

Annual report and financial statements

For the year ended
31 December 2020

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Introduction from the Chief Executive and Chair

The Health Foundation has a broad mission to improve health and health care for people living in the UK. We are independent, ambitious and fortunate to be able to invest for both the long and the short term. We fund innovations on the frontiers of health and care to make a bigger difference for the people of the UK. We also put a lot of energy into effective research and evaluation, working with many respected partners to change policy and practice.

Through our activities we seek to help shape services on the ground, as well as influence policy at a national, regional and local level. We shape our strategy by combining intelligence from a wide range of sources, identifying what might be today's priorities and tomorrow's as well.

Responding to the pandemic

The unprecedented challenge of COVID-19 has had a huge impact on the health of the UK population and our care services. As the pandemic took hold, the Foundation's work quickly flexed towards understanding its direct impact on our health and the NHS and social care system, and making funding available to support front-line care. Our work has helped others to improve the way the pandemic was being managed and identify lessons for the longer term recovery, as well as provide material assistance to help directly.

On improving understanding, we commissioned a significant amount of new research and reoriented much of our own in-house analysis to focus on the pandemic. The results found outlets through media commentary, publications, events, our new podcast and submissions to external reviews and inquiries, as well as national public agencies directly managing the pandemic. Our work showed how COVID-19 was impacting on different groups in society; changes in health care use and service provision; COVID-19 mortality and excess mortality; the handling of the pandemic in social care; the performance of the test and trace system – including the COVID-19 app, and the NHS vaccination programme.

2020 saw us publish a greater amount of content than before, providing timely analysis of key health and health care trends emerging due to the pandemic. Website traffic increased significantly to almost 3 million unique page views – over a million more than in 2019, which was already a record year.

Much of this growth can be accounted for by interest in a number of highly successful published outputs. These include *The Marmot Review: 10 Years On* report and COVID-19-focused outputs, such as our online policy tracker, analysis of excess mortality and the vaccine rollout. Key media moments, where our work influenced debate, included: the NHS Funding Bill; our work with the Health and Social Care Select Committee on NHS recovery; the government's obesity strategy; the announcement of Public Health England's dissolution; the launch of England's contact tracing app; our analysis of the handling of the pandemic in social care, and our analysis for the Spending Review.

We also supported individuals and organisations across the health and social care system to deal with the challenges being faced. For example, we seconded our staff to several national organisations to help, including NHS England, NHS X, NHS Test and Trace and Public Health England. We mobilised our 4,000-strong Q community to share learning and experiences in order to improve care in the pandemic across the UK. THIS Institute in Cambridge (funded by the Foundation) carried out rapid consensus development among clinical staff to identify best practice in managing COVID patients, and testing staff for infection. The Foundation also implemented a new funding programme of emergency assistance to charitable organisations providing direct support to the population, totalling £2.5m. This included a donation to the Trussell Trust, which supports a nationwide network of food banks, and the National Emergencies Trust, to support grassroots groups to meet urgent needs.

Launched in 2020

At the same time as responding to the pandemic, our work continued on three big themes: improving health and reducing inequalities; speeding up improvements in care; and longer run reform of the health and care system.

2020 saw a series of successful launches. Notably, the REAL (Research and Economic Analysis for the Long term) Centre – a major new Health Foundation initiative to improve projections of supply and demand for care over the next 20 years, to improve long-term planning in health and social care. REAL officially launched in October 2020, with an inaugural lecture from Sir Andrew Dilnot and its first report, a detailed examination of activity trends in the NHS over the past two decades.

In the spring, responding quickly to the pandemic, we supported THIS Institute to accelerate the launch of the research and development 'crowdsourcing' platform, Thiscovery. The platform is distinctive in its ability to engage patients and staff remotely and at scale to build solutions together.

In the summer we launched the Networked Data Lab: the first UK collaborative analytics programme, operating across devolved nations and using linked data in five localities to tackle health challenges. Its first analysis focused on the needs of those clinically extremely vulnerable to COVID-19, with the findings being used by its partners to help support and plan local services for those affected.

Meanwhile, the autumn saw the first episode of our new monthly Health Foundation podcast. The series seeks to inform debate around the big questions in health and care, aiming to bring a fresh perspective on topical issues in health and care and their implications for people in the UK.

Looking ahead

The combination of activities carried out and funded by the Health Foundation, some in collaboration with partner organisations, we believe is unusual for a Foundation. We organise our work through five strategic priority areas (see page 6) that we believe will help us respond to the key challenges in health and health care for the people of the UK.

In each area, we have an ambitious portfolio of work, in-house and externally commissioned, in innovative areas. Our impact in 2020 is due to the hard work and commitment of staff, governors and the people we work with externally. We are very grateful for their support, in what have been challenging circumstances during an extraordinary year. We look forward to making progress in 2021 and beyond, always for the benefit of the UK population and, in particular, the most vulnerable in society.

Dr Jennifer Dixon (Chief Executive) and Sir Hugh Taylor (Chair) the Health Foundation

Legal and administrative information

Governors	Sir Hugh Taylor (Chair) Sir David Dalton Eric Gregory Lorraine Hawkins Ruth Hussey Martyn Hole (stepped down 15 July 2021) Branwen Jeffreys Sharmila Nebhrajani Melloney Poole David Smart Rosalind Smyth David Zahn (stepped down 9 July 2020) Katie Blacklock (appointed 12 March 2021) Dawn Edge (appointed 12 March 2021) Ravi Gurumurthy (appointed 12 March 2021)
Charity number	286967
Company number	01714937
Registered office	8 Salisbury Square London EC4Y 8AP
External Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Solicitors	Bircham Dyson Bell LLP 50 Broadway London SW1H 0BL Bates Wells 10 Queen Street Place London EC4R 1BE
Investment Fund Managers	See Appendix
Custodian and Performance Measurement	Northern Trust 50 Bank Street Canary Wharf London E14 5NT
Investment Advisers	Cambridge Associates Limited 80 Victoria Street London SW1E 5JL Redington (from 1 January 2021) 6th Floor 1 Angel Court London EC2R 7HJ

Strategic report

The governors of the Health Foundation present their annual report for the year ended 31 December 2020 under the Charities Act 2011, incorporating the strategic and Trustees' reports under the Companies Act 2006, together with the audited financial statements for the year.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's Articles of Association, the Companies Act 2006 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)'.

The Health Foundation's objectives

The Health Foundation is an independent charity committed to bringing about better health and health care for people in the UK.

The objectives for which the Foundation is established are the advancement of health, including public health, wellbeing and the delivery of health and social care, and any other objectives and purposes which are exclusively charitable according to the laws of England and Wales, in particular (without limitation) by: promoting projects to improve health and research into health, and utilising and making available the useful results.

The Health Foundation's operational plans are set in the context of its charitable objectives and financial resources. The plans are developed to maximise outcomes and impact as the governors are mindful of the Charity Commission's guidance on public benefit.

Our strategic priorities

We report on a selection of our activities and achievements during 2020, and our plans for 2021, set out in terms of our strategic priorities. These are:

- Healthy lives for all
- Data analytics for better health
- Supporting health care improvement
- Health and care sustainability
- Improving national health and care policy.

This year we also include a specific section on how the Foundation reorientated its activities to respond to the COVID-19 pandemic.

Activities and achievements in 2020

During 2020, we continued to focus on ways to bring about better health and health care for people living in the UK. We awarded grants to improve health care, carried out research and analysis, invested in long-term change initiatives and enabled collaboration through our networks. We shared our insights, analysis and what we know works on the ground to inform effective policymaking and practice on the front line. We responded to the pandemic by urgently reprioritising our resources, committing additional funding of £6.1m to support the national and local responses. We also postponed £7.7m of longer term initiatives due to our changed priorities and reduced capacity of our beneficiaries and partners.

Responding to the COVID-19 pandemic

As the pandemic took hold in the UK, the Foundation's work was quickly reoriented. Our contributions included providing emergency assistance in the short term, together with analysis of how the pandemic was affecting the health and social care system and to identify lessons for the longer term recovery. This section presents some highlights.

- **Emergency assistance:** The Foundation implemented a new funding programme of direct relief, donating £2.5m. Donations were made to the Trussell Trust, which supports a nationwide network of food banks, allowing them to meet increased demand. We also provided donations to the Big Issue enabling vital emergency financial support to many of their vendors, and the National Emergencies Trust, who were able to urgently support grassroots groups.
- **COVID-19 impact inquiry launch:** Launched in October 2020, a large number of stakeholders have signed up for updates from the inquiry, including MPs, directors of public health, and other decision makers. The launch secured coverage in ten national media outlets. The profile of the inquiry has also secured invitations for the Foundation to multiple events to highlight health inequalities.
- **COVID-19 policy tracker:** In April we launched our online COVID-19 tracker, documenting and categorising national government and health and social care system responses to COVID-19 in England, and how these changed over time. Updated fortnightly, the tracker was one of the Foundation's most successful pieces of digital content in 2020 – our fifth most popular webpage during the year. It has been included in a range of external resources and received positive feedback from policymakers, academics, and journalists.
- **Excess mortality series:** Our work on excess deaths during the pandemic, published in spring and summer, cumulatively have generated over 82,300 reads, and was one of the early influencers in excess deaths becoming a widely used metric in pandemic reporting. It also generated significant media interest.
- **COVID-19 and adult social care:** July saw the publication of two timely Health Foundation briefings exploring the pandemic's impact on social care during its first phase. A policy-focused briefing examined the initial response from national government, while a Data Analytics briefing assessed COVID-19's impact on social care users and staff in England.
- **Health care service shifts:** In September, this long read explored the service shifts in health care brought about by sudden changes to how services were delivered and used. The long read emphasised the NHS's need to maintain openness to radical innovation and learn from what made such a response possible, retaining beneficial changes and the need to adapt for the foreseeable future.

Case study – Responding to COVID-19

There is evidence that our work in 2020 contributed meaningfully to understanding and debate about COVID-19 in line with our aims.

We contributed our analysis and thinking via a new chart series, media commentary, videos, events, blogs, long reads, our new podcast and submissions to external reviews and inquiries. Through these we looked at how COVID-19 was impacting on different groups in society, changes in health care usage and service provision, COVID-19 mortality and excess mortality, handling of the pandemic in social care, the test and trace system including the COVID-19 app and the NHS vaccination programme. We also mobilised new funding and research programmes, and provided practical support via a new funding programme of direct relief for various charities, and through the Q community.

Our most successful outputs tended to be substantive analysis and content that explained and interpreted emerging trends and issues; for example, on excess mortality, the COVID-19 policy tracker, the impact of COVID-19 on particular groups and the vaccination programme. Through such outputs we were able to tap into key issues people were searching for information about.

We achieved significant cut through in national media and with key stakeholders with our messages in areas such as: the impact of the pandemic on health care provision and implications for NHS recovery; the risks associated with plans to abolish Public Health England and need for robust health improvement infrastructure; long-term funding for health and care following the pandemic; and the need for more action from government to protect those most impacted by COVID-19 and address the inequalities exposed.

The value of our contribution and expertise during the pandemic has been acknowledged in the numerous requests and invitations for Foundation staff to be seconded to government and NHS bodies, and to participate in groups working on aspects of the recovery. Our work has also been regularly referenced in parliamentary debate and committee inquiries.

Healthy lives for all

Our work to promote healthy lives for all aims to change the national conversation to focus on health and wellbeing as an asset, rather than ill health as a burden. To do this we emphasise promoting national policies that support everyone's opportunity to live a healthy life, and supporting local action to address variations in people's opportunities for a healthy life.

- **Collaboration for Wellbeing and Health:** This initiative aims to mobilise organisations across sectors to change the conversation and influence national policy on the wider determinants of health. While still in its discovery phase, the Collaboration has started to show that members can jointly reach a wider audience through their channels, increasing the opportunities for influence. Members played an active role in the development and launch of *Health Equity in England: The Marmot Review 10 Years On*, taking part in joint advocacy activities to maximise media coverage and extend audience reach. Relationships between the Health Foundation and other Collaboration members are also strengthening the Foundation's work, including through joint calls with the Joseph Rowntree Foundation to maintain the uplift to Universal Credit during the pandemic, which played a role in the extension of the uplift by 6 months.
- **Economic development for health:** In September 2020 we published a report on how local areas can use economic development strategies to improve health. The publication led to requests to speak at the Local Enterprise Partnership (LEP) Network, the Inclusive Growth Network, and to contribute a blog to the Industrial Strategy Council. We also launched our new programme, Shaping Economies for Healthier Lives, to better use

local and regional economic development strategies to improve health and reduce health inequalities.

- **Young people's future health:** In addition to continuing the visibility of the Young people's future health inquiry, our *Generation COVID-19* long read combined interviews with young people and data analysis to reveal the extent of mental ill-health among young people. We have helped to shape the policy response to youth unemployment, with team members speaking at conferences on youth employment. We funded the Feed Britain Better coalition, which contributed to the successful campaign to retain free school meals over the school holidays, and which directly contributed to returning access to free water in schools.
- **Exploring the wider determinants of health:** We continued to publish novel analysis of trends and inequalities in the wider factors that influence our health – including publishing a series of long reads exploring why poverty, work quality and housing are crucial for our health. Another focus in this area is influencing the shape of the public health system following the announcement of the abolition of Public Health England. We published a briefing on improving the nation's health, which combined with media coverage, has put us in a strong position to influence this agenda.

Case study – spotlight on health inequalities in the UK

One of the most high-profile pieces of work in 2020 was the UCL Institute of Health Equity's (IHE) report *Health Equity in England: The Marmot Review 10 Years On*, which the Foundation commissioned and funded. Published in February 2020, just before the COVID-19 pandemic hit, the report generated over 26,000 reads on our website in 2020. Due in part to the high profile of Professor Marmot, the work was very influential in generating a conversation on the nature and drivers of health inequalities.

Shortly after the pandemic hit, we set up the COVID-19 impact inquiry. While this did not report in 2020, the launch secured coverage in ten national media outlets. The profile of the inquiry secured invitations for the Foundation to multiple events to highlight health inequalities. As part of the inquiry, in December we launched and funded IHE to produce *Build Back Fairer: The COVID-19 Marmot Review*, which gained national coverage and led to almost 2,000 reads on our website in its first 30 days.

Data analytics for better health

At the start of 2020, we launched our data analytics for better health strategy. Our vision is for a future where everyone's health and care benefits from analytics and data-driven technology. Our strategy was designed to respond to the increasing impacts that data and technology are having on health, as well as the seismic shifts happening across government and in the health and care systems as they look to maximise the benefits of these technologies. To deliver this strategy we are developing and testing innovations and then scaling successful innovations through our partnerships; as well as influencing the health and care environment to better enable innovation.

During 2020, our innovations in data analytics helped tackle some of the major challenges arising due to the COVID-19 pandemic, in particular our work on COVID-19 in care homes. We have continued to develop the use of rapid cycle evaluation and federated analytics of linked data through the Improvement Analytics Unit (IAU) and the Networked Data Lab (NDL) respectively. Ongoing engagement with senior stakeholders, as well as our research papers, have helped us contribute to the national conversation on data-driven technology.

- **Informing the national conversation about analytics and data-driven technologies:** Our work in 2020 included commentary on the NHS COVID-19 contact tracing app and publication of a long read to help make sense of the evidence on ethnicity and poor outcomes from COVID-19. During 2020, the team also gave presentations at more than 20 conferences and events, sharing our analytical work and contributing to conversations and debates on data and technology.
- **Creating innovations in data analytics that tackle real-world problems:** Our responsive and innovative analytical work highlighted the impact of the pandemic on the health and social care sector. Given the fast-moving nature of the external environment, our work in 2020 focused more than usual on bringing together and analysing multiple existing data sources to provide novel insights on the impact of COVID-19. Examples included summarising the effects of COVID-19 on black and ethnic minority people and the needs of people with multiple long-term conditions. Meanwhile, our MonstR package, a data product developed to download and clean open health and social care data from the ONS, was instrumental to rapid analyses during COVID-19 from our team and the wider analytical community.
- **Building initiatives to help the UK's health to benefit from analytics and data-driven technologies:** In 2020 we launched a number of new initiatives with partners. With HDR UK we launched the Better Care Catalyst programme – demonstrating how patient care can be improved through data-driven health and care decisions. And with the Ada Lovelace Institute we are building a shared understanding of how data-driven technologies may have affected inequalities during the pandemic, and how to narrow these. The NDL, a federated analytics initiative also launched in 2020, with five partners across England, Wales and Scotland, and delivered its first output: an analysis of the needs of those most clinically extremely vulnerable to COVID-19. This was featured in a Guardian exclusive and the findings are being used by our five partners to help support and plan local services. Our ongoing initiative, the IAU, provided rapid evaluation of a number of complex initiatives, such as integrated care and digital first primary care, in order to inform national policy.
- **Supporting better analytics in the health and care system:** Our funding of the Advancing Applied Analytics grants saw tangible impacts during the pandemic, in which organisations quickly built on and adapted their projects. For example, two projects that model patient pathways have been used to help plan vaccine clinics. Our work has also informed a programme led by NHSX to establish analytics as a profession within the NHS. We also funded Future Care Capital to develop and run a community of practice for social care analytics, bringing together data analysts, researchers, policymakers and others to help strengthen analytics in the sector.

Case study – Social care during the pandemic

The pandemic has exposed major weaknesses in social care data that hampered the system's ability to develop interventions to protect those accessing social care services. We responded to this challenge by producing innovative analyses that could inform the pandemic response and by aiming to build a data system in social care that could serve the needs of its users for the longer term. Several areas of our work were influential in supporting the government's response to COVID-19.

Through its work, the IAU has established a unique data set, through which we were able to highlight the impact of COVID-19 on social care at a critical time, when few other analytical teams were able.

Analyses published on our website received good media coverage, enabling us to contribute meaningful independent analysis to the national conversation on social care and COVID-19. Our chart analysing deaths in care homes was read 13,000 times in the first 30 days. We also published a briefing that explored the impact of COVID-19 on social care users and staff. And we partnered with Future Care Capital, an independent charity shaping the future of health and social care, to build the case for better social care data and explore what was needed.

It is clear that working on a single theme across many of our strategic objectives has created many synergies. This has enabled us to have significant impact in this area. Collectively our work has made a substantial contribution to raising the profile of issues in social care and has increased understanding of the impact of the pandemic on both social care staff and users.

Supporting health care improvement

Improving health service delivery, and spreading what works, are a major part of the solution to the challenges facing the NHS. Our work in improvement aims to make a difference through developing people, giving grants to make improvements at the front line and building evidence about what works and why.

In response to COVID-19, we rapidly adapted our delivery plans to ensure we could be supportive to our partners and the NHS more widely, reorienting our key assets such as Q and THIS Institute.

- **Insights from our research:** We continued to publish our findings and share learning. November saw the publication of *Improving flow along care pathways*, setting out learnings from the Flow Coaching Academy programme. We also published a long read on understanding and sustaining the health service shifts accelerated by COVID-19, which generated higher than average engagement, positive feedback from system leaders and some national media coverage.
- **Funding improvement at the front line:** In 2020 we launched two new funding calls. Common Ambition will support patients and professionals to collaborate to improve care. We also launched Adopting Innovation, a programme to support better adoption of innovation and technology. We continued our Continuity of Care in General Practice and Social Franchising programmes and completed the final rounds of Innovating for Improvement and Scaling Up Improvement.
- **Building capability to improve care:** We continued to support the expansion of the Flow Coaching Academy, as well as scoping out a new programme with NHS Providers to support trusts to adopt quality improvement and working with NHS England and NHS Improvement on their proposed improvement framework. We concluded the final rounds of our Improvement Science and GenerationQ fellowships.
- **Develop the contribution of the health and care system to improving health:** We continued to influence policymakers on developing the NHS as an anchor institution. Building on the commitment made in the *NHS long term plan*, the NHS People Plan 20/21 referred to the anchor concept as an example of how the NHS can play a significant role in economic recovery from COVID-19. We also worked collaboratively with NHS England and NHS Improvement to develop the Health Anchors Learning Network for launch in 2021. In addition, we provided input to work of the Scottish government in developing a public health priority on Anchor Institutions and Community Wealth Building, which was included in the Scottish government's COVID-19 recovery plan.

- **THIS Institute:** In 2020, THIS determined where its research could be most helpful, adapting existing work, initiating new projects and launching a scheme of COVID-19-themed fellowships. A significant feature of its response was the accelerated launch of the research and development platform, Thiscovery. Launched in April, the platform has been used to deliver 11 projects, eight of them directly addressing COVID-19. The platform is distinctive in its ability to engage patients and staff remotely and at scale to work collaboratively.
- **Q Community:** We continued to build and connect our community of health improvers, notably in relation to our geographical coverage, diversity and the number of members. Q reached the milestone of 4,000 members across the UK, reflecting the increasing awareness and appeal of quality improvement. In July, RAND published the findings of their 4-year evaluation of Q, which highlighted many examples of how its work has led to improvements for patients and services. In response to COVID-19, Q provided rapid insight and learning to support the effective adoption of virtual consultations as well as practical support to help community members and partners. This was done through a grant funding offer to regional and national bodies, and convening national improvement leaders from the four UK nations and Ireland to develop their plans for recovery and post-COVID-19 service provision.

Case study – responsive and adaptable assets

During COVID-19, our key strategic assets – in particular our large-scale, longer term initiatives and programmes – rapidly reoriented their focus and work plans to maximise their utility to the pandemic response, meeting emerging needs both at the policy level and within health care services. For instance, we mobilised the Q community to foster peer learning and gathered insights from this to influence national policy on COVID-19. THIS Institute initiated several COVID-19-specific projects, while beneficiaries of the Flow Coaching Academy reported that the skills and knowledge gained through the programme have been invaluable during the pandemic.

This experience has shown that our large-scale strategic initiatives have the depth and capacity to adapt and respond to challenges in health and care in ways that would not be possible if we solely ran grant-funding programmes. In addition, we have also learned that having a set of initiatives that focus on a range of areas – from building evidence for quality improvement and developing skills and knowledge, to developing nationwide infrastructure – means that our assets are well placed to provide support at a local service level and national policy level, and to strengthen links between these communities.

Health and care sustainability

The REAL Centre is a major new Health Foundation initiative to improve the evidence used to inform long-term decision making in health and social care. We officially launched in 2020, and our objectives were to produce research and analysis of trends and drivers of health and social care supply and demand. We also aimed to support better long-term decision making in health and social care through improved understanding of the policy implications of trends in and drivers of demand and supply.

The pandemic and accompanying response reshaped the work of the team in the short term, with a focus on supporting the COVID-19 response through a programme of analysis and secondments to DHSC and NHS England. This meant the formal launch of the REAL Centre (originally scheduled for June 2020) moved to October. Through our COVID-19 work we aimed to use our existing expertise, evidence and data access to influence key policy questions of interest, highlighting a longer term perspective where possible. Our December long read on vaccine prioritisation generated 15,200 reads in the first 14 days from launch and went on to generate a further 65,000 reads in January 2021 – the highest of any of our content (see also *Responding to the COVID-19 pandemic*).

- **A programme of research into health care demand:** In 2020 our launch report *The bigger picture* explored the trends and patterns of health service activity over the past two decades. The team also collaborated with policy team colleagues on a portfolio of work designed to highlight inequalities in health need and primary care access (including the briefing – *Level or not?*) The core of our demand work programme is the development of a model that will allow us to look at risk factors, disease prevalence and health care activity. We are working with partners to help us develop this work and identify early policy questions we could usefully answer; for example, around how trends in primary care have changed over the past 20 years.
- **A programme of research into health care supply:** The pandemic has highlighted and exacerbated existing workforce challenges, we saw opportunities to continue to contribute to the debate, in particular around long-term issues such as nursing shortages. In December 2020, we published a workforce ‘pressure points’ report: *Building the NHS nursing workforce in England*. This focused on nurse staffing shortages, highlighting significant disparities between regions and sectors and a decline in specialist nurse numbers over the past decade. In addition, our Efficiency Research Programme funded work that led to a number of successful publications and dissemination activity in 2020, filling important gaps in the evidence base.
- **Building the evidence on social care demand and supply:** We continued to publish analysis to influence policy development on social care reform. We submitted our analysis of funding options for the sector and evidence on challenges faced by the workforce to the *Health Select Committee inquiry on social care workforce and funding*, drawing on both our in-house analysis and externally funded research. We were subsequently asked to undertake further analysis and submit supplementary evidence, much of which was used in the committee’s final report. This was then the basis of the oral evidence we gave to the committee, which was picked up widely in the media and quoted by the chair of the committee.
- **Supporting better long-term decision making and policy implications:** We began establishing the reputation of the REAL Centre, including through an impactful inaugural lecture from Sir Andrew Dilnot, *The REAL Challenge: beyond crystal balls*

and COVID-19 – *What we need to prepare the NHS and social care for the future*, attended by over 600 people. We also provided funding projections with the aim of influencing the 1-year Spending Review. The latter highlighted the additional funding needed to deliver the *NHS long term plan* and deal with the backlog of elective care and mental health demand a result of the pandemic.

Case study – Lessons on generating and measuring impact

Our widely viewed COVID-19 work came from organic web searches for topical content and highlighted the value of effective search engine optimising. This also demonstrated the benefits of undertaking responsive pieces of work on strategic or long-term issues to build the visibility and credibility of the REAL Centre.

While there is an element of ‘right idea, right time’ for our COVID-19 work, it does demonstrate the importance of horizon scanning and understanding the current literature and policy context. In 2021, we have made changes to how portfolios are allocated, with the ultimate aim of identifying the most potentially impactful pieces of work.

Improving national health and care policy

Our aim is to support more evidence-informed policy on health and social care, contributing to better population health. We do this by analysing, understanding, and informing national policies on health and care in England, with a particular focus on the overall direction of the health system and how it is performing.

COVID-19 has been a major focus of the team’s work in 2020. We conducted analysis to understand the pandemic’s impacts and how the government and health care system has responded, as well as work to inform recovery. The aim of this work has been to assess and inform COVID-19 policies and to help hold government to account for the overall pandemic response.

- **Work on national reform approaches:** In 2020 we continued to look at how national policies impact on how care is delivered, with a major focus on the impact of COVID-19 on services. In August, we published a long read in collaboration with the REAL Centre exploring how COVID-19 might affect the number of GPs available to see patients in England. In September, we published *Level or not?*, a briefing comparing the state of general practice in areas of high and low deprivation in England. On social care, also in July we published an in-depth assessment of government policies to support and protect adult social care in England during the pandemic. In the early stages of the pandemic, we also published a report with the REAL Centre analysing and assessing social care for adults aged 18–64 in England, a group often absent from the policy debate.
- **Analysis of national policy priorities:** In April, we launched our online COVID-19 policy tracker, which became one of the Foundation’s most successful pieces of digital content in 2020 (see *Responding to the COVID-19 pandemic*). The team also used polling to understand public perceptions of health and care during the pandemic, which has helped us shape and inform the policy debate (see case study). In July, we relaunched our Policy Navigator website – a tool that documents several decades of policy developments – for policymakers and researchers. We also published a second edition of our *Glaziers and window breakers* book, featuring a new interview with Jeremy Hunt. The team has worked to influence and inform government priorities on NHS reform ‘after’ the pandemic – by providing independent challenge and scrutiny to

emerging policy proposals.

- **Monitoring health system performance:** We have continued to track performance of NHS services and highlight unmet need resulting from COVID-19 in 2020. In May, we released a long read alongside the REAL Centre on returning NHS waiting times to 18 weeks for routine treatment. In November, we published a long read on the impact of COVID-19 on elective care in England. Following publication, colleagues met with the Prime Minister's Implementation Unit to discuss the recovery of elective care services. Our tracking and analysis of the NHS Test and Trace (NHSTT) system is another example of where the team's work has been quickly reoriented. In September, we published a long read examining the journey so far for NHSTT. In October, we launched our NHSTT performance tracker to monitor and reflect on the system's performance. The tracker was the policy team's highest performing output of Q3.
- **International comparisons:** In March, we launched a report exploring what the Commonwealth Fund's 2019 international survey of GPs means for the UK. The report highlighted findings that UK GPs are among the most stressed internationally and made several recommendations for policy in England. We also collaborated with the WHO European Observatory on Health Systems and Policies to inform understanding of how different countries are managing the pandemic.
- **Shaping health futures:** The importance of our work on 'futures' has been amplified by the pandemic, though short-term analyses of COVID-19 policies reduced time for our work on long-term issues. We carried out a horizon scanning exercise in the summer to document how COVID-19 was impacting previous trends and assumptions about the future. This was followed by an online workshop with over 20 senior strategists from NHS and social care bodies to explore changes identified in the horizon scan and consider their implications for the health and social care system. Data from this was used to inform further planning work in HEE and DHSC. We also delivered a corporate webinar in October to more than 500 people on planning for the future in UK government.

Case study – Public attitudes during the pandemic

The team commissioned three rounds of Ipsos MORI polling during 2020, spanning a range of themes, including the public's views on use of health care services, the government's handling of the pandemic, and the social and economic impacts.

The findings from our polling work meant we were well positioned to inform policy debate in 2020, providing the Foundation with an important mechanism to assess the public mood and how it was changing. We achieved good results with media coverage in relation to the contact tracing app and in highlighting shifting public views about the role of the state in promoting health.

Our polling results on whether government should maintain the £20 uplift to Universal Credit are often referenced externally. For example, the Joseph Rowntree Foundation recently cited our polling as evidence of a growing consensus around maintaining the uplift when giving evidence to the Work and Pensions Select Committee.

More widely, the polling has proved useful to a wide range of political and policy figures. For example, our polling was cited by Professor Chris Whitty during his Gresham College lecture delivered in October, on the role of the state in public health. High media impact has also been generated through the polling work. For example, our story on the public's views about an

extension to Brexit was the front-page lead in the Sunday Independent, as well as featuring in the Guardian and 40+ regional media outlets.

Better Health Foundation

In addition to our five strategic priorities, we have a programme of internal development to enable us to deliver our strategy effectively by investing in our people, how we work together, the tools we use and the space we work in.

In 2020, we:

- adjusted our priorities, in response to the pandemic, to support the safety and wellbeing of our people and our operational effectiveness
- introduced flexible business planning to respond more quickly and effectively in supporting the national response to the pandemic and the effects of the lockdowns on our beneficiaries, partners and employees
- supported people across the organisation to work well remotely and manage a work/life balance when our office temporarily closed in response to government guidance
- invested in our managers to equip them to lead in a remote working environment
- strengthened our internal communications to ensure people could stay connected to the organisation and each other
- upgraded our IT network, including our secure data environment to support working remotely
- improved our approaches to becoming more diverse, inclusive and environmentally sustainable, with wide engagement across the foundation.

We remained compliant with the Data Protection Act 2018, with no reportable incidents and renewed our information security management system accreditation for our secure data environment (ISO 27001).

Our plans for 2021

Here is a preview of some of the Foundation's planned work over the coming year, set out under our five strategic priority areas.

Healthy lives for all

Our work to promote healthy lives for all aims to change the national conversation to focus on health and wellbeing as important assets for a flourishing society, and to promote national policies that support everyone's opportunity to live a healthy life. COVID-19 has brought our work on health and health inequalities into sharp focus. Never has this topic been more relevant or important.

- **COVID-19 impact inquiry:** This summer will see publication of the report from our inquiry, describing the impact of, and impact on, health inequalities in relation to COVID-19 and the wider government and societal response across the UK. This will highlight implications for government decision making and areas for future action.
- **The Collaboration for Wellbeing and Health:** The Foundation plans to invest up to £15m in this initiative over the next 6 years, bringing together a cross-sector network of organisations to take action to address the wider determinants of health. This year the Collaboration will start to use the collective assets of its members to advocate for policies that 'level up' health at a national level. We are planning a high-profile communications campaign, alongside work by all members to build a better understanding of what is needed to support people to live a healthy life.

- **Influencing government decision making on health:** We will explore what is needed for a cross-government strategy to close the health gap, drawing on our analysis and that of others, and encouraging the uptake of the new ONS health index. Work will continue to influence government and other stakeholders to help shape the future public health system, following the announcement last year that Public Health England will be disbanded. We will also be building on the findings from our research into the social and economic value of health by distilling the main insights for policies geared towards keeping people healthy.
- **Building the evidence on the wider determinants of health and supporting local government:** This spring we will launch our *What drives health inequalities?* evidence hub, featuring in-depth analysis on the trends in factors that have the greatest bearing on our health. As part of the action phase for our **Young people's future health inquiry**, we are scoping an important new research programme to build evidence about what good emotional support looks like during the ages of 12 to 24. And two programmes with local government will begin work this year: **Shaping Places for Healthier Lives**, and **Economies for Healthier Lives**.

Data analytics for better health

We are developing innovative data-driven approaches to improving the quality of care and population health. For 2021, we are focusing on themes relating to the use of data to accelerate service improvement, strengthen social care, and tackle health inequalities.

- **Analysis and support to drive service improvement:** Our analysis will continue to provide insights on the opportunities and challenges facing the NHS, and the impact to date of major changes. We will publish analysis on hospital admissions from care homes and domiciliary care during COVID-19. Our partnership with Health Data Research UK will demonstrate how data-driven health and care decisions can improve patient care. We will do this through funding 'catalyst projects', building communities, developing training, and generating evidence.
- **Building a clearer picture of health inequalities:** Our analysis will examine ethnic, socioeconomic, gender and place-based inequalities in health and health care, working with teams across the Health Foundation to build a clear picture and help to influence policy. We will also work in partnership to impact policy and practice. Alongside the **Ada Lovelace Institute**, we will deliver a programme of public engagement and research to explore how data-driven technologies used during the pandemic may have affected health inequalities, and use this knowledge to inform future policy and practice. With the **NHS AI Lab** we will support research to advance AI and data-driven technologies in health in ways that better meet the needs of minority ethnic populations.
- **Analysis to drive change in social care policy:** We want to motivate changes to national policy by highlighting how the pandemic is affecting people who need social care. We will also highlight what it has revealed about the shortcomings of social care data and use this to influence the national data strategy. We will explore a partnership to improve the stewardship of social care data. We also announced our five **Strengthening Social Care Analytics** award holders in February, and will be sharing learning from the programme over the year.
- **Evaluating the effectiveness of key initiatives through the Improvement Analytics Unit (IAU):** The IAU is our unique partnership with NHS England and NHS Improvement that evaluates the impact of complex initiatives in health care to support evidence-based decision making on key reforms. In 2021 the IAU will deliver analyses relevant to local and national policymakers, including evaluations of digital-first primary care, COVID-19 oximetry at home, integrated care, and multi-disciplinary teams. The

IAU will be 5 years old in March, so we will be reviewing how the unit can be most impactful in the future.

- **A linked and open approach to data analysis:** Our **Networked Data Lab (NDL)** has created a collaborative network of local analysts in five areas across the UK. Together we will be using linked datasets to address some of the major challenges facing the health and care system. This year will see us conduct our first analyses, starting with an investigation into the quality of health care provided during the pandemic for 'shielding' people. We will also share our code and our learning from the project on an ongoing basis.

Supporting health care improvement

Improving health service delivery, and spreading what works, are a major part of the solution to the challenges facing the NHS. Our work in improvement aims to make a difference through developing people, giving grants to make improvements at the front line, and building evidence about what works and why.

- **Sharing our learning to build understanding:** 2021 will see new reports exploring what needs to be done to sustain and adapt the use of technology implemented during the pandemic, and the potential for the practical application of automation in health care. We will also be looking at the potential of new workforce models to contribute to a more productive NHS, and exploring the factors that can support or hinder implementation and success on the ground. We will also publish a refreshed version of our popular quick guide *Quality improvement made simple*.
- **Social Care Evidence Centre:** The Health Foundation is working with the Economic and Social Research Council to create a new centre aiming to increase the use of high-quality research evidence to improve and support innovation within adult social care. This centre will be co-designed with the sector in 2021, with a leadership team recruited by the spring, followed by its launch in 2022.
- **Enabling people to make change:** 2021 will mark our first full year funding four partnerships as part of our new **Common Ambition programme**. The programme aims to harness the power of people, families, health care professionals and researchers collaborating to improve specific areas of care. This year will also see the completion of final rounds of our older programmes (some of which were delayed by COVID-19). This includes Continuity of Care, Innovating for Improvement, Scaling Up, our Improvement Science Fellowships and GenerationQ.
- **Creating the infrastructure for improvement:** In 2021 we will begin our new **Adopting Innovation programme**, funding four innovation hubs across the UK to support health care providers to become effective adopters of innovation. We will also continue the Flow Coaching Academy, and our work with NHS Providers to encourage trusts to adopt quality improvement. This year will also see the completion of our Social Franchising programme. And finally, we also plan to establish and run a national network, in partnership with NHS England and NHS Improvement, to support the NHS to develop its role as an anchor institution.
- **THIS Institute:** THIS aims to create an evidence base that supports replicable and scalable improvements to health care delivery. In 2021, THIS will deliver findings from a range of rapid research projects in response to COVID-19, including work on access to mental health services, good practice in remote care in COPD, heart failure, and antenatal services. THIS will also publish the first part of its guide to the evidence on improving quality and safety in health care. The Institute's third and final competition for postdoctoral fellowships opened in March.

- **Q Community:** We will further develop the Q initiative during 2021, bringing people with improvement expertise together across the UK and Ireland to share insights, enhance skills and collaborate. We continue to grow the now 4,000 strong membership, with offers that support learning and change at a service, local and national-level. We will develop our approach to facilitating learning among national and regional leaders and expand our Q Labs offering in Wales.

Health and care sustainability

In 2020 we launched the Health Foundation's REAL Centre (research and economic analysis for the long term), marking a major progression of our analysis and research on sustainability. This new centre aims to ensure that decisions about the funding, design and delivery of the health and social care system are informed by the best available analysis and evidence, and that debate about the future of the health and social care system is grounded in facts and evidence.

- **Establishing two REAL Centre research units:** This year will see us run the competitive process to select two REAL Centre research units. We have £14m of funding for 2022–2028 to establish these units, helping to further the work of the REAL Centre. The units will develop broad, potentially multi-disciplinary, research programmes across the areas of demand for and supply of health and social care, and support the design and delivery of a fellowship programme.
- **Analysis and debate about the options for social care reform:** A key priority for the REAL Centre in 2021 will be to further develop our analysis of the options for reforming social care and to influence debate about funding reform. This includes the economic case for a cap on care costs, a reform package to support sector sustainability, better terms and conditions for the workforce, and access to care based on better understanding of demand. Social care will also be the focus of the next REAL Centre annual report and lecture, which will take place in the autumn.
- **Modelling and analysis of future workforce needs in health and care:** At the end of 2020, the REAL Centre published research and modelling on the nursing workforce in the UK, showing that the current shortfall of nurses represents a major long-term and growing problem for the NHS. In 2021 we will follow this by publishing long-term projections of the trends in nursing using a new model we have developed over the past 18 months.
- **Building our modelling capability:** We will continue to work with the University of Liverpool on the development of a model for health care demand, from risk factors to activity. We will also commission an adult social care model that will look at both demand and supply side factors. Beyond this, we will scope potential for a capacity model to broaden our ability to model wider factors influencing health care supply.
- **Research on demand for health and social care:** Following on from our analysis of the impacts of COVID-19 using primary care data, we will be highlighting inequalities in health based on local area socioeconomic scores and patient ethnicity. A series of outputs will shed light on the drivers of underlying vulnerability to COVID-19, how the second wave of the pandemic affected care for non-COVID patients.
- **Funding and its impact:** To inform the government Spending Review we will publish new funding projections for the NHS and social care over the long term and the impact different levels of funding will have on patients and service users.

Improving national health and care policy

The Health Foundation works to support more evidence-informed policy on health and social care in the UK, contributing to better population health. We do this by analysing, understanding, and informing national policies on health and care, with a particular focus on the overall direction of the health system in England and how it is performing.

- **A long-term look at reform of health and social care:** In 2021 we will be focusing on understanding and informing the overall direction of health and social care reform in England, and the policy approaches used to try to improve the way the health system works. This will include analysing NHS England's new legislation proposals and how the changes impact on primary care networks. We will also be focusing on the approaches and mechanisms needed to support long-term policy decisions on health and care.
- **Analysing and informing policies and approaches to reducing health inequalities:** COVID-19 has exacerbated wide and unjust health inequalities in England—and policymakers have committed to 'levelling up' the country after the pandemic. We will publish research on addressing the inverse care law in general practice, population-level primary prevention policies, and on health system (STP/ICS) approaches to addressing health inequalities.
- **Ongoing analysis of the national COVID-19 policy response and recovery:** We will continue drawing out key lessons from the pandemic for future health and care policy. This will involve a mix of tracking, original analyses, and polling related to the overall policy response, as well as more specific analyses on policies related to adult social care and the test and trace system.
- **Analysis of health system performance – including international comparisons:** Our work will continue to analyse the overall performance of the health system in England and how it changes over time. This includes analysis of data on how the NHS is performing – for example, on NHS waiting times. We will also be funding an international survey of health care systems, collaborating with the WHO EU Observatory, and building more extensive international comparisons into our work. We will also be supporting the Sciana and Harkness fellowship programmes, further developing important international policy networks.

Better Health Foundation

In addition to our five strategic priorities, we have a programme of internal development to enable us to deliver our strategy effectively by investing in our people, how we work together, the tools we use and the space we work in.

For 2021, we plan to:

- continue to adjust our priorities to support the national response to the pandemic through the recovery phase
- continue to offer high support to our people during the pandemic and beyond, supporting their physical and mental wellbeing
- use the learnings we have discovered from working remotely, as we transition to a more flexible way of working, once it is safe to use the office
- improve our approaches to diversity and inclusion and environmental sustainability, building on our work in 2020.

Financial review: results for 2020

Charitable activities

Our charitable aim is to improve the health and health care of people living in the UK. By giving grants to those working at the front line and carrying out research and policy analysis, the Foundation focuses attention on how to make successful change happen; using what we know works on the ground to inform effective policymaking and vice versa.

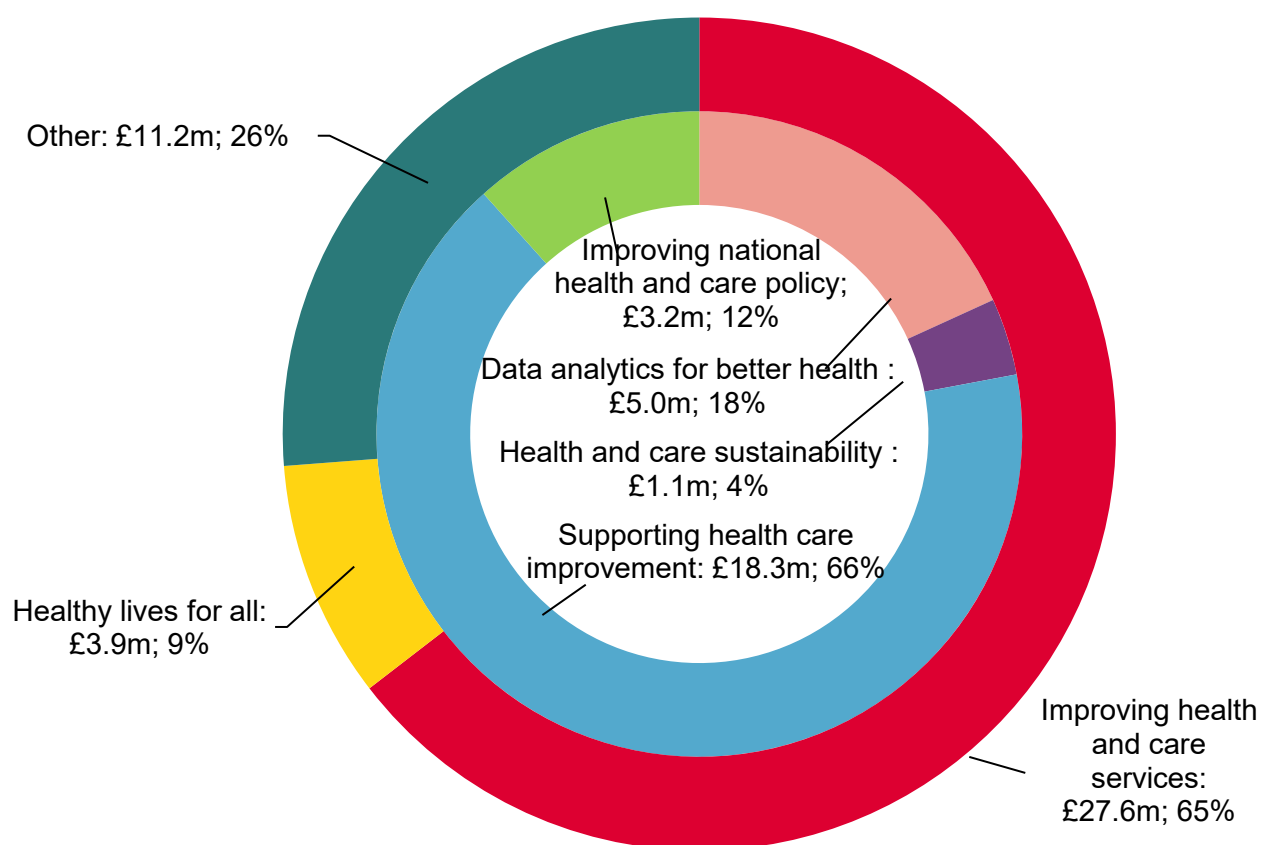
The pandemic had an unprecedented impact on health and health care. In response we urgently reprioritised our resources to support national and local responses to the pandemic, including new work and charitable funding. We postponed planned work to reflect these changed priorities, the reduction in capacity in our beneficiaries and partners and the prolonged uncertainty and risk around the duration and severity of the pandemic. The disruption caused by the pandemic in 2020 distorts any normal comparison with 2019. Our charitable expenditure was £42.8m in 2020 (2019: £37.4m), an increase of £5.4m or 14%. Within this increase, we committed additional funding to support the national and local responses to COVID-19 of £6.1m, through awards, contracts and donations; we were forced to postpone work on longer term initiatives of £7.7m; and we rephrased a funding commitment for THIS Institute resulting in an annual change of £6.4m (2020 £3.2m; 2019 (£3.2m)). We expect the effect of the disruption to continue into 2022 as we transition from supporting the response to supporting the recovery.

Analysis of expenditure on charitable activities	2020	2019	Year-on-year movement
	(£m)	(£m)	(£m)
Grant Funding – Promoting healthy lives for all			
Healthy lives for all	1.73	5.47	(3.74)
Grant Funding – Improving health and care services			
Data analytics for better health	2.20	3.76	(1.56)
Supporting health care improvement	8.04	5.39	2.65
Health and care sustainability	0.47	1.50	(1.03)
Improving national health and care policy	1.41	-	1.41
Grant funding and donation – Other			
Governor grants	0.22	0.25	(0.03)
COVID-19 donations	2.50	-	2.50
COVID-19 grants	3.61	-	3.61
Total grant funding and donation	20.18	16.37	3.81
Direct costs	12.75	11.61	1.14
Share support costs	9.71	9.36	0.35
Share of governance costs	0.12	0.04	0.08
Total charitable activities	42.76	37.38	5.38

Further information can be found in note 7 to the accounts.

All expenditure is reported across our key strategic priorities; the split of expenditure for 2020 is reported in the outer rim of the graph below, the inner rim splits the expenditure for improving health and care services into its strategic priorities.

Figure 1: Split in charitable expenditure



Restricted funds

In 2020, we received restricted income of £0.8m (2019: £1.1m) primarily for Q, an initiative joint-funded with NHS Improvement. The Q initiative started in April 2015 and continued in 2020.

The Q initiative is part of our substantial long-term investments to develop and support initiatives designed to build capability. This initiative has created an intangible asset with an economic life and has a current value of £1.6m (2019: £1.9m)

Subsidiary companies

The Foundation has two subsidiary undertakings:

- Medtrust Innovations Limited** (Medtrust) is wholly owned by the Foundation as a mission-related investment engaged in the exploitation of intellectual property rights. In March 2011, Medtrust acquired 50% of the intellectual property rights of *BMJ Quality & Safety*, a journal published by the BMJ Publishing Group Limited. At 31 December 2020, Medtrust had fixed assets of £0.5m (2019: £0.5m). In the year, Medtrust generated an operating profit of £0.2m (2019: £0.2m).
- The Victoria Fund LP Incorporated** (Victoria Fund) was formed in February 2010 as a vehicle to invest in a combination of hedge funds and private equity. The Health Foundation, as the limited partner, is entitled to all investment returns less a priority share by the general partner. As at 31 December 2020 the Victoria Fund had fixed assets of £337m (2019: £285m) and the value of its net assets was £346m (2019: £292m). Net profit in the year was £55m (2019: £22m).

Financial strategy and reserves

The Health Foundation is funded by an endowment that enables us to deliver an ongoing programme of work, including making significant grants to bring about better health and health care. We manage our endowment in a way that aims to generate long-term income and growth to enable us to fulfil our charitable purpose, while ensuring that our assets are managed responsibly.

Investment policy and strategy

The Foundation has a structured investment process with the following primary features:

- **Investment policy** is agreed by the board of governors; this includes investment objectives, constraints and spending rate.
- **Investment strategy** is delegated to the Investment Committee, including strategic and tactical asset allocation, rebalancing, styles and weighting within asset classes, and manager arrangements.

The Foundation's investment policy and strategy are intended to provide long-term stability and liquidity sufficient for the financing of the Foundation's ongoing spending and to maintain the real value of the endowment.

The governors have decided that the Foundation should operate as a perpetual endowment and seek to maintain the real value of the endowment, defined as 1% above inflation. The Foundation has decided to adopt RPI+1% as a sensible proxy to fund expected inflation in costs.

The governors' objective is to invest the Foundation's assets to maximise returns while balancing risk through a diversified asset portfolio. Within this framework, the governors have agreed a number of objectives to help guide them in their strategic management of the assets and control of the various risks to which the Foundation is exposed.

The governors' primary objectives are as follows:

- **Time horizon:** the endowment shall be invested for the long-term with an investment horizon of 10 years and multiple economic and market cycles.
- **Return target:** the total return target is RPI+5% per annum (net of all investment fees and costs). The objective is to maintain the real value of the Foundation's asset (RPI+1%) and provide a 4% spendable amount.
- **Spending policy:** the governors believe that the return target is consistent with sustaining a spending rate of 4% over a trailing 3-year average of endowment value.
- **Risk target:** a long-run volatility range of 13–15% and an equity beta in the region of 0.70–0.75. The governors wish to limit the possibility of a 20% fall in endowment value over 1 year but acknowledge that this possibility cannot be eliminated. The probability of this event is of the order of 20% or one in five.

The main features of the Foundation's investment strategy are to:

- manage the portfolio on a total return basis
- focus on 'return-generating' asset classes, which can reasonably be expected to generate attractive real returns over the long term

- have only limited exposure to ‘risk-reducing’ asset classes, because of their lower expected returns
- reduce risk by diversification, but accept that seeking high returns incurs volatility
- use active managers where it is reasonable to expect that the performance benefits will outweigh the additional costs.

Our approach to responsible investment

We recognise the importance of being a responsible investor and have developed four guiding principles based on the values of the Foundation which act as an over-arching framework to strengthen the Endowment’s investment strategy and stewardship credentials. These four responsible investment guiding principles are:

- Principle 1:** Work with, and challenge, existing and future investment managers to ensure their environmental, social and governance (‘ESG’) integration and engagement policies align with the Foundation’s framework.
- Principle 2:** Exercise the right as a responsible asset owner through measured and relevant engagement in relation to the mission of the Foundation.
- Principle 3:** An ambition to be Net Zero by 2035 and report impact against UN Sustainable Development Goals 3 and 13 via robust oversight procedures and processes.
- Principle 4:** Emphasise positive engagement over exclusion, as long as no conflict of interest in the field of public health and health care.

We oversee the practical application and governance of the four guiding principles in accordance with the Endowment’s ESG policy through engagement with the selected investment managers and investment consultant. In addition, we require all our investment managers to have an ESG policy in place and recommend they adopt at least one of the following guidelines – the UK Stewardship Code or the United Nations Principles of Responsible Investment.

We do not invest directly in tobacco stocks. We also closely monitor our investment in pooled funds and if we identify any inadvertent exposure to tobacco stocks, we engage with the relevant investment manager with the aim of establishing new funds. There are certain stocks that could be seen as a conflict of interest against the mission of the Foundation and, therefore, we negatively screen these stocks from the endowment. However, where possible, we adopt a formal approach to positive engagement where conflict of interest might arise. Where there are issues related to reputational risk, these reside with the board of governors.

The Health Foundation is a member of the Charities Responsible Investment Network, facilitated by ShareAction and maintain dialogue with investor coalitions such as Healthy Markets and Good Work. We intend that this will strengthen our approach to responsible investing where we want to use our investment portfolio to encourage businesses to behave responsibly.

Expenditure policy

The investment spending policy sets out the spending formula for the Foundation. This spending formula provides a guide for the annual budget which may be adjusted to take into account the needs of the Foundation and its operational capacity. The Foundation's support and governance spend is set by reference to the total spend level to ensure it remains reasonable and proportionate.

Grant-making policy

The Foundation sets out specific entitlement criteria for each programme at its launch. These criteria vary from programme to programme and are made available on our website. Applications are assessed against these criteria and grants made taking into account funds available and the quality of applications. The period for which grants are awarded depends upon the programme, but typically last between 1 and 4 years. Grants are monitored regularly, and appropriate progress reports are required from recipients.

Reserves policy

The Foundation holds an Expendable Endowment fund which was created following the sale of PPP Healthcare Group (PPP) to Guardian Royal Exchange Group in 1998. It is the Foundation's policy to operate as a perpetual body and, in line with this policy, the governors seek to manage the Foundation's business, and in particular its investment returns and expenditure, so as to maintain the real value of this Expendable Endowment fund while providing the necessary income to fund the Foundation's ongoing charitable activities.

Within the above overall policy, governors are at any time able to use endowment capital to fund charity expenditure. Accordingly, governors have determined that it is not necessary for the charity to hold reserves by way of separate unrestricted funds. Capital from the endowment equal to the excess of the Foundation's expenditure over its generated unrestricted income is applied as income each year such that at the year end the unrestricted fund balance is nil.

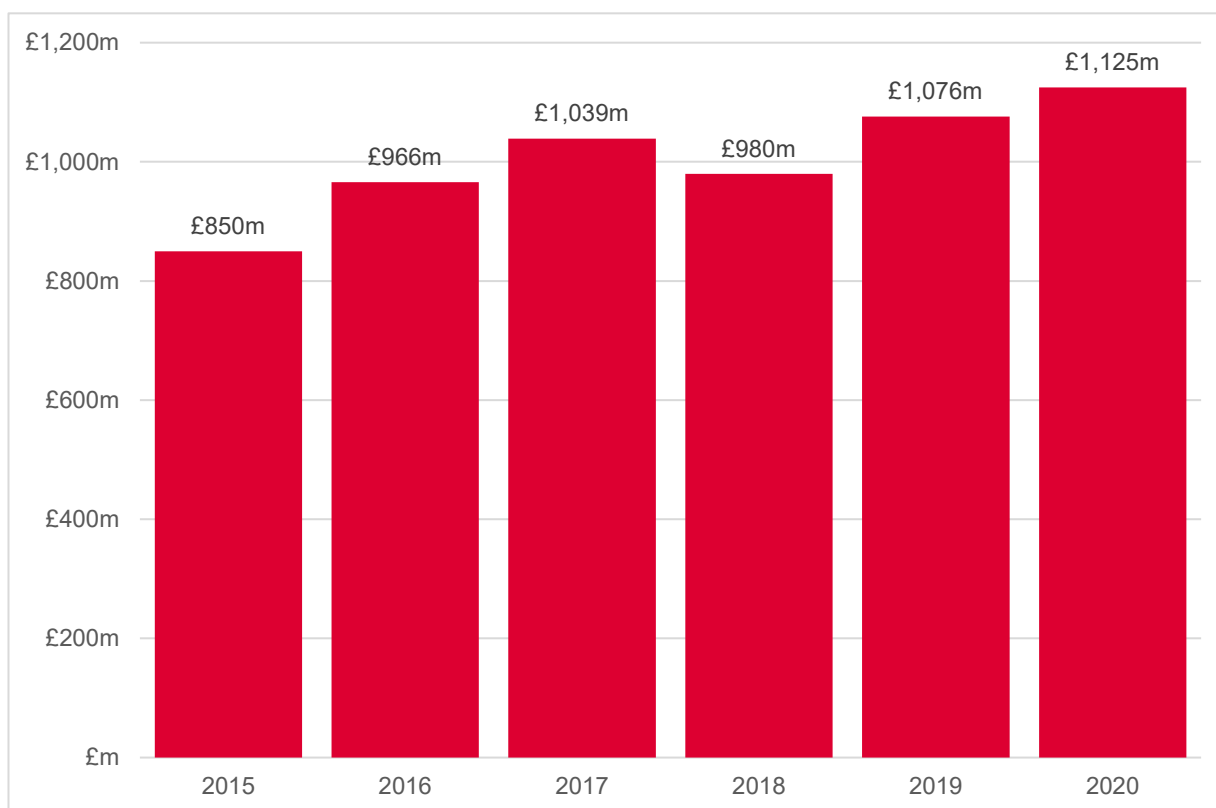
Investment returns

Our long-term goals for the management of our endowment investments are set out in the 'Investment policy and strategy' earlier in this report. Based on these goals our return target is RPI+5% per annum, net of all investments, fees and costs.

In 2020, the endowment fund returned a net of 7.3%, exceeding the RPI+5% target of 6.2% in that year. On a 3-year annualised basis, the fund returned 6.3%, falling short of the annual RPI+5% target of 7.0%. On a 5-year annualised basis, the fund exceeded the return target, achieving 9.6% per annum against the target of 7.5% per annum.

Figure 2 shows the change in the value of the investments. In 2020, the value of the investments increased by £49m, from £1,076m to £1,125m.

Figure 2: Investment values at 31 December 2020

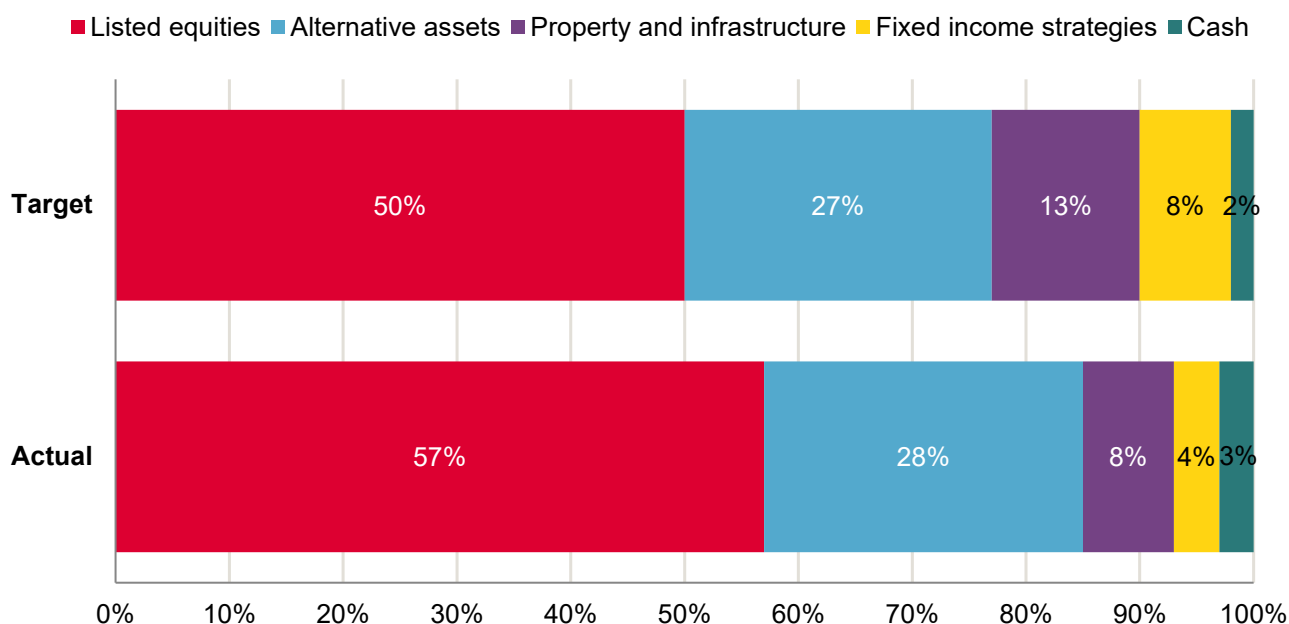


The structure of the investments is focused on global investing via a range of asset classes. The investments look to maximise returns while balancing acceptable levels of risk through a diversified asset portfolio.

We undertook a routine review of our existing investment advisor relationship during 2020. The formal due diligence process led to the appointment of Redington in January 2021 to act as investment advisor for the endowment and provide advice on strategic asset allocation, investments, and responsible investment practices. Cambridge Associates continue to provide investment management services for the Victoria Fund and investment advice on private investments and hedge funds.

Figure 3 shows the target strategic asset allocation together with the actual asset allocation at the end of 2020. The Investment Committee meets quarterly (and more frequently if required) and regularly reviews the long-term investment strategy and progress on its implementation. The actual allocation was overweight in listed equities and cash and underweight in alternative assets. Over time we expect to increase our weighting in alternative assets as we build our private equity mandate.

Figure 3: Asset allocation at 31 December 2020



Our endowment grew in value in 2020. There is market uncertainty following the global pandemic which may lead to some volatility. We have enough liquidity in the portfolio to fund the charity’s plans for the foreseeable future, having carried out 'stress-tests' at appropriate intervals. Under our normal internal governance procedures, we will be conducting a Strategic Asset Allocation review in late 2021.

The total cost of managing our investments was £14.7m (2019: £12.9m). The increase is mainly due to the value of alternative investments and their performance. Further details can be found in note 6.

Streamlined energy and carbon reporting

Overview

The Health Foundation is reporting energy and carbon emissions in compliance with The Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The conversion factors used in the report are taken from 2020 Government guidance on the Streamlined Energy and Carbon Reporting (SECR) regime. We are reporting for the first time and as it is the first reporting year, no emissions from previous years are available as a comparison.

The Foundation has consumed approximately 309,942 kwh of energy in 2020 and its equivalent CO2 emissions are estimated at 66 tonnes. Our intensity ratio is 0.027 tonne per square metre of our office space. Our energy consumption for 2020 is likely to be anomalous because of the temporary shift to working from home during the COVID-19 pandemic and the lack of office-based activity.

Electricity and gas

During 2020, our energy (electricity and gas) consumption equated to 309,942 Kwh or 64 tCO2e. December 2020 energy consumption has been estimated using the July to November 2020 invoice. Energy costs are charged as a percentage of the landlord's total bill at the Foundation's office premises. This is based on the total floor space occupied by the Foundation, which equates to 2,415 square metres.

Travel

During 2020, travel journeys paid for directly by the Foundation equated to 24,184 miles or 2 tCO2e. Travel by bus and taxi by Foundation staff, and travel to and from Foundation events by external participants and attendees are not included in these calculations.

Future reporting

The Foundation is committed to understanding and reducing its environmental impact. A cross-organisational group was set up in summer 2019 to embed environmental sustainability at the Foundation. As part of this work, we are reviewing how to report on a wider set of measures (for example, water use) in future submissions and will be setting targets to reduce our carbon emissions.

	Mileage	Consumption kwh	Carbon emission tCO ₂ e
Scope 2			
Gas		165,209	30
Electricity		144,733	34
Scope 3			
Travel (train and air travel)	24,184		2
Total gross emissions in tonnes CO ₂ e	24,184	309,942	66
Intensity ratio: tonnes CO ₂ e per sqm			0.027

Stakeholder engagement – s.172 statement

The board recognises that the Health Foundation’s relationship with its stakeholders is critical to its success. The table below sets out our key stakeholder groups, the key considerations of each group and how we engage with them.

Stakeholder	Key consideration	How we engage
Beneficiaries , including: members of the public, those who benefit from the grants we award, health and care workers, policy makers, charities that received donations from us.	<p>Improving the lives of the people and communities that the Foundation’s grants support in its work to improve health, health care and social care in the UK.</p> <p>Maximising the impact of our work.</p> <p>Sharing information about the work of the Foundation.</p>	<p>Individual governors have strategic oversight of key programmes of work, working closely with teams across the organisation. For example, Ruth Hussey is on the steering group for the Collaboration for Wellbeing and Health.</p> <p>Via our grant holders, including their reporting to us.</p> <p>Via beneficiaries of charities to which we have made one-off donations through the pandemic.</p> <p>Our Young people’s future health inquiry has engaged directly with young people.</p>

Stakeholder	Key consideration	How we engage
		<p>Through our webinars, podcast and newsletter, which are publicly available.</p> <p>We have an active social media presence.</p> <p>We have well-defined communications strategies around our strategic aims and targeting our key audiences.</p> <p>We deliver an ongoing programme of events, podcasts, publications, blogs, and long reads, which are all available to anyone, free of charge.</p>
<p>Partners, we work closely with a wide range of partners to deliver our strategy.</p>	<p>Maximising the impact of our work.</p> <p>We work with a wide range of stakeholders to deliver our mission to build better health and health care – from national and local government, to the health and care sector, to public health, to the third sector.</p> <p>Ensuring the effectiveness of the programmes and projects that the Foundation supports with grants or contracts and/or staff time.</p> <p>Building and maintaining networks of people engaged in improving the quality of health, health care and social care in the UK.</p> <p>Sharing information about the work of the Foundation.</p>	<p>We engage with our grant holders via ongoing management of their awards, complemented, in our competitive award programmes, by events that enable them to maximise the effectiveness of the projects that we are funding.</p> <p>We cooperate actively with other key organisations in our field to influence policy and practice.</p> <p>We work with other key organisations in some of our major areas of activity and engage with them closely in the ongoing management and direction of these e.g. in our Q programme and our Improvement Analytics Unit</p> <p>We have over 4,000 members in our Q programme, for whom we create a programme that is highly active and interactive</p> <p>We have an alumni programme for previous award-holders in our fellowship programmes</p> <p>We have a wide variety of useful, practical resources on our website available at no charge, aimed at people and organisations working in health, health care and social care</p>

Stakeholder	Key consideration	How we engage
		Opportunities for award-holders to meet with governors at board meetings
<p>Employees, including all secondees, interns, fellows, longer term temporary staff, etc.</p>	<p>Ensuring that employees enjoy working at the Foundation and are motivated to help us deliver our mission.</p> <p>Providing opportunities to develop and grow at the Foundation.</p> <p>Working to improve health and wellbeing of all who work at the Foundation.</p> <p>Working to improve diversity and inclusion at the Foundation.</p>	<p>Regular staff surveys with rigorous follow-up of actions</p> <p>Systematic and comprehensive approach to health and safety, and wellbeing overseen by a staff team</p> <p>Diversity and Inclusion programme board with representation from across the organisation and direct reporting line to the senior team</p> <p>Active organisational support for initiatives like Black History Month, Pride and Mental Health Week.</p> <p>Learning and development programme for all staff, both corporate and individual.</p>
<p>Suppliers, including the Foundation's investment managers</p>	<p>That our key suppliers are operating ethically as well as providing value for money</p>	<p>As an accredited living wage employer, ensure that our contracted staff earn at least the real living wage</p> <p>Regular contact with our investment managers to ensure that they remain properly engaged on ethical and social governance.</p>

Risk management

The Foundation set out its approach to managing risk, including roles and responsibilities, in its risk management policy. The Audit Committee and the board of governors regularly review key risks owned by executive directors. The Audit Committee gives direction and reviews the implementation of the risk management process supported by an internal audit plan. Detailed below are the most important risks.

Key risk	Nature of risk	Management of risk
Investment risk	Failure to provide adequate funding for the Foundation's planned activities due to a major correction in market value and/or insufficient liquidity.	The Investment Committee ensures that the Foundation's investments are suitably diversified, supported by an internal team, external advisers and external benchmarking. The committee ensures there is enough continuing liquidity to meet the Foundation's cash requirements, in the event of a sudden market correction. The Investment Committee oversees investment risks and the Audit Committee oversees operational risks.
Cyber security	The Foundation's defences are inadequate, rendering it vulnerable to cyber-attack.	The directors team supports a framework to ensure employees are aware of the need for information security. Management tests the Foundation's security regularly and the results are reviewed independently. The Foundation has a cyber-security service agreement to monitor the networks and facilitate recovery. Two-factor authentication is in place for remote access.
Data security	We suffer loss of data as a result of a breach in our security.	Sensitive data is managed within a secure data environment (SDE) with physical and technical isolation from the office environment. The SDE is accredited to ISO 27001, with oversight from a dedicated management group. An internal working group oversees compliance with the Data Protection Act 2018, supported by a data protection officer.
Strategic	The Foundation fails to address important or emerging issues or achieve a desired level of impact.	We have the processes in place to ensure we can respond appropriately. For example, in 2020 we set up a COVID steering and planning group to prioritise and coordinate our work and we responded to urgent requests for key individuals and funding.

Key risk	Nature of risk	Management of risk
Quality	Our work lacks sufficient rigour, accuracy, quality and objectivity.	<p>We have clear governance frameworks for awards, contracts and research. We have a quality assurance process for the release of all published material.</p> <p>When we work with others, our controls in the case of work of insufficient quality are to manage the contract deliverables diligently. Where the quality is sufficiently high, but we have concerns over the message derived from it, our controls are to have a memorandum of understanding outlining how communications will work. Where we have strategic partnerships, we ensure there is joint oversight</p>
Business disruption	The Foundation fails to take adequate care of the safety and wellbeing of its employees and loses operational effectiveness, as a result of disruption caused by the pandemic.	An incident management plan was invoked with a decision-making spine to rapidly assess and respond to the crisis and remained active throughout. We adapted our HR policies with 'high trust and high support'. We committed to support the wellbeing of our people. We invested in skills, training and support for everyone. We had clear criteria for reopening the office safely. We tested our internal controls in the light of the sudden shift to remote working.

Trustees' report

Structure, governance and management

The Health Foundation is a registered charity (no. 286967) and a company limited by guarantee (no. 1714937). It is governed by its memorandum and articles of association adopted on 24 July 1996 and last amended on 15 July 2021. The Foundation's endowment was first established in 1998.

The board of governors is responsible for the overall governance of the Foundation. Governors are appointed for a term of 5 years and may be appointed for a second term of up to 4 years. All governors are members and directors of the company, and trustees of the registered charity. The current governors and any past governors who served during the year are listed in the table below, together with the names of independent members of committees.

Name	Member/ governor	Audit Committee	Investment Committee	Remuneration and Governance Committee
Hugh Taylor	Chair		✓	✓
David Dalton	✓	✓		
Martyn Hole (stepped down 15 July 2021)	✓	✓	✓	
Ruth Hussey	✓			
Sharmila Nebhrajani	✓	Chair		
Melloney Poole	✓			Chair
David Zahn (stepped down 9 July 2020)	✓		Chair (until December 2019)	✓
Branwen Jeffreys	✓			
Rosalind Smyth	✓			✓
Lorraine Hawkins	✓			
Eric Gregory	✓			✓
David Smart	✓		Chair	
Katie Blacklock (appointed 12 March 2021)	✓	✓	✓	
Ravi Gurumurthy (appointed 12 March 2021)	✓			
Dawn Edge (appointed 12 March 2021)	✓			

The following served as independent members of committees during 2020.

Name	Audit Committee	Investment Committee
Mickola Wilson (stepped down 24 February 2021)		✓
Ingeborg Dybdal Øie		✓
Robert Beveridge	✓	
Mark Chaloner (appointed 22 September 2020)		✓
Andrew Milligan (appointed 23 September 2020)		✓

In order to increase the effectiveness of the governors' roles and responsibilities, they are appointed to match specifications that are relevant to specific aspects of the Foundation's work. This ensures a relevant and balanced mix of skills and experience on the board.

The board meets at least four times a year. At these meetings, it reviews strategy and operational/investment performance and approves operating plans and budgets. Regular performance reports are provided to the board, as well as the minutes of committee meetings, to assist it in fulfilling its role of monitoring and evaluating the organisation's performance.

All new governors receive a comprehensive induction. Refresher sessions on relevant topics are arranged for governors periodically.

Organisational structure and how decisions are made

The board of governors has set down a schedule of matters specifically reserved to it for decision. These include:

- board appointments
- the appointment and terms of reference of any committee of the board and any matters expressly reserved for the decision of the board by any such terms of reference
- approval of annual financial statements and annual business plan and budget
- changes to the Foundation's investment policy.

In addition, the following committees are established as committees of the board of the Foundation in accordance with the articles of association. Each operates in accordance with terms of reference, which ensure that the committee is properly constituted with an appropriate membership of governors, experienced independent members (in the case of the Audit and Investment Committees) and a clear set of responsibilities and authorities.

- **The Remuneration and Governance Committee** is responsible for pro-actively monitoring and advising on the size and composition of the board of governors; the selection and recruitment of governors and the processes to be adopted in support of that activity; the induction and training of governors; and reviews of board performance, as requested by the board. It also approves the framework and policy determining the overall reward strategy applicable to all Foundation staff and for determining the reward, benefits and compensation for individual members of the directors' team.
- **The Audit Committee** assists the board in meeting its responsibilities in respect of financial reporting; provides a channel of communication between the Foundation's external auditors and the board; provides direction and reviews the implementation of the

Foundation's risk management strategy and internal audit process.

- **The Investment Committee** assists the board with developing an investment policy that is appropriate to the Foundation's needs. It also devises and implements an investment strategy that can be expected to meet the Foundation's investment objectives. This includes setting asset allocation, deciding and implementing manager arrangements, and monitoring performance. The chief executive and the chief investment officer are members of this committee.

The board of governors delegates the exercise of certain powers in connection with the management and administration of the Foundation to the executive team managed by the chief executive.

Senior management

The chief executive is responsible for the day-to-day management of the Foundation's affairs and for implementing policies agreed by the board of governors. The chief executive is assisted by a group of staff referred to as the 'directors' and those who served during 2020 are listed below. It should be noted that although these directors are the senior executive team of the charity, they are not the 'legal' directors of the charitable company.

Jennifer Dixon	Chief Executive
Jo Bibby	Director of Health
Aidan Kearney	Chief Investment Officer
Anita Charlesworth	Director of Research and Economics
Cathy Irving	Director of Communications
Adam Steventon	Director of Data Analytics
Will Warburton	Director of Improvement
Paul Hackwell	Chief Operating Officer

The charity's registered office and list of key advisers can be found in the legal and administrative information at the front of the annual report.

Principal activities and development

The Health Foundation is an independent charity committed to bringing about better health and health care for people in the UK. It achieves this through supporting people and organisations. Further information on the charity's activities and developments are included in the Strategic report.

Statement of governors' responsibilities

The governors are responsible for the preparation of the annual report, including the strategic report and governors' report, and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice. Company law requires the governors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the governors are required to:

- ensure that the most suitable accounting policies are established and applied consistently
- make judgements and estimates that are reasonable and prudent
- state whether the applicable accounting standards and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The governors have overall responsibility for ensuring that the Foundation has appropriate systems and controls, financial and otherwise. They are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and for their proper application as required by charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Foundation is operating efficiently and effectively
- all assets are safeguarded against unauthorised use or disposition and are properly applied
- proper records are maintained, and financial information used within the Foundation, or for publication, is reliable
- the Foundation complies with relevant laws and regulations.

Each of the governors has confirmed that as far as they are aware, there is no relevant audit information of which the Foundation's auditors are unaware. The governors have each taken all the steps necessary in order to make themselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

Processes are in place to ensure that performance is monitored, and that appropriate management information is prepared and reviewed regularly by both the directors' team and the board of governors. Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan, annual business plan and budget approved by the governors
- regular consideration by the governors of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews
- delegation of day-to-day management authority and segregation of duties
- identification and management of risks
- a programme of independent controls.

Declarations and conflicts of interest policy

The Foundation has drawn up and implemented a declarations of interest policy that explains the nature of potential conflicts of interest. It requires governors, independent members of committees, employees and other defined categories of individual with whom the Foundation works from time to time, to declare all interests relevant to the Foundation's work and provides a framework for managing situations when conflicts arise. Governors, independent members of committees and employees are also required to notify the head of finance and operations of any association with a body or organisation which is or might become an applicant for funds from the Foundation. A register of all notifications received is kept and those interests declared by governors and members of the directors' team are reviewed regularly by the directors and produced for inspection at all board meetings.

Details of transactions with related parties are set out in note 25 of the financial statements. The Foundation has a comprehensive whistle-blowing policy.

None of the governors has any beneficial interest in the company. All the governors are members of the company and guarantee to contribute £1 in the event of a winding up.

This Governors' report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the governors on 15 July 2021, in their capacities as trustees of the charity and directors of the company. This included their approval of the Trustees' and strategic reports contained within it. The Trustees' report is signed as authorised on their behalf by:

Signed

Sir Hugh Taylor
Chair
15 July 2021

Independent auditor's report to the members of the Health Foundation

Opinion

We have audited the financial statements of The Health Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statement, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 37, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the group, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated investment valuations and the group's net assets at the year-end.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with legal advisors, enquiries of management and review of internal audit reports in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed

Subarna Banerjee

(Senior Statutory Auditor)

For and on behalf of UHY Hacker Young
Chartered Accountants and Statutory Auditor

Financial Statements

Consolidated statement of financial activities for the year ended 31 December 2020

	Notes	Unrestricted fund £' 000	Restricted fund £' 000	Expendable Endowment Fund £' 000	Total 2020 £' 000	Restated Total 2019 £' 000
Income:						
Charitable activities	3	169	769	-	938	1,233
Investments	4	15,440	-	-	15,440	14,881
Capital applied to income	5	26,624	-	(26,624)	-	-
Total income		42,233	769	(26,624)	16,378	16,114
Expenditure:						
Fund Management	6	-	-	14,654	14,654	12,878
Charitable activities	7	42,233	522	-	42,755	37,380
Total resources expended		42,233	522	14,654	57,409	50,258
Operating profit/(deficit)		-	247	(41, 278)	(41,031)	(34,144)
Net gain on investments	11	-	-	93,716	93,716	136,798
Net income for the year		-	247	52,438	52,685	102,654
Fund balances as at 1 January 2020		-	477	1,053,443	1,053,920	951,266
Fund balances as at 31 December 2020		-	724	1,105,881	1,106,605	1,053,920

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure is derived from continuing activities.

Consolidated balance sheet for the year ended 31 December 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Fixed assets:					
Intangible fixed assets	12		2,777		3,253
Tangible fixed assets	13		4,994		5,566
Investments	14		1,124,866		1,076,139
Programme-related investment	14		526		526
			1,133,163		1,085,484
Current assets:					
Debtors	16	1,945		731	
Cash and short-term deposits		6,272		4,221	
Total current assets		8,217		4,952	
Current liabilities:					
Amounts falling due within one year	17		(24,901)		(22,265)
Net current liabilities:			(16,684)		(17,313)
Total assets less current liabilities:			1,116,479		1,068,171
Creditors: amounts falling due after more than one year	18		(9,227)		(13,624)
Provisions for liabilities	20		(647)		(627)
Net assets:			1,106,605		1,053,920
Capital funds					
Endowment funds general			1,105,881		1,053,443
Income funds					
Unrestricted fund			-		-
Restricted fund			724		477
Total funds			1,106,605		1,053,920

The accounts were approved by the governors, and authorised for issue on 15 July 2021 and signed by:

Signed

Sir Hugh Taylor
Trustee

Signed

Sharmila Nebhrajani
Trustee

Company Registration No. 1714937

Charity balance sheet for the year ended 31 December 2020

	Notes	2020		2019	
		£'000	£'000	£'000	£'000
Fixed assets:					
Intangible fixed assets	12		2,777		3,253
Tangible fixed assets	13		4,994		5,566
Investments	14		779,326		784,638
Other Investments	14		346,066		292,027
			1,133,163		1,085,484
Current assets:					
Debtors	16	1,778		557	
Cash and short-term deposits		6,272		4,220	
Total current assets		8,050		4,777	
Current liabilities:					
Amounts falling due within one year	17	(24,901)		(22,265)	
Net current liabilities:			(16,851)		(17,488)
Total assets less current liabilities			1,116,312		1,067,996
Creditors: amounts falling due after more than one year					
	18		(9,227)		(13,624)
Provisions for liabilities	20		(647)		(627)
Net assets:			1,106,438		1,053,745
Capital funds					
Endowment funds general			1,105,714		1,053,268
Income funds					
Unrestricted fund			-		-
Restricted fund			724		477
Total funds			1,106,438		1,053,745

The accounts were approved by the governors, and authorised for issue on 15 July 2021 and signed by:

Signed

Sir Hugh Taylor

Trustee

Company Registration No. 1714937

Signed

Sharmila Nebhrajani

Trustee

Consolidated statement of cash flows for the year ended 31 December 2020

		2020		2019	
	Notes	£ '000	£ '000	£ '000	£ '000
Cash flows from operating activities:					
Cash absorbed by operations	27		(43,169)		(37,475)
Investment activities:					
Cost of developing intangible assets		(267)		(451)	
Purchase of tangible fixed assets		(288)		(5,767)	
Investment proceeds re-invested		(15,406)		(13,325)	
Withdrawals from investments		60,395		53,711	
Investment management fees		(14,654)		(12,878)	
Investment income		15,440		14,881	
		<hr/>		<hr/>	
Net cash generated from investing activities			45,220		36,171
			<hr/>		<hr/>
Net increase/(decrease) in cash and cash equivalents			2,051		(1,304)
Cash and cash equivalents at beginning of year			4,221		5,525
			<hr/>		<hr/>
Cash and cash equivalents at end of year			6,272		4,221
			<hr/>		<hr/>

Notes to the financial statements for the year ended 31 December

2020

Charity information

The Health Foundation is a private company limited by guarantee incorporated in England and Wales. The registered office is 8 Salisbury Square, London EC4Y 8AP.

The liability of the governors in their capacity as members of the company is limited. Each member guarantees any deficiency in the Foundation to a maximum of £1.

1.0 Accounting policies

1.1 Accounting convention

These accounts have been prepared in accordance with The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Accounting and Reporting by Charities, the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice. The Foundation is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £'000.

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis for consolidation

The financial statements consolidate the charity and its wholly owned subsidiary entities, The Victoria Fund LP Incorporated and Medtrust Innovations Limited.

In accordance with section 408 of the Companies Act 2006, no separate Statement of Financial Activities has been presented for the charity. However, due to the nature of the charity's subsidiaries, the overall net movement in funds of the charity is the same for the group.

1.3 Going concern

At the time of approving the financial statements, the governors have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. This expectation includes an assessment of the impact of the outbreak of COVID-19. Our endowment grew in value in 2020. There is market uncertainty following the global pandemic which may lead to some volatility. We have enough liquidity in the portfolio to fund the charity's plans for the foreseeable future, having carried out 'stress-tests' at appropriate intervals. Under our normal internal governance procedures, we will be conducting a Strategic Asset Allocation review in late 2021. Thus, the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

The Foundation maintains three types of funds: unrestricted funds, restricted funds and expendable endowment funds. Income and expenditure on these funds are

shown separately in the statement of the financial activities.

Unrestricted funds are available for use at the discretion of the governors in furtherance of their charitable objectives unless the funds have been designated for other purposes. The income is made up of investment income, other incoming resources and any capital applied as income.

Restricted funds are subject to specific conditions as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Expendable endowment funds represent capital gifted for the long-term benefit of the Foundation. Any income arising from the Endowment fund assets is added to the unrestricted fund. The trustees may also, at their discretion, determine to apply part or all of the endowment capital as income at which time the relevant amounts are transferred to the unrestricted fund.

1.5 Incoming resources

Income is recognised when dividends and interest are receivable and includes recoverable taxation. Income received but not distributed by pooled funds is included as part of the net gains on investments in the statement of financial activities.

1.6 Resources expended

Expenditure is recognised on an accruals basis. Irrecoverable VAT is included within the expense items to which it relates.

Expenditure on raising funds represents amounts paid to the Foundation's external investment advisers and custodian, and an apportionment of internal support costs based on time spent. They are charged to the endowment fund, as the primary role of the investment managers and the custodian is to safeguard the investment assets of the Foundation.

Charitable activities comprise all costs incurred in the pursuit of charitable objects. These are:

- Grants including programme costs where an actual/constructive obligation exists, notwithstanding that they may be paid in future accounting periods. However, where conditions attach to the grant such that it is a performance-related grant then this is charged as the conditions are satisfied and are expensed as the related activity is performed.
- Salary costs that can be directly attributed to strategic, programme and policy work. It also includes the cost pertaining to support staff.
- Overheads such as the rent and running costs of the office space. These costs are allocated to charitable strategic priorities based on the relevant proportions of the direct costs of the charitable activities.
- Governance costs comprise all costs attributable to ensuring the public accountability of the Foundation and its compliance with regulation and good practice. These costs include costs related to statutory and internal audit together with an apportionment of support costs based on time spent.

- Retirement pensions and related benefits to defined contribution schemes are charged to the unrestricted fund in the accounting year in which the contributions are paid. Provision is made for the discounted expected future costs of unfunded pension benefit commitments at each balance sheet date, based on actuarial advice.

1.7 Intangible fixed assets other than goodwill

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible assets are defined as having finite useful lives and the costs are amortised on a straight-line basis over the term of the project life, estimated to be 7 years and 5 years for AIMS grant management system. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Tangible fixed assets with a value over £5,000 are capitalised. Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Fixtures and fittings – 5 years
- Computers – 3 years
- Office building modifications – 10 years (included in fixtures and fittings category in the notes)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.9 Fixed asset investments

Fixed asset investments comprise both quoted and unquoted investments and are initially measured at transaction price, excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Quoted investments are listed shares, bonds and units and are stated at fair value on the basis equivalent to market value using the bid price. Asset sales and purchases are recognised at the date of trade.

Unquoted investments are stated at fair value based on professional valuations at the balance sheet date or nearest available date to it. For hedge funds, the valuations are provided by third-party hedge fund administrators. In the case of

private equity funds, there is no readily identifiable market price. These funds are included at the most recent valuations by their respective managers. Investments made shortly before the balance sheet date are held at cost where the managers have yet to provide a valuation.

A subsidiary is an entity controlled by the Foundation. Control is the power to govern the financial and operating policies of the entity to obtain benefits from its activities. Subsidiaries are included in the Foundation's balance sheet at their net asset value which represents the fair value of their underlying investments and other net assets. Investments in subsidiary undertakings are held at cost less any impairment.

Unrealised gains and losses are recognised at the year-end as the difference between the historical cost and the market value of the investment assets. Realised gains and losses are recognised during the year at the time the investment is sold, and include any fees incurred at source. All unrealised and realised gains and losses on investments are included within the statement of financial activities.

1.10 Impairment of fixed assets

Impairment of tangible and intangible fixed assets are reviewed annually and any impairment is recognised as an expense in the year that it occurs.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within 1 year are not amortised.

Basic financial liabilities

Basic financial liabilities, including trade creditors and grants payable are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within 1 year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

1.13 Provisions

Provisions are recognised when the Foundation has a legal or constructive present obligation as a result of a past event, it is probable that the Foundation will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period it arises.

1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Retirement pensions and related benefits to defined contribution schemes are charged to the unrestricted fund in the accounting year in which the contributions are paid.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of the relevant lease.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/expenditure for the period.

1.18 Exemptions

The charitable company has taken advantage of the exemptions in FRS 102 not to present a company only cash flow statement and certain disclosures about the company's financial instruments. The company has taken advantage of the legal dispensation granted under s.408 of the Companies Act 2006 allowing it not to present its own statement of financial activities. The company's net income for the year is £52,693k (2019: £102,479k).

2.0 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Investment valuation

The Foundation's investments are stated at market value. Fixed asset investments comprise both quoted and unquoted investments and are initially measured at transaction price, excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred. Valuations are obtained from the investment managers. Directors do not believe that there is any inherent uncertainty in the presentation of these amounts, and that in their judgement, market value and fair value may be regarded as identical for the purposes of these accounts.

3.0 Charitable activities

	Share of profit in <i>BMJ Quality & Safety</i>	Other income	Total 2020	Total 2019
	£ '000	£ '000	£ '000	£ '000
Other income*	<u>169</u>	<u>769</u>	<u>938</u>	<u>1,233</u>
Analysis by funds:				
Unrestricted funds	169	-	169	
Restricted funds	<u>-</u>	<u>769</u>	<u>769</u>	
	<u>169</u>	<u>769</u>	<u>938</u>	
For year ended 31 December 2019:				
Unrestricted funds	175	-		175
Restricted funds	<u>-</u>	<u>1,058</u>		<u>1,058</u>
	<u>175</u>	<u>1,058</u>		<u>1,233</u>

*In 2020, we received restricted income of £1,013k (2019: £1,058k) from NHS Improvement for Q, a jointly funded initiative. Q income was overstated in 2019 and has been adjusted down by £244k in 2020.

4.0 Investments

	2020 £ '000	2019 £ '000
Income from listed investments	10,139	9,102
Fixed interest income	377	956
Property fund income	3,993	4,260
Income from alternative investments	<u>931</u>	<u>563</u>
	<u>15,440</u>	<u>14,881</u>

5.0 Capital applied to income

	Unrestricted funds	Endowment funds general	Total 2020	Total 2019
	£' 000	£' 000	£' 000	£' 000
Released from endowment funds	<u>26,624</u>	<u>(26,624)</u>	<u>-</u>	<u>-</u>
For the year ended 31 December 2019	<u>21,240</u>	<u>(21,240)</u>	<u>-</u>	<u>-</u>

6.0 Fund management

	2020 £' 000	Restated 2019 £' 000
Cost of fund management:		
Investment advisory costs	95	95
Staff costs	283	243
Custodian fees	189	171
Investment managers' fees	<u>14,087</u>	<u>12,369</u>
	<u>14,654</u>	<u>12,878</u>

Investment management fees

The investment managers' fees of £14,087k (2019: 12,369k) includes: management fees of £8,778k (2019: £8,761k), incurred on the endowment value of £1,124,866k (2019: £1,076,139k) and performance fees of £4,432k (2019: £2,706k). The cost of raising funds is in line with 2019 at approximately 1.3%.

Markets in 2020 were volatile and provided opportunity for a number of hedge fund strategies to extract higher returns, which benefited our investment returns and led to an increase in performance fees. We also committed to new private equity funds over the year adding exposure to this asset class.

The investment managers' fees have been restated from £10,936k to £12,369k for 2019 to include a change in the reporting of private equity management fees that were previously netted-off against "net gains/losses on investments". This change was made to improve transparency and accuracy in our reporting of managers' fees. The 2019 restatement also includes £592k adjustment for overstated hedge fund performance fees. The restatement does not impact the 2019 closing fund balances as we have increased "fund management expenditure" and "net gains/losses on investments" in the statement of financial activities.

7.0 Charitable activities

	Improving health and care services	Promoting healthy lives for all	Others	Total 2020	Total 2019
	£ '000	£ '000	£ '000	£ '000	£ '000
Grant funding of activities (see Note 29)	12,116	1,733	6,325	20,174	16,368
Direct costs*	8,740	1,250	2,760	12,750	11,612
Share support costs*	6,659	952	2,102	9,713	9,357
Share of governance costs*	81	12	25	118	43
	<u>27,596</u>	<u>3,947</u>	<u>11,212</u>	<u>42,755</u>	<u>37,380</u>

*See Note 8

Analysis by fund:

Unrestricted funds	27,074	3,947	11,212	42,233
Restricted funds	<u>522</u>	<u>-</u>	<u>-</u>	<u>522</u>
	<u>27,596</u>	<u>3,947</u>	<u>11,212</u>	<u>42,755</u>

The increase of grant funding in 2020 includes adjustment of £3,190k (2019: (£3,190k)) for THIS institute following a review of planned programme expenditure. Charitable activities under Others includes COVID-19-related grants and donations of £6,108k (2019: nil).

For the year ended 31 December 2019

	Improving health and care services	Promoting healthy lives for all	Others	Total
	£ '000	£ '000	£ '000	£ '000
Unrestricted funds	23,229	12,500	567	36,296
Restricted funds	<u>1,084</u>	<u>-</u>	<u>-</u>	<u>1,084</u>
	<u>24,313</u>	<u>12,500</u>	<u>567</u>	<u>37,380</u>

8.0 Support and direct costs

	Direct costs	Support costs	Governance costs	2020	2019
	£ '000	£ '000	£ '000	£ '000	£ '000
Staff costs	10,319	1,729	-	12,048	10,181
Depreciation	-	1,600	-	1,600	1,146
Property costs	-	1,657	-	1,657	2,407
Technology costs	7	2,510	-	2,517	1,748
Other direct/support costs	2,424	2,200	-	4,624	5,464
Audit fees	-	-	27	27	30
Legal and professional	-	17	47	64	25
Internal audit	-	-	29	29	3
Other governance costs	-	-	15	15	8
	<u>12,750</u>	<u>9,713</u>	<u>118</u>	<u>22,581</u>	<u>21,012</u>

Direct costs of charitable activities are mainly to further the Foundation's objectives by; organising conference and events, carrying out direct and commissioned work in-house, scoping, developing and managing grant programmes, and publishing and disseminating reports on research findings.

Support costs have been allocated to charitable activities in the year.

Governance costs include payments to auditors of £27k (2019: £30k) for audit fees and £1k (2019: £1k) for non-audit services.

9.0 Governors

None of the governors (or any persons connected with them) received any remuneration or benefits from the Foundation during the year. Trustees expenses received totalled £1k (2019: £4k).

10.0 Employment costs

	2020	2019
	£ '000	£ '000
Wages and salaries	10,173	8,551
Social security costs	1,129	997
Other pension costs	914	823
Other costs	103	37
	<u>12,319</u>	<u>10,408</u>

The average number of employees during the year was 187 (2019: 164), which equated to a full time equivalent of 177 (2019: 157).

Employment costs include salary costs relating to management of the endowment of £271k (2019: £227k).

The number of employees whose annual remuneration was £60,000 or more were:

	2020	2019
£60,001–£70,000	15	7
£70,001–£80,000	7	6
£80,001–£90,000	9	10
£90,001–£100,000	1	1
£100,001–£110,000	3	2
£110,001–£120,000	2	2
£130,001–£140,000	1	1
£150,001–£160,000	-	2
£160,001–£170,000	3	1
£240,001–£250,000	1	1

11.0 Net gains on investments

	2020	Restated 2019
	£ '000	£ '000
Revaluation of investments	<u>93,716</u>	<u>136,798</u>

Net revaluation of investments comprises:

- An increase in our quoted investments of £32,736k (2019: gain of 109,416k), mainly due to increasing equity prices in 2020
- An increase in the value of unquoted investments of £60,980k (2019: £27,382k), reflecting higher valuations. Gains on investments in 2019 have been restated to reflect the grossing-up of fees, previously netted from gains. The effect of the restatement is to add £1,433k to the gains for the year. Further information can be found in note 6 to the accounts.

12.0 Intangible fixed assets

	Software £ '000	Q Project £ '000	Total £ '000
Cost:			
At 1 January 2020	1,831	2,186	4,017
Additions – internally developed	267	-	267
At 31 December 2020	<u>2,098</u>	<u>2,186</u>	<u>4,284</u>
Amortisation and impairment:			
At 1 January 2020	452	312	764
Amortisation charge in the year	431	312	743
At 31 December 2020	<u>883</u>	<u>624</u>	<u>1,507</u>
Carrying amount:			
At 31 December 2020	<u>1,215</u>	<u>1,562</u>	<u>2,777</u>
At 31 December 2019	<u>1,379</u>	<u>1,874</u>	<u>3,253</u>

The intangible assets of £1,215k (2019: £1,379k) relate to the development of grant management software and Office 365 suite of business applications. The projects were completed and the benefits started to be realised from January 2017 for the grant management system and January 2018 for Office 365 suite of business applications with a useful life of 7 years.

The additions of £267k, relates to development costs for a new grant management system and Office 365 business applications.

The Q Initiative identifies and connects people skilled in improvement across the UK, through online and events-based capabilities that promote knowledge-sharing, development, and other improvement activities. The infrastructure work was completed in January 2019 with a useful life of 7 years.

13.0 Tangible fixed assets

	Fixtures and fittings £ '000	Computer equipment £ '000	Total £ '000
Cost:			
At 1 January 2020	5,302	1,264	6,566
Additions	<u>61</u>	<u>227</u>	<u>288</u>
At 31 December 2020	<u><u>5,363</u></u>	<u><u>1,491</u></u>	<u><u>6,854</u></u>
Depreciation:			
At 1 January 2020	252	748	1,000
Depreciation charge in the year	<u>620</u>	<u>240</u>	<u>860</u>
At 31 December 2020	<u><u>872</u></u>	<u><u>988</u></u>	<u><u>1,860</u></u>
Carrying amount:			
At 31 December 2020	<u><u>4,491</u></u>	<u><u>503</u></u>	<u><u>4,994</u></u>
At 31 December 2019	<u><u>5,050</u></u>	<u><u>516</u></u>	<u><u>5,566</u></u>

The additions of £288k mainly relate to the purchase of new computer equipment including replacement laptops.

14.0 Fixed assets investments

Group	Investments		
	Portfolio £ '000	Other £ '000	Total £ '000
Valuation:			
At 1 January 2019	1,076,139	526	1,076,665
Valuation changes	93,716	-	93,716
Income	15,407	-	15,407
Investment management costs included in the fund	(11,772)	-	(11,772)
Net withdrawals from portfolio	(48,624)	-	(48,624)
At 31 December 2020	<u>1,124,866</u>	<u>526</u>	<u>1,125,392</u>
Cost:			
At 31 December 2020	<u>899,257</u>	<u>526</u>	<u>899,783</u>
At 31 December 2019	<u>879,235</u>	<u>526</u>	<u>879,761</u>
<i>Other investments comprise:</i>	Notes	2020 £ '000	2019 £ '000
Programme-related investments	26	526	526
<i>Investments at fair value comprise:</i>			
Property funds		96,106	99,377
Equities		637,591	611,906
Fixed interest		50,977	51,593
Alternatives		311,035	283,427
Cash		29,157	29,836
		<u>1,124,866</u>	<u>1,076,139</u>

Charity	Investments		
	Portfolio £ '000	Other £ '000	Total £ '000
Valuation:			
At 1 January 2019	784,638	292,027	1,076,665
Valuation changes	32,736	60,980	93,716
Income	12,354	3,053	15,407
Investment management costs included in the fund	(1,778)	(9,994)	(11,772)
Net withdrawals from portfolio	(48,624)	-	(48,624)
At 31 December 2020	<u>779,326</u>	<u>346,066</u>	<u>1,125,392</u>
Cost:			
At 31 December 2020	<u>666,841</u>	<u>232,942</u>	<u>899,783</u>
At 31 December 2019	<u>677,418</u>	<u>202,343</u>	<u>879,761</u>
		2020	2019
<i>Other investments comprise:</i>	Notes	£ '000	£ '000
Investment in subsidiaries		345,540	291,501
Programme-related investments		526	526
Investment in subsidiaries	26	<u>346,066</u>	<u>292,027</u>
<i>Investments at fair value comprise:</i>			
Property funds		96,106	99,377
Equities		637,590	611,906
Fixed interest		19,214	44,231
Alternatives		474	893
Cash		<u>25,942</u>	<u>28,231</u>
		<u>779,326</u>	<u>784,638</u>

A currency hedging programme was in place during the year to manage foreign currency exchange risk. At 31 December 2020, the group had open foreign exchange forward contracts, to mitigate any currency risk between USD and Sterling on the hedge fund mandate in the Victoria Fund. These contracts have been revalued at the applicable year-end revaluation rate, and the resulting unrealised gains/(losses) are included within the overall value of the investments above. At 31 December 2020, the Victoria Fund held contracts to buy \$68,183k (£51,031k at an average rate of \$1.34) and £181,726k (\$233,486k at an average rate of \$1.28), (2019: \$128,061k and £246,468k). The unrealised gain associated with these forward currency contracts totalled £9,853k as at 31 December 2020 (2019: £10,167k).

The Victoria Fund's underlying hedge fund investments provide varying degrees of liquidity based on their own redemption terms, which typically begin with an initial lock-up period. These investments are made on an ongoing basis. As a result, the Victoria Fund may not be able to liquidate all its investments quickly. As investment lock-up periods ease in future periods, more short-term liquidity is expected.

The following table illustrates the expected liquidity of assets and liabilities held as at 31 December 2020:

	Less than 6 months	6–12 months	More than 12 months	Long-term lock up*
	£ '000	£ '000	£ '000	£ '000
Total non-current assets	-	-	-	176,764
Total current assets	155,063	15,331	-	-
Total current liabilities	1,618	-	-	-

*This relates to underlying funds in the Victoria Fund, whose redemptions have been locked up and private equity funds which have no redemption opportunities.

At the balance sheet date, the Foundation had total unfunded investment commitments of £118,193k (2019: £122,154k) for private equity and infrastructure from total commitments of £273,626k (2019: £251,622k). These commitments form part of the planned asset allocation and will be met from within the existing investments.

15.0 Financial instruments

Group	2020 £ '000	2019 £ '000
Carrying amount of financial assets:		
Debt instruments measured at amortised cost	7,238	4,592
Instruments measured at fair value through profit or loss	<u>1,124,866</u>	<u>1,076,139</u>
Carrying amount of financial liabilities:		
Measured at amortised cost	<u>34,128</u>	<u>35,889</u>

Charity	2020 £ '000	2019 £ '000
Carrying amount of financial assets:		
Debt instruments measured at amortised cost	7,071	4,418
Instruments measured at fair value through profit or loss	<u>779,326</u>	<u>784,638</u>
Carrying amount of financial liabilities:		
Measured at amortised cost	<u>34,105</u>	<u>35,889</u>

16.0 Debtors: Amounts falling due within 1 year

	Group		Charity	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Other debtors	966	372	799	198
Prepayments	979	359	979	359
	<u>1,945</u>	<u>731</u>	<u>1,778</u>	<u>557</u>

17.0 Creditors: Amounts falling due within 1 year

	Group		Charity	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Trade creditors	534	593	534	593
Grants payable	19,983	18,826	19,983	18,826
Other creditors	2,673	1,679	2,673	1,679
Accruals and deferred income	1,711	1,167	1,711	1,167
	<u>24,901</u>	<u>22,265</u>	<u>24,901</u>	<u>22,265</u>

18.0 Creditors: Amounts falling due after more than 1 year

	Group		Charity	
	2020 £ '000	2019 £ '000	2020 £ '000	2019 £ '000
Grants payable – in 2 to 5 years	<u>9,227</u>	<u>13,624</u>	<u>9,227</u>	<u>13,624</u>

19.0 Grants payable

	2020 £ '000	2019 £ '000
As at 1 January	32,450	35,278
Grants committed in the year	19,506	17,215
Paid during the year	(22,746)	(20,043)
As at 31 December	<u>29,210</u>	<u>32,450</u>
<i>Split into:</i>		
Grants payable – due within 1 year	19,983	18,826
Grants payable – in 2 to 5 years	9,227	13,624
As at 31 December	<u>29,210</u>	<u>32,450</u>

20.0 Provisions for liabilities

	2020 £ '000	2019 £ '000	
Pension obligations	570	594	
Dilapidations	77	33	
	<u>647</u>	<u>627</u>	
Movement on provisions:			
	Pension obligations £ '000	Dilapidation £ '000	Total £ '000
At 1 January 2020	594	33	627
Adjustment	(24)	44	20
At 31 December 2020	<u>570</u>	<u>77</u>	<u>647</u>

21.0 Retirement benefit schemes

a) AEGON Group Personal Pension Plan

The Health Foundation offers all current employees the opportunity to join the defined contribution Group Personal Pension Plan provided by AEGON. Contributions in the year were £913k (2019: £823k). There was £2k in outstanding contributions at 31 December 2020 (2019: £26k).

b) Other retirement benefits

The Foundation has an unfunded future commitment to a former employee. The contractual commitment (as defined in each contractual arrangement) is to pay a pension equivalent to 1/60th of their pensionable salary for each year of pensionable service less any amounts of pension paid to the same members under The Pensions Trust Growth Plan. The potential pension liability at 31 December 2020, based on advice from an actuary, is estimated to be £571k, (2019: £594k). This provision will be reviewed in 2022.

22.0 Analysis of net assets between funds

Group

	Unrestricted Fund £ '000	Restricted Fund £ '000	Expendable Endowment Fund £ '000	Total £ '000
<i>Fund balances at 31 December 2020 are represented by:</i>				
Intangible fixed assets	2,777	-	-	2,777
Tangible assets	4,994	-	-	4,994
Programme related	526	-	-	526
Investment	18,271	-	1,106,595	1,124,866
Current (liabilities)/assets	(16,694)	724	(714)	(16,684)
Long term liabilities	(9,227)	-	-	(9,227)
Provisions	(647)	-	-	(647)
	-	724	1,105,881	1,106,605

Charity

	Unrestricted Fund £ '000	Restricted Fund £ '000	Expendable Endowment Fund £ '000	Total £ '000
<i>Fund balances at 31 December 2020 are represented by:</i>				
Intangible fixed assets	2,777	-	-	2,777
Tangible assets	4,994	-	-	4,994
Investment	18,964	-	760,362	779,326
Investment in subsidiary	-	-	346,066	346,066
Current (liabilities)/assets	(16,861)	724	(714)	(16,851)
Long term liabilities	(9,227)	-	-	(9,227)
Provisions	(647)	-	-	(647)
	-	724	1,105,714	1,106,438

23.0 Capital commitments

The Foundation has a number of contracts that have been entered into, but which are not disclosed as liabilities as they are severable. They cover technical support for our award holders, evaluation and operational services. They are recognised on a cash basis as and when the expenditure is incurred. These amounted to £12,443k at 31 December 2020 (2019: £11,639k).

24.0 Financial commitments

At 31 December 2020, the company had a property lease for its office premises that expires in September 2028. The future minimum lease payments are as follows

	Land and buildings		Machinery	
	2020	2019	2020	2019
	£' 000	£' 000	£' 000	£' 000
Expiry date:				
Within 1 year	1,650	276	25	25
Between 2 and 5 years	6,605	6,605	15	40
Over 5 years	4,539	6,189	-	-

25.0 Related party transactions

Due to the specialist nature of the projects funded, circumstances may occasionally arise where governors, committee members or staff are associated with organisations which apply for grants. In such cases, the Foundation has clear policies and procedures to ensure that the governor, committee member or member of staff is not involved in the assessment or approval of the grant. All such transactions are undertaken on an arm's length basis in accordance with the normal grant assessment and arrangements. Details of governors and senior management who have interests in organisations to which the Foundation has made awards or contracted within 2020 are noted in the table below.

Board member	Role in associated organisation	Associated organisation
Sir David Dalton	Chair	Association of NHS Groups (including Salford Royal FT; Guys & St Thomas FT and University Hospitals Bristol & Weston Group)
Sir Hugh Taylor	Chair	Guys and St Thomas' Hospital Foundation Trust
	Interim Chair	King's College London
David Smart	Trustee	Beat Eating Disorders
Ruth Hussey	Honorary Professor	University of Liverpool
Will Warburton	Honorary Research Fellow	Imperial College London

During the year, Victoria Fund LP Incorporated, a subsidiary of the Foundation, received no investment contributions from the charity (2019: £10,000k). Medtrust Innovations Limited, a subsidiary of the Foundation, donated its profit of £177k (2019: £131k) to the Foundation.

Remuneration of key management personnel

Key management personnel are considered to be the chief executive officer and others as set out in the senior management section of the governors' annual report. Total remuneration of this group in the year, was as follows:

	2020 £' 000	2019 £' 000
Key management personnel	1,216	1,196

26.0 Subsidiaries

The Foundation had two subsidiary undertakings and the details at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Medtrust Innovations Limited	England and Wales	Intellectual property	Ordinary	100.00
The Victoria Fund LP Incorporated	Guernsey	Investment fund vehicle	-	-

Medtrust Innovations Limited (Medtrust)

Medtrust is wholly owned by the Foundation and is a company registered in England and Wales. It is engaged in the exploitation of intellectual property rights.

In March 2011, the Foundation purchased 524,998 ordinary shares of Medtrust at £1 each to finance an investment to acquire 50% of the intellectual property rights of *BMJ Quality & Safety*, a journal published by the BMJ Publishing Group Limited. This social motive investment is held at cost in the charity balance sheet. Medtrust undertakes an impairment review each year.

At 31 December 2020, Medtrust had fixed assets of £526k (2019: £526k) and current assets of £167k (2019: £175k). The shareholders' funds include called-up share capital of £526k (2019: £526k) and reserves of £167k (2019: £175k).

During the year, Medtrust had an operating profit of £169k (2019: £175k). The sum equivalent to its taxable profits will be donated to the Foundation, as provided for in Medtrust's Articles of Association.

The Victoria Fund LP Incorporated (Victoria Fund)

The Victoria Fund was formed in February 2010 and is a limited partnership, number 1275, registered in Guernsey. It is a vehicle to invest in a combination of hedge funds, private equity and private infrastructure. The limited partner is the Health Foundation and the general partner is Brook Street Limited, a Cayman Islands exempt limited company. Brook Street has delegated its powers to an investment manager, Cambridge Associates Limited.

The Health Foundation as the limited partner is entitled to all investment returns less a priority share by the general partner (Brook Street Limited) from the Victoria Fund and, for consolidation purposes, it is treated as a wholly owned subsidiary of the Foundation.

As at 31 December 2020, the Victoria Fund had fixed asset investments of £336,668k (2019: £284,733k) and the value of its net assets was £345,541k (2019: £291,819k). Net profit in the year was £54,665k (2019: £21,501k).

27.0 Cash generated from operations – Group

	2020 £ '000	2019 £ '000
Surplus for the year	52,685	102,654
<i>Adjustments for:</i>		
Investment income recognised in profit or loss	(15,440)	(14,881)
Cost of raising funds	14,654	12,878
Fair value gains and losses on investments	(93,716)	(136,798)
Depreciation, amortisation and impairment of fixed assets	1,603	1,146
<i>Movements in working capital:</i>		
(Decrease)/Increase in debtors	(1,214)	204
Decrease in creditors	(1,761)	(2,544)
Increase/(Decrease) in provisions	20	(134)
Cash absorbed by operations	<u>(43,169)</u>	<u>(37,475)</u>

28.0 Grant funding

The Foundation funded £20,174k of grants in 2020 (2019: £16,368k). These grants range from small one-off awards to multi-year demonstration projects and fellowships. Integral to all our award making is direct support from the Foundation, as well as technical expertise from technical providers and consultants. This support is organised and paid for by the Foundation, delivered directly to the award holders and can be in the form of technical development and assistance, learning events and coaching. Within this grant funding the Foundation also funds research and external evaluations to ensure programmes are evidence-based and offer value for money.

Grants made to organisations and individuals are analysed by strategic objective in the table below.

Lead recipient for Improving health and care services	Total £
Public Health Wales	950,979
Heart n Soul	498,742
The Brigstowe Project	483,697
Crohn's & Colitis UK	477,585
Arch Health CIC	417,590
Nuffield Foundation	292,236
University of Manchester	279,104
NCEPOD	261,340
SSRS	152,562
University of Oxford	91,728
Royal College of General Practitioners	78,629
University Hospitals Bristol and Weston NHS Foundation Trust	75,000
Royal Berkshire Hospitals NHS Trust	74,977
Healthier Together (Bristol, North Somerset and South Gloucestershire STP)	74,937
Southern Health NHS Foundation Trust	74,910
Nottinghamshire Healthcare NHS Foundation Trust	73,879
Heathrow Medical Centre	73,250
Leeds Teaching Hospitals NHS Trust	72,579
Health Data Research UK	65,086
Wessex Academic Health Science Network (AHSN)	64,150
Surrey and Borders Partnership NHS Trust	63,850
Manor Community	60,000
Royal Mencap Society	59,420
Brent Council	58,725
Heads On, Sussex Partnership NHS Foundation Trust's Charity	53,763
Nuffield Trust	50,000
Longevity International	50,000
Regulation and Quality Improvement Authority	48,895
Future Care Capital	44,537
The Centre for Sustainable Healthcare	34,044
New NHS Alliance	29,700
National Voices	28,400
Empathy Museum	26,625
University of Sheffield	20,000
Innovation Agency (Academic Health Science Network for North West Coast)	18,385
Surrey Heartlands Clinical Commissioning Group	15,000
Cornwall Partnership NHS Foundation Trust	10,150
Health Innovation Network (HIN) South London	5,502
Lead recipient for Promoting healthy lives for all	Total £
Association for Young People's Health	60,726
What Works Centre for Wellbeing	57,623
Fairshare Educational Foundation	43,965
Resolution Foundation	35,590
National Voices	20,550
Blaggrave Trust	15,864
Business for Health	10,000
Lead recipient for Other (COVID-19 grants)	Total £
National Emergencies Trust	1,500,000

Lead recipient for Other (COVID-19 grants)	Total £
Lloyds Bank Foundation	500,000
Trussell Trust	250,000
University of Essex	207,875
Queen Mary University of London	199,429
Bradford Teaching Hospitals NHS Foundation Trust	198,680
London School of Hygiene & Tropical Medicine	187,122
Public Health Wales	179,687
Newcastle University	171,176
University of Glasgow	164,471
King's College London	163,760
University of Aberdeen	153,683
The Point of Care Foundation	109,091
Keele University	106,824
University of Surrey	94,663
Bite Back 2030	94,583
Royal Economic Society	90,000
Race Equality Foundation	74,513
Maggie's	60,000
University of Salford	39,475
The Forward Institute	39,400
Resolution Foundation	37,607
The Alan Turing Institute	30,059
The Big Issue	30,000
The Care Workers' Charity	30,000
Beat Eating Disorders	30,000
New Philanthropy Capital	30,000
NHS Confederation	29,975
Ardgowan Hospice	25,000
Birmingham St Mary's Hospice	25,000
Willowbrook Hospice	25,000
Hospice of the Valleys	25,000
New NHS Alliance	9,900
Grand Total	10,466,246
Adjustments to awards made in previous years (refer to note 7, explanation on THIS institute of £3,190k)	4,122,387
Services provided by third parties to support award holders and further the work of the Foundation	5,368,984
Grants and donations awarded to charities by governors	216,667
Total Grants	20,174,284

Appendix: Investment Fund Managers

Investment Fund Managers	<p>BlackRock Investment Managers (UK) Ltd 12 Throgmorton Avenue Drapers Gardens London EC2N 2DL United Kingdom</p> <p>Colchester Global Investors Heathcoat House 20 Savile Row London W1S 3PR United Kingdom</p> <p>Goldman Sachs Asset Management 25 Shoe Lane London, EC4A 4AU United Kingdom</p> <p>MFS Investment Management One Carter Lane London EC4V 5ER United Kingdom</p> <p>M&G Investments Governors House, 5 Laurence Pountney Hill London EC4R 0HH United Kingdom</p> <p>Mondrian Investment Partners Limited 10 Gresham Street London EC2V 7JD United Kingdom</p> <p>Ninety-one Asset Management 55 Gresham Street London EC2V 7JD United Kingdom</p> <p>River & Mercantile Asset Management LLP 30 Coleman Street London EC2R 5AL United Kingdom</p>
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	<p>RWC Partners 10 Bressenden Place London SW1E 5DH United Kingdom</p> <p>Savills Investment Management LLP 33 Margaret Street London W1G 0JD United Kingdom</p> <p>Somerset Capital Management Manning House 22 Carlisle Place London SW1P 1JA United Kingdom</p> <p>Antin Infrastructure Partners 374, rue Saint-Honoré 75001 Paris France</p> <p>Apollo Global Management 9 West 57th Street 43rd Floor New York NY 10019 United States of America</p> <p>Brookfield infrastructure 462 South 4th Street, Suite 1600 Louisville KY 40202 United States of America</p> <p>Cadian Capital Management, LP 535 Madison Avenue 36th Floor New York NY 10022 United States of America</p> <p>CBC Suite 4508, Tower 2, Plaza 66 1366 Nanjing West Road Shanghai 200040 China</p>
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	<p>Cortec Group 140 East 45th Street New York NY10017</p> <p>Crescent Capital 100 Federal Street, 31st Floor Boston MA 02110 United States of America</p> <p>Cyrus Capital Partners, L.P. 65 East 55th Street 6th Floor New York NY 10022 United States of America</p> <p>Davide Leone & Partners Investment Company LLP 9-10 Savile Row 3rd Floor London W1S 3PF United Kingdom</p> <p>Element Capital Management LLC 600 Lexington Ave 34th Floor New York NY 10022 United States of America</p> <p>General Atlantic Park Avenue Plaza, 33rd Floor 55 East 52nd Street New York NY 10055 United States of America</p> <p>Glennmont Partners Angel Court, 13th Floor 1 Angel Court London EC2N 1HQ United Kingdom</p>
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	<p>Graham Capital Management 55 Baker Street Marylebone London W1U 8EW United Kingdom</p> <p>Grantham, Mayo, Van Otterloo & Co. LLC 40 Rowes Wharf, Boston MA 02110 United States of America</p> <p>Greenspring Associates 100 Painters Mill Rd #700 Owings Mills MD 21117 United States of America</p> <p>Harbourvest One Financial Harbor Boston MA 02111 United States of America</p> <p>Hengistbury Investment Partners LLP 34 Brook Street London W1K 5DN United Kingdom</p> <p>Investindustrial 16 Palace St., London SW1E 5JD United Kingdom</p> <p>Junto Offshore c/o Maples Corporate Services 450 Park Avenue New York NY 10022 United States of America</p> <p>Laurion Capital Management LP 360 Madison Avenue Suite 1900 & 2000 New York NY 10017 United States of America</p>
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	<p>Lexington Capital Partners 660 Madison Avenue 23rd Floor New York, NY 10065 United States of America</p> <p>LGT Capital Partners Third Floor, 30 Herbert Street, Dublin 2 Ireland</p> <p>Lone Star Funds 12 Queen Anne Street London W1G 9LF United Kingdom</p> <p>Mason Capital Management LLC 110 East 59th Street 30th Floor New York NY 10022 United States of America</p> <p>Olympus Partners Metro Center, 4th Floor One Station Place Stamford CT 06902 United States of America</p> <p>Peak Rock Capital 13413 Galleria Circle Suite Q-300, Austin TX 78738 United States of America</p> <p>P/E Investments LLC 75 State Street 31st Floor Boston MA 02109 United States of America</p>
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	<p>Penta Investment Advisers Limited c/o Old Peak Ltd Level 27, Entertainment Building 30 Queen's Road Central Hong Kong</p> <p>Rubicon Suite 400 1911 11th Street Boulder CO 80302 United States of America</p> <p>Star America Infrastructure Partners 165 Roslyn Road Roslyn Heights New York NY 11577 United States of America</p> <p>Stonepeak Infrastructure Partners 717 5th Ave Ste 25 New York NY 10022 United States of America</p> <p>SV7 Impact Medicine Fund 71 Kings Way London WC2B 6ST United Kingdom</p> <p>Sylebra Capital Management 28 Hennessy Road 20th Floor Hong Kong</p> <p>Thoma Bravo 600 Montgomery Street, 20th Floor San Francisco, CA 94111 United States of America</p>
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	<p>True Ventures 501 3rd Street San Francisco CA 94107 United States of America</p> <p>Vitruvian Partners 105 Wigmore St London W1U 1QY United Kingdom</p>
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