenses to reimburse them for costs that they incur in fulfilling their duties.

No trustee received any expenses during the year (2017/18: Nil).

4 Change in Resources available for Charity use

	Unrestricted	Restricted	2018/19
	Funds	Funds	Total
	£000	£000	Funds
			£000
Net movement in funds available for future activities	<u>(547)</u>	<u>(318)</u>	<u>(865)</u>
			2017/18
	Unrestricted	Restricted	Total
	Funds	Funds	Funds
	£000	£000	£000
Net movement in funds available for future activities	<u>889</u>	<u>(763)</u>	<u>126</u>

5 Fixed Assets

	Freehold Land £000	Dwellings £000	Total £000
Cost at 1 April 2018	85	151	236
Balance carried forward	85	151	236
Accumulated depreciation and impairment provisions			
Depreciation at 1 April 2018	-	12	12
Charge for the year	-	4	4
Balance carried forward	-	16	16
At 31 March 2019	85	135	220
	Freehold Land £000	Dwellings £000	Total £000
Cost at 1 April 2017	85	151	236
Balance carried forward	85	151	236
Accumulated depreciation and impairment provisions			
Depreciation at 1 April 2017	-	8	8
Charge for the year	-	4	4
Balance carried forward	-	12	12
At 31 March 2018	85	139	224

6 Analysis of Fixed Asset Investments

6.1 Fixed Asset Investments

	Total 2018/19 £000	Total 2017/18 £000
Investment Management		
Market value at 1 April	6,627	6,363
Add: Additions of shares	880	552
Less: Disposals at carrying value	(1,150)	(498)
Net gain on revaluation	257	210
Market value at 31 March	<u>6,614</u>	<u>6,627</u>
Historic cost at 31 March	<u>4,847</u>	<u>4,832</u>
Cash held with Investment Management at 31 March	<u>1,096</u>	<u>2,637</u>
Fixed Asset Investments	<u>7,710</u>	<u>9,264</u>

The valuation of the investments is at 31 March 2019 and may not be realised at the date the investments are disposed of.

At 31 March 2019, 5,000 (2018: 5,000) shares were held with a market value of £462,052 (2017/18: £382,806) in Findlay Park Funds America USD Dis, which represents 7.0% (2017/18: 5.8%) of the total market value of shares held.

In addition 20,000 (2017/18: 20,000) shares were held with a market value of £149,502 (2017/18: £135,574) in First State Investments (UK) Stewart Inv Asis Paci Ldrs B GBP Acc, which represents 2.3% (2017/18:2.0%) of the total market value of shares held.

Shares were purchased and sold during the year by the Charity's investment managers. The historic cost represents the value of shares after purchases and sales at 31 March 2019 before the shares were revalued.

Cash held with the Charity's investment managers is for future investment, or to be returned to the Charity for payment purposes. The majority of the cash held is the balance of sale proceeds from the sale of shares, less the purchase of shares from additional cash as a result of dividend income received.

Cash held by the Charity's investment managers for reinvestment is all held within the UK.

6.2 Market value

	31 March 2019 £000	31 March 2018 £000
Investment listed on a recognised stock exchange held		
Within the UK	4,028	3,976
Outside the UK	2,586	2,651
	6,614	6,627

7 Analysis of Debtors

	31 March 2019 £000	31 March 2018 £000
Amounts falling due within one year:		
Accrued Income	450	167
Other debtors	13	-
	463	167

8 Cash and cash equivalents

	2019 £000	2018 £000
Cash in hand	395	1,198
Notice deposits (less than 3 months)	207	205
Total cash at bank and in hand	602	1,403

Cash held within notice deposits is a 32 day notice interest bearing account held with Lloyds Bank PLC. It is held on deposit to facilitate cash flow and the fulfilment of obligations. No current asset investments were held in non cash investments or outside of the UK.

9 Analysis of Creditors

	31 March 2019 £000	31 March 2018 £000
Amounts falling due within one year:		
Amounts owed to Royal Papworth Hospital NHS Foundation Trust	203	1,123
Other creditors	74	14
	277	1,137

10 Analysis of Provision for liabilities

	Provision for Research £000	Other Provisions £000	Total £000
At 1 April 2018	4,277	1,450	5,727
Arising during the year	631	2,286	2,917
Utilised during the year	(220)	(3,004)	(3,224)
Unused amounts reversed during the year	-	(36)	(36)
At 31 March 2019	<u>4,688</u>	<u>696</u>	<u>5,384</u>

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

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

11 Analysis of funds

11.1 Analysis of funds – Restricted funds

	Balance 1 April 2018 £000	Incoming Resources £000	Resources Expended £000	Balance 31 March 2019 £000
Material funds				
(list individually)				
A Thoracic Oncology Res. Fund	54	5	(12)	47
B Cystic Fibrosis	135	11	(101)	45
C Hugh Fleming Fund	56	4	(11)	49
D Electrophysiology Research	55	12	(22)	45
E Kathryn Anne Jones Memorial	63	4	(13)	54
F Cardiac Trust - N E Ball	64	38	(25)	77
G Cardiac Studies Trust Fund	81	18	(18)	81
H Transplant - Heart Fund	92	6	(98)	-
I Dr Shapiro Research	128	11	(25)	114
J I M Ivey Fund	133	12	(26)	119
K Surgical Research Fund	168	15	(62)	121
L DCD Transplantation Fund	-	178	(50)	128
K Patient and Community Sanctuary Fund	-	97	(1)	96
Others (25)	898	497	(762)	633
Total	<u>1,927</u>	<u>908</u>	<u>(1,226)</u>	<u>1,609</u>

11.2 Detail of Material Funds – Restricted funds

Name of fund	Description of the nature and purpose of each fund
A Thoracic Oncology Research	Funds donated for the thoracic oncology research
B Cystic Fibrosis	Funds donated for Cystic Fibrosis Unit
C Hugh Fleming Fund	Funds donated for travel bursaries for cardiac staff
D Electrophysiology Research	Funds donated for electrophysiology research
Kathryn Ann Jones Fund	Funds donated for the treatment and diagnosis of pulmonary hypertension
E	
F Cardiac Studies Trust Fund	Funds donated to support clinical research
G Cardiac Studies	Funds donated for use for the Cardiac Unit
H Transplant - Heart Fund	Funds donated for heart transplants
I Dr Shapiro Research	Funds for the benefit of research
J I M Ivey	Funds donated specifically for Cardiothoracic Research
K Surgical Research Fund	Funds donated for use in surgical research
L DCD Transplantation Fund	Donations for the use of research, development and the running of the Papworth DCD Transplant Programme
K Patient and Community Sanctuary Fund	Funds donated for enhancing the outdoor space at Royal Papworth Hospital.

11.3 Unrestricted funds

Unrestricted funds amounting to £1,738K (2017/18: £2,285k) consist of four general funds totalling £1,219k (2018: £1,239k) and 32 (2017/18: 33) designated funds totalling £519k (2017/18: £1,046k).

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

Funds have arisen from donations, legacies and fundraising activities.

11.4 Analysis of unrestricted funds

	31 March 2019 £000	31 March 2018 £000
Material undesignated funds		
Legacies	908	817
General	185	282
Merchandise & Shop	47	66
Capital Campaign	62	55
Other (2)	17	19
	<u>1,219</u>	<u>1,239</u>

11.5 Analysis of unrestricted designated funds

Material designated funds	Description of the nature and purpose of each fund	31 March	31 March
		2019	2018
		£000	£000
Transplant General	For the benefit of staff and patients of the transplant unit	189	321
V M Gledhill	For use in various cardiac research activities	49	79
New Papworth Fund	For use in relation to the New Papworth Hospital	-	59
Tcca General	For the benefit of staff and patients of the TCCA unit	36	42
Cardiac General Fund	For the benefit of patients and staff of the Cardiac Surgery Department	43	23
HLRI Project	For capital contributions to the Heart and Lung Research Institute	43	34
Others (March 2019: 26, March 2018: 25)		159	486
Total		<u>519</u>	<u>1,044</u>

12 Contingencies and commitments

There are no capital commitments in 2018/19 (2017/18: £nil).

There are no contingent liabilities in 2018/19 (2017/18: £nil).

Royal Papworth Hospital Charity has been notified of several legacies in which they are entitled to a residual interest of the estate. As this cannot be measured reliably, this will form a contingent asset until greater certainty as to the amount and likelihood of the payment is ascertained.

13 Related Party Transactions

The Royal Papworth Hospital Charity has made revenue and capital payments to the Royal Papworth Hospital NHS Foundation Trust during 2018/19.

The amount paid was £4,881k (2017/18: £2,235k) and there was a creditor at the end of the year of £203k (2018: £1,124k).

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

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

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

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

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

	2019	2018
	£000	£000
Net movement in funds	(865)	126
Adjustments for:		
Depreciation charges	4	4
(Gains) on investments	(292)	(283)
Dividends, interest and rents from investments	(195)	(188)
(Increase)/decrease in stocks	5	(3)
(Increase)/decrease in debtors	(296)	27
Increase/(decrease) in creditors	(860)	713
Increase/(decrease) in provisions	(343)	(998)
Net cash provided by (used in) operating activities	<u>(2,842)</u>	<u>(602)</u>



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

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



Registered Charity No: 1049224 (England & Wales)