




Making today feel better

The Support Hub, the first of its kind, is a co-produced support and information service for people affected by long-term conditions, providing timely and appropriate support for people, when and in whatever way they need it. 

front cover & inside image

Patients and volunteers at the Support Hub | ROYAL FREE





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	Thank you

A photograph of three people, two men and one woman, wearing white hard hats and high-visibility yellow vests with the Willmott Dixon logo. They are standing on a construction site, looking down at a large set of architectural plans held by one of the men. In the background, there are construction cranes, trees, and a building under construction.

Christine Fogg and Chris Burghes reviewing the plans for the Pears Building with the team from Willmott Dixon

OUR TRUSTEES

Mrs Christine Fogg CHAIR (from 31 March 2018)

Mrs Julia Palca CHAIR (to 31 March 2018)

Mr Russell Brooks

Ms Caroline Clarke

Miss Elizabeth Cleaver

Mrs Judy Dewinter (from 2 January 2018)

Dr Russell Gilbert

Mr Robert Leak (from 2 January 2018)

Mr Michael Luck (from 2 January 2018)

Mrs Janet Morgan (to 4 December 2018)

Professor Stephen Powis

Dr Stephen Shaw (from 1 April 2018)

SENIOR MANAGEMENT TEAM

Chris Burghes
CHIEF EXECUTIVE

Julio Grau
DIRECTOR OF FUNDRAISING AND CAPITAL APPEALS

Stephen King
DIRECTOR OF FINANCE

Richard Scarth
DIRECTOR OF OPERATIONS



MESSAGE FROM THE CHAIR AND THE CHIEF EXECUTIVE

We are passionate to make every day feel better for every NHS patient and member of staff across the Royal Free London NHS Foundation Trust. We want to inspire and motivate staff and volunteers to come together so that the patient comes first and their journey through the hospital is of the highest quality. And we want to assist the Royal Free and UCL in their drive to extend their knowledge of medical conditions and treatments, for the benefit of us all.

It gives both of us great pleasure to introduce our latest annual report in this, the 70th year of the NHS.

CONTINUOUS GROWTH OF SERVICES

This has been another year of growth and development as we widen the services we offer and the number of people we help. Our impact, bolstered by an ever-growing army of volunteers and supporters, has never been greater. We opened our first advice centre for patients at the Royal Free Hospital, the Support Hub, with further centres planned for Barnet and Chase Farm hospitals. The Support Hub offers free support and information to people affected by long-term health conditions and their carers. It is central to our 5-year strategy of directly assisting NHS patients to manage their medical conditions. We backed this up with an expansion of our discharge support service, merging with Radio Enfield to launch Radio Royal Free, growing our Complementary Therapy Massage service as well as intensifying our Live Music and Pet Therapy programmes.

PROPERTY PURCHASED TO PROVIDE STAFF ACCOMMODATION

In 2017 we also started to offer accommodation for NHS clinical staff, one of the key objectives in our strategy. We procured sites in Barnet and Chase Farm to enable NHS staff to work and live in their local communities. We know that recruitment and retention of staff in the hospitals are crucial to providing high-quality services to patients and as a charity we are uniquely well-placed to deliver this.

PEARS BUILDING UNDERWAY

The year also saw construction work start on our biggest project: the £62 million Pears Building. The globally leading medical research centre into immunity and transplantation is the largest development at the Royal Free for 40 years and is the culmination of a successful fundraising strategy. Construction will take two years, and the building will change the pace at which we drive improvements in NHS care and research.

We will continue to push forward with our ambitious 5-year strategy to deliver direct services that help the NHS patients of the hospitals we serve. Our warmest thanks go to all of you who make our work possible.

Christine Fogg
Chair of Trustees
Royal Free Charity

Chris Burghes
Chief Executive
Royal Free Charity

OVERVIEW AND STRATEGIC REPORT

ABOUT US

We support patients across North London through services delivered at the Royal Free Hospital, Barnet Hospital and Chase Farm Hospital. We also support staff and patients at the satellite units of the Trust, including Tottenham Hale Kidney and Diabetes Centre, Finchley Memorial Hospital, Edgware Community Hospital and Mary Rankin Dialysis Centre.

We were established when the NHS was formed – 5 July 1948 – and 70 years later we are one of the largest NHS charities in the UK. On a daily basis we help patients receive the treatment and care that makes the NHS beloved of us all. The Royal Free Charity was formed in 2000, when the Special Trustees for the Royal Free Hospital merged with the Special Trustees for the Royal National Throat, Nose and Ear Hospital. In 2011 the Friends of the Royal Free Hospital merged with the Royal Free Charity to form a single charity supporting all areas of what had until then been the Royal Free Hampstead NHS Trust. When the Royal Free London NHS Foundation Trust expanded in 2015 to include Barnet Hospital and Chase Farm Hospital, the Royal Free Charity became their hospital charity too.

We are governed by an independent Board of Trustees who, along with the staff and the volunteers, are passionate that the Charity and the Royal Free should excel in the provision of patient care, research and education. We are different from many other NHS charities in that we provide services to patients that help them manage their treatment at the Royal Free, rather than provide grants.

In 2016 we became a fully independent charity and ceased to fall under NHS legislation. The Royal Free Charity is authorised to hold charitable funds for the NHS Trust, and these funds may be used to enhance and complement the works of the NHS Trust by funding research, items of medical equipment and amenities for patients and staff. We add to basic NHS provision; we do not substitute for it.

OUR YEAR IN NUMBERS

£13.27m

TOTAL INCOME

including £2m for capital projects

20% reduction on last year

£8.82m

TOTAL SPEND

34% increase on last year

£6.79m

TOTAL CHARITABLE SPEND

26% increase on last year

OUR IMPACT IN NUMBERS



£2.8m

PATIENT EXPERIENCE GRANTS GIVEN

386% increase on last year



£1.4m

RESEARCH GRANTS GIVEN

123% increase on last year



34,780

MASSAGES GIVEN

2% increase on last year



750

VOLUNTEERS

15% increase on last year

OUR IMPACT ACROSS OUR OBJECTIVES

Following our 2016–21 Strategic Plan we have four objectives which guide the projects we support and deliver:

OBJECTIVE 1

Add value to every patient's experience

OBJECTIVE 2

Help improve the staff experience

OBJECTIVE 3

Invest in the physical and technical environment

OBJECTIVE 4

Invest in medical research and facilities

COMPLETED



Support Hub launched to help patients with long-term conditions manage their health and wellbeing.

OBJECTIVE 1



Redesign of the gardens at the front of the Royal Free Hospital, welcoming patients and the local community.

OBJECTIVE 1



Annual programme of live music throughout the hospital for both patients and staff.

OBJECTIVE 1,2



Relaunch of Royal Free Radio to provide music and news to patients.

OBJECTIVE 1



Refurbishment of the dementia ward with new therapy and reminiscence areas to help patients feel settled.

OBJECTIVE 3



Invest over £1.4m in medical research and support at the Royal Free to help patients receive cutting-edge treatments.

OBJECTIVE 4



Expansion of the volunteer team to provide more volunteers on wards aiding clinical staff.

OBJECTIVE 2

ON-GOING



Launch a young person volunteer scheme in GP surgeries across north London.

OBJECTIVE 1



Invest £100,000 in artwork in the new Chase Farm Hospital to improve the environment.

OBJECTIVE 1



Provide staff accommodation at Barnet and Chase Farm to help with staff recruitment and retention.

OBJECTIVE 2



Start construction of the Pears Building to improve medical research into immunity and transplantation.

OBJECTIVE 3

PLANNED



Support Hub to be opened at Barnet, further expanding our services to help patients.

OBJECTIVE 1



The Support Hub at the Royal Free to be expanded to help staff by improving retention and allowing a more consistent service.

OBJECTIVE 2



Our Rec Club to provide health and wellbeing classes to patients with long-term conditions.

OBJECTIVE 1



The Royal Free PhD scholarship scheme to be launched to help the best young researchers to bring new thinking and ideas.

OBJECTIVE 4



The Charles Wolfson Centre for Reconstructive Surgery to be built to improve medical research and generate new treatments.

OBJECTIVE 4



OBJECTIVE 1

Add value to every patient's experience

We've updated our current 5-year strategic plan, and 'Add value to every patient's experience' remains our primary objective. More than ever, we've been supporting projects that hold the patient's hand during all stages of their journey through the hospitals, so that each journey is of the highest possible quality. You can read more about how we've expanded the services we offer below. Through our 750 volunteers we now have the greatest presence on wards and in clinics that our NHS trust has ever had. We hope to increase the number of volunteers still further in the coming year.

Other supported projects

- Hairdressing and barber services for inpatients in wards in all the hospitals
- Testing ways to support patients living with dementia on their discharge from hospital following treatment for a hip fracture
- Providing clothes to patients in need when they're ready to go home
- Light exercise classes for patients with long-term conditions

THE LIVE MUSIC PROGRAMME

The Live Music programme is a new initiative that successfully incorporates live music into daily hospital activity, with the hope of improving patient experience. In 2017/18 we have coordinated 39 performances from 26 musicians, many of them on a volunteer basis.

There has been an overwhelmingly positive response from patients and NHS staff, with one elderly patient stating:

“The music was the best thing that's happened to me whilst coming to this hospital. The performer is a superstar of the future! Magnificent!”

There is a huge range in the type of music performed in communal areas

and on the wards, encompassing a wide assortment of musical styles, cultures and genres – from a harpist and double bassist duo to a brass band quintet. A number of musicians have now committed to performing regularly, ensuring music can be provided to individuals who are in need of it most.

Pictured left: A patient enjoying a live performance from one of our volunteer musicians

ROYAL FREE RADIO

With a 47-year broadcasting history, Radio Enfield became Royal Free Radio in 2017. We're delighted to be able to continue to support the radio volunteers in providing music, news, information and quizzes for patients across the Trust. In 2018 we also launched our 'Sundown Sessions' – early evening programmes designed for people living with dementia and memory loss, with music and memories from years gone by.



COMPLEMENTARY THERAPY

Our team of therapists is made up of permanent staff and volunteers who provide years of experience and a wealth of knowledge in specialist massage therapy. This year saw an amazing total of 34,780 individual massage treatments provided to patients and staff across the various hospital sites within the Royal Free London NHS Foundation Trust. Whether it's a patient in pre-theatre waiting for their operation, or a staff member taking a moment from a fast-paced work environment, our team are on hand to enhance experience and reduce stress. Dr Phillip Lodge, Consultant in Palliative Medicine, summed it up nicely when he said:

"The Royal Free Hospital Massage Therapy Team has become a mainstay for patients and staff. The benefits for those undergoing arduous medical interventions are enormous and undoubtedly contribute to patients' ability to manage the physical and emotional impact

of their disease and treatment. In a world of ever-shrinking resources and increasing demands on NHS services, it is vital to continue to offer a source of calmness and comfort and I am proud to work alongside such a team."

We extended our reach this year and provided the service in both the plastic surgery and vascular departments, with an increased provision at the renal dialysis units in Barnet, Tottenham and Edgware.

In the coming year we will reach more patients, more staff, and make an even greater difference. It's the response that we get from people that makes Complementary Massage Therapy so special for all of us.

"Thank you so much for giving me a reason to smile during my chemotherapy treatments! I appreciate everyone's friendliness and positivity so much. The massages were brilliant, not just because they were relaxing but because they reminded me that my body was more than just a disease. I'm in remission now and so pleased that future patients will have you on their team!"

Patient – Royal Free Hospital

SUPPORT HUB

Opened in March 2018, the Support Hub at the Royal Free provides support and information to people affected by long-term conditions (both patients and carers). The Hub – situated on the lower ground floor – is staffed by a Support Hub manager, a team of welfare benefits advisors and a group of specially trained volunteers.

The Hub is a co-produced service: people affected by long-term conditions have worked with professionals to design it from its very beginnings, and we're now delighted to be up and running and providing support to people who really need it.

The Hub is the first of its kind in the country, and it's very exciting to see it grow and become embedded as part of the services that we offer. The Hub team have developed strong working relationships with Trust staff, thus enabling the Hub to become an integral part of a patient's journey.

In the first month that the Hub was open, we saw over 1,000 people, and we are continuing to offer timely, appropriate support and information in a way that suits the person, going at their pace. The services we have offered include a South Asian dance group, gentle circuits, talks on making wills and getting your affairs in order, massage therapy, and a mindfulness and meditation group.

We have received fantastic feedback about the Hub, including these comments:

"I didn't know where to turn, and then I found you. Thank you so much for all that you do."

"I came in here in a rotten mood, but went feeling happy and revived."

"The Hub that does everything."

"100% gold star service."

"Lovely people, lovely hub, thank you."

We plan to develop the Support Hub service over the next year, to open a second Hub in the community in Barnet, and to make further additions to the Support Hub service.

Pictured on the front cover and inside front cover: Patients, volunteers and staff at the Royal Free Support Hub

NEXT YEAR'S FOCUS

We're opening our second Support Hub in the coming year, and are confident that our team and trained volunteers will quickly become established as an integral part of community support in Barnet and the surrounding areas. We'll build on the success so far of our first Hub at the Royal Free, trialling and developing new services to continue to provide people with what they really want.

Extending the reach of our growing network of volunteers will also be a big focus. A key focus too will be further improving our 'volunteer experience': new induction programme, volunteer handbook, and even more training will undoubtedly give more back to those who give their time to us.



OBJECTIVE 2

Help improve the staff experience

The Rec Club has undergone a transformation and we're very proud of the development we've seen in both the facility and the team at the Club.

We're pleased too to be on track with our plans to double the number of volunteers across the hospital sites: nothing gives us greater pleasure than seeing at first hand how much value each volunteer adds to patients, visitors and staff every day.

Other supported projects

- Support Hub No 2 at Barnet
- Office accommodation
- New complementary therapy space in Barnet
- Further investment in the Rec Club and outreach from the club to staff at other sites too.

THE REC CLUB

This has been another record-breaking year. We have had our highest ever number of members, made up of Royal Free London NHS Foundation Trust staff and members of the local community. Our team of fitness experts and personal trainers have expertise and qualifications in a wide range of sports and exercise types and pain management and are on hand to guide a gym newbie or gym fanatic alike.

We've invested heavily too this year in the infrastructure of the club, which our members love, and have spent significant sums on upgrading all our equipment. The fitness room now boasts state-of-the-art Precor cardiovascular kit, and members are able to choose from a variety of treadmills, steppers, rowing machines and cross-trainers. The Jacobs Ladder and

multi-station boxing frame have added a new dimension and we're proud to offer such great quality at a really affordable price:

“The Rec Club is better than it has ever been and I love being able to catch up on TV while I'm on the treadmill. I wasn't sure how best to use the training rig at first, but the trainers are on hand to make it easy and a hugely enjoyable session. I used to put off going to the gym before, but it's now part of my work routine and gives me a huge boost.”

Staff member | ROYAL FREE HOSPITAL

The Sports Hall has been busy too, playing host to badminton, 5-a-side football, volleyball, archery, netball and more, and we've also made use of the quieter times by hiring out the hall to local schools and community groups. We plan to extend our reach to benefit the community even more in 2018/2019. The swimming pool is used by the same groups and also serves as a great place for local people and staff to pop in for a casual swim, or a wind-down after work.

Spinning classes aren't for the faint-hearted, but they've really taken off. They are in addition to the well-attended pilates, yoga and aerobic classes that take place in our other studios. It's part of what makes it a great all-round choice, with something for everyone.

Pictured left: Royal Free staff making use of our new equipment

VOLUNTEER TEAMS

It's been a great year for the volunteer team at the Royal Free Charity. We've significantly increased the number of volunteers and have achieved most of the targets we set ourselves in this year's strategy.

The year in numbers:

- **Volunteers increased from 600 to over 750**
- **70,000 hours of volunteering**
- **350 young volunteers completed placements in a year**

- **935 dementia patients received specialist interactions**
- **4,908 interactions with a therapy dog**
- **177,468 patients and visitors were guided around the hospitals**

New volunteer roles making a difference

More than ever our volunteers are now making a difference on wards every day, in a variety of roles. From assisting with general housekeeping duties, to giving time as a Dementia Companion, to visiting with a friendly pooch, all our volunteers make a difference.

The volunteer team meets various other teams across the Trust to assess their needs and to develop new roles to help lighten the load for staff and patients. Here are a few highlights.

Discharge runner

This very active role has been developed to support Trust staff to speed up patient flow and discharge. We have piloted it at the Royal Free site with one of our star volunteers, Tricia Oates.

Tricia carries a Bleep device (pager), which staff can call to make ad hoc requests for help. Primarily based in the Discharge lounge, she is requested to run errands such as collecting patient prescriptions from pharmacy and collecting clothes from the charity clothing bank for patients who otherwise face going home in a hospital gown.

Tricia has also been trained to push a wheelchair for those occasions when the porters are not available, and also helps to make patients comfortable with refreshments, chatting with them as they wait for all the necessary arrangements to be made for their discharge.

“It is a lovely position and I'm sure other volunteers will find it most rewarding.”

Tricia Oates | VOLUNTEER

Tottenham Hale Kidney and Diabetes Centre

Patients at Tottenham Hale attend the centre three times a week for a four-hour dialysis treatment during which they can't move from their beds. A survey with patients identified interaction with volunteers as a way of improving the patient experience.

Our first volunteer started at the centre in December 2017, interacting with patients in the morning and afternoon sessions. We have now recruited nine young volunteers to the centre, covering each day the centre is open.

We have already received positive feedback from patients and staff and we will look to expand the service to the other dialysis sites run by the Royal Free.

“They (volunteers) have truly made my four hours of dialysis treatment somewhat bearable.”

Tottenham Hale patient

End PJ Paralysis project

End PJ Paralysis is a national incentive which is currently being piloted on elderly care wards at Barnet and the Royal Free. Working with physios and occupational health teams, we have devised a role for volunteers to encourage patients to sit out of bed, get dressed and go for a walk if able to. This aids the patient's wellbeing and therefore enables the patient to be discharged from hospital sooner.

Paediatric Diabetes Clinic

This new role, popular with young volunteers at Barnet Hospital, provides information to children and their parents before their Diabetes Clinic appointment. With the help of an iPad, the volunteer shows patients videos, website and apps about managing their diabetes.

This service has allowed doctors more time to talk to the patients about their conditions during their appointments rather than just provide information. We will now be extending the role to clinics at Chase Farm.

NEXT YEAR'S FOCUS

In 2018/2019 we will open the first phase of our refurbished building in Barnet, providing a home to our Support Hub, together with office accommodation and space for complementary therapy. Our Rec Club will embark on an exciting new project by offering tailored classes and support for people living with long-term conditions. This support will be accessible to people who need it the most.



OBJECTIVE 3

Invest in the physical and technical environment

The development of infrastructure around the hospitals is central to our 5-year strategy. We took huge steps towards achieving our vision in 2017/18, with work starting on the Pears Building, the Charles Wolfson Centre for Reconstructive Surgery as well as a number of smaller projects across all the sites. In total we committed more than £60 million to help improve the facilities for patients, clinicians, staff and volunteers. It was a year unlike any other and will have altered the ability of the Royal Free and UCL to undertake world-class research for the benefit of patients.

Other supported projects

- Murals introduced into CT scan rooms to make them more child-friendly
- 3 x Accuvein machines for use with children and patients with hard-to-find veins
- Photodynamic Eye for breast-cancer patients to assist with post-surgical swelling treatment
- Bladder scanner for radiotherapy department

DEMENTIA WARD

The refurbishment of Ward 10N has transformed its clinical area into a therapeutic and reminiscence space for elderly patients, the first of its kind at the Royal Free. Now patients can be transported back to Hampstead High Street in the 1970s, with corridor walls showing headlines from the past and thus stimulating conversation and memories.

The patient day room has also been converted into a living/dining room complete with a fireplace, dining tables and a TV playing hit films from the 60s and 70s. The ward also has a post box, bus stop and a working hair salon, so patients can experience familiar settings during their recovery.

This transformation was made possible by the generosity of the Community

Infrastructure Levy – Hampstead and the support of the Royal Free Charity.

“Our main challenge is to create a place in which we can communicate with patients and build a relationship. This new ward environment is almost like a set, as it creates the perfect space to interact and connect with dementia patients – essential for their care.”

Danielle Wilde | TRUST DEMENTIA LEAD

Pictured left: a patient has tea with staff in the Dementia Ward Day Room



Pears Building Construction site – September 2018

PEARS BUILDING

In 2017/18 work started on the Pears Building, a £62m development by the Charity to support UCL and the Royal Free Hospital improve research, education and patient care. The Pears Building will house the UCL Institute of Immunity and Transplantation, which will be the largest research centre of its type outside North America. This is the biggest project we have ever tackled. It is the biggest development at the Royal Free Hospital for 40 years. It will provide treatments and cures that will change patients' lives both at the Royal Free and also nationally and internationally.

The new Pears Building is a modern take on the old Hampstead Hospital that stood on the same site until the early 1970s. Its design, by the award-winning Hopkins Partnership, merges modern architecture with the historical nature of Hampstead. And, while the principal function of the Pears Building is to be a centre of medical research, it will also expand our remit

with a patient hotel, coffee bars, patient car parking and new offices to allow us to double the number of volunteers we have to help support patients in the hospital.



Computer-generated image of the Pears Building from Haverstock Hill Road

MP PRAISES GREEN-FINGERED VOLUNTEERS

Volunteer gardeners at the Royal Free Hospital were praised for their 'amazing job' in transforming the landscape around the building by Hampstead and Kilburn MP Tulip Siddiq. She made a special visit to thank our volunteer gardeners for their time and dedication to improving the garden areas and making them more attractive for patients and visitors.

Tulip said: “I had my baby at the Royal Free Hospital nearly two years ago and this is a huge transformation. The volunteers have done an amazing job and the end result shows how dedicated they have been to their work.”

“Gardening isn’t just about making places look pretty; it’s about tackling loneliness and improving mental health. It’s a huge ‘bravo’ from me for all the volunteers.”

Tulip was shown around the beautiful gardens, which have been transformed by volunteers who gave up their time regardless of the weather.

Last autumn the volunteers worked on the flower bed on Pond Street by the A&E entrance, extending the path for children to run through and filling it with spring bulbs and flowers, followed by summer plants. Their main focus has been to remake the beds in the car park and outside the main entrance. This involved many days of digging and bringing in nine tonnes of soil before the planting could begin.

The result was a colourful display throughout spring and summer, a marked change from earlier years. As well as improving the environment around the hospital, the volunteers have enjoyed working together and have received many expressions of thanks from patients, staff and local residents.



Tulip Siddiq, MP for Hampstead and Kilburn, visits the Royal Free Charity volunteer gardeners at the Royal Free Hospital in October 2017

NEXT YEAR'S FOCUS

Over the next two years the Trustees will focus the Charity on constructing the Pears Building on time and on budget. The new facility widens our scope and remit, so 2018/19 will see us starting to plan for that new remit – in particular the expansion of the volunteer service, beyond the hospital and into GP surgeries – and launching our own residence for patients.



Pictured left: Providing cutting-edge medical equipment and research for all patients

OBJECTIVE 4

Invest in medical research and facilities

Every year we invest heavily in medical research at the Royal Free. As a leading centre for UCL, the discoveries and developments at the hospital are world-renowned and the Trustees' strategy has focused on assisting UCL to continue the amazing work it does. In 2017/18, we supported a wide range of projects but it is some of the smaller grants that we awarded that helped medical researchers and clinicians on site move ground-breaking projects on for the benefit of patients across the NHS.

Other supported projects

- **Systematic sclerosis project** | Professor Peter Butler and Professor Chris Denton
- **Oxygen wrist bans to improve oxygen prescription** | Swapna Mandal
- **Study into fibrosis in fatty liver disease** | Dr John Ryan
- **An observational study exploring alternations in coagulation profiles following orthotopic liver transplantations** | Dr Susan Mallett / Dr Clare Mokane
- **Bladder scanner** | Catherine Raghnael
- **Purchase of TV and wall-mounting bracket for patient waiting room** | Jane Heine
- **IHI online module 'Joy at work' building resilience** | Dr Megan Smith
- **Endometriosis support group** | Nicola Fitzharris

TOWARDS A NEW TEST FOR PANCREATIC NEUROENDOCRINE CANCER

Pancreatic neuroendocrine cancers, also known as PNETs, affect the cells that make several important hormones, including insulin. These cancers typically grow relatively slowly and early, localised disease is often amenable to surgery. However, most PNET patients currently face a poor prognosis because of late diagnosis.

"A major obstacle to early detection is the absence of an accurate test. My research group in the Institute for Liver and Digestive Health has used advanced proteomic methods to identify a novel blood test for neuroendocrine cancers. This test has achieved 100% accuracy for patients with advanced disease.

"The grant from the Royal Free Charity will go towards a new ELISA system that will allow us to assess the suitability of our test for early PNET detection. We will be working with leading PNET researchers in the UK, including Professors Pereira and Caplin at the Royal Free Hospital, to identify early PNET symptoms; we will then use the ELISA system to test blood samples from large numbers of patients with these symptoms. In this way we aim to develop the first test for early PNETs, assess its specificity, and improve patient outcomes via earlier diagnosis and treatment."

Professor Justin Hsuan

NEXT YEAR'S FOCUS

The Trustees agreed to target their funds on a new PhD scholarship scheme, which will be launched in late 2018. The Trustees want the brightest young minds in medical research to view UCL and the Royal Free as the place to come and advance their medical research careers. Investing in PhDs allows the Royal Free to access new ways of thinking and new ideas that will ultimately bring pioneering changes to medical treatments.

OUR FUNDRAISING

We rely on fundraising to provide and develop services to help patients and staff in all hospitals of the Royal Free London NHS Foundation Trust. Our supporters are at the heart of everything we do, and our fundraising income is made up of money received from legacies, individual and corporate donations and events.

Many supporters take part in our calendar of events, which include the London Marathon, Superhero and Santa runs, charity walks, cycle challenges as well as a Comedy Night. Many others arrange imaginative events themselves such as the Fun Days organised by schools and the dinner held at Mango Tree to support the complementary therapy team and children treated for cancer at Barnet Hospital.

We are also supported by a number of charitable trusts and foundations and by philanthropic gifts from major donors. Among their gifts were those used to refurbish a ward to make it dementia friendly, appoint a research technician to test newly designed equipment for clinical diagnosis and fund research into neuroendocrine tumours.

During the year we opened our first charity shops – the many donations received have contributed to their success.

Many of our fundraisers are patients or their carers, or staff of the hospitals. They are an integral part of our fundraising activities. We would not be able to perform our activities and deliver our services without fundraising.

Pictures from top down: Charity shop – Enfield, Eion Dinneen runs the London Marathon 2018 in 3:36:25, Walk for Wards – Trent Park, Santa Run – Victoria Park, fundraising dinner at Mango Tree – Belgravia.



FUNDRAISING POLICY

Our approach to fundraising rests on positive supporter engagement in order to enable us to attract, steward and maintain support, while respecting the wishes of our supporters. To help us achieve this, we store supporter information using Raiser's Edge, a Blackbaud fundraising database.

The Charity is registered with the Fundraising Regulator and contributes to the Fundraising Regulator levy on fundraising charities. We adhere to the Fundraising Regulator's Code of Practice and to Charity Commission guidelines. Trustees are aware of the Commission's six fundraising principles and ensure adherence by Charity staff:

- 1 Effective planning
- 2 Supervising fundraisers
- 3 Protecting charity reputation
- 4 Money and other assets
- 5 Ensuring compliance with laws and regulations
- 6 Following recognised standards; openness and accountability

Trustees and staff are aware of the need to protect the public and especially vulnerable people, so no cold call, telephone or street fundraising is carried out, and no inducements are made to staff or volunteers. No professional fundraisers or commercial participators carried out any fundraising activities on behalf of the charity.

Failures to comply with fundraising standards will be reported to the Fundraising Regulator, as will complaints, for which there is guidance for the public on our websites and an internal process to follow. There have been no complaints nor any recorded failures to comply with fundraising standards in the last financial year or since the Fundraising Regulator was introduced. Detailed preparations are being made to ensure the charity's compliance with the General Data Protection Regulation (GDPR) introduced in May, particularly with regards to the use of personal data for fundraising purposes.

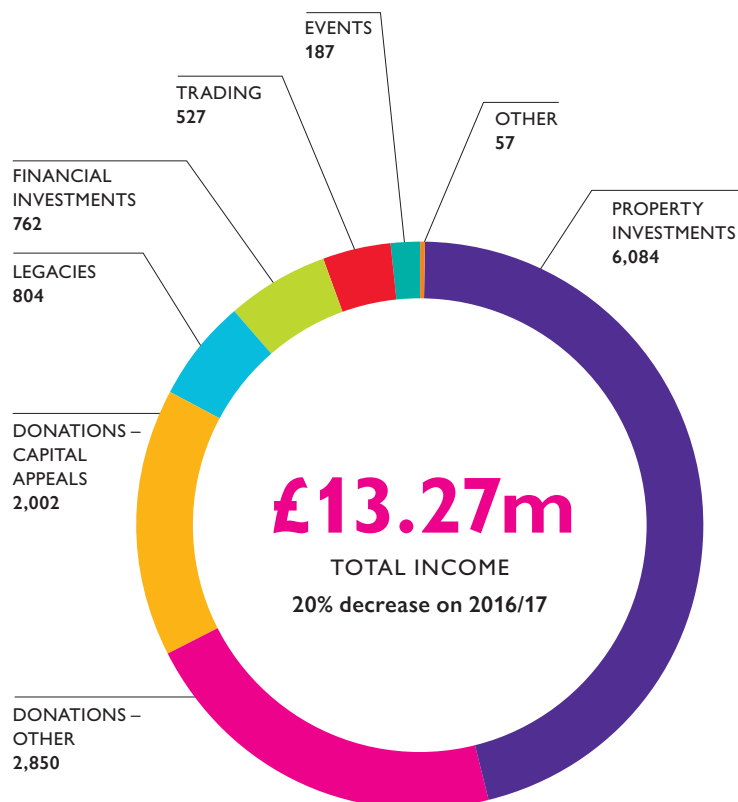
Our privacy policy covers how we use the data provided by our supporters; it describes the ways in which supporters can opt out from communications and how they can make a complaint. We provide website links to our privacy policy and to our subject access request policy.

OUR FINANCIAL SUMMARY

Where our income came from

Income for the year totalled £13.27 million. This is split between donations, legacies, financial investments, trading and event activities.

BREAKDOWN OF TOTAL INCOME (£000)



DONATIONS: CAPITAL APPEAL

Money relating to the construction of our major new research facility – the Pears Building.

TRADING INCOME

This is the income for our subsidiary, RFC Recreation Club Ltd, which operates under the brand of the 'Rec Club' and provides leisure facilities to hospital staff and members of the local community.

EVENTS

Many supporters of the Charity participate in, or organise, events such as the London Marathon and the London to Brighton cycle ride to raise money for various departments in the Royal Free London NHS Foundation Trust. During 2017/18 some of the proceeds were used to purchase:

- Readybed sleeper chairs for relatives on paediatric wards
- Ultrasound scanner for vascular unit to assist with diagnosis and treatments
- Photodynamic Eye for breast cancer patients

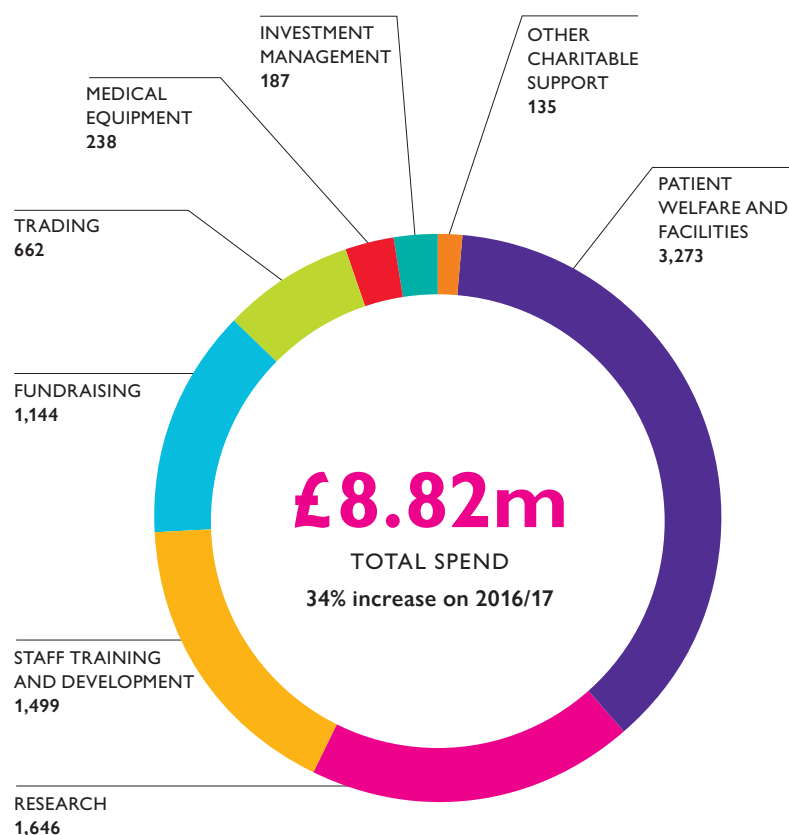
OTHER

Other income relates to training courses run by various departments in the Royal Free. The income generated is used to further the charitable activities within the departments concerned.

Where the money is spent

Total expenditure for the year was £8.82 million. Expenditure is split across the four key objectives: patient welfare and facilities, staff training and development, research, fundraising and then also trading, medical equipment, investment management and other charitable support.

BREAKDOWN OF TOTAL EXPENDITURE (£000)



PATIENT WELFARE AND FACILITIES

Much of this expenditure relates to the volunteer services provided throughout the NHS Trust and the support given to the Complementary Therapy staff, who, like the volunteers, provide much-appreciated services directly to patients. This year saw the introduction of our Support Hub service.

STAFF TRAINING AND DEVELOPMENT

Many donations are given to benefit NHS Trust staff, and these are often used either to enable staff to attend training courses or to provide additional facilities for staff, including 'Fit at the Free' – a programme aimed at enhancing staff wellbeing.

RESEARCH

Much of this money has been donated by consultants from their private practices, or by patients suffering from conditions for which much more research is needed. The money is often used to fund such research, by paying for the salaries of researchers for a fixed term.

TRADING EXPENDITURE

This is the expenditure of the 'Rec Club', which provides fitness and wellbeing services; the figure also includes the cost of the retail trading operations launched this year.

FINANCIAL COMMENTARY 2017/18

The accounts and annual report are prepared so as to comply with both the Companies Act 2006 and the Charities Act 2011.

The combined income of the group totalled £13.273 million for the year. This included a further contribution of £2.0 million towards its flagship project, the Pears building, from University College London (UCL). This takes the accrued donations for that development to date to £24.85 million, these will start to be utilised throughout the construction of the new building, which is due to complete September 2020. This £60m prestigious building project, a partnership with UCL, the Charity and the Royal Free NHS Trust, is being managed through RFC Development Limited.

During the year the Charity disposed of its investment at Chase Farm hospital, with a gain of £4.4m, shared 50:50 between the Charity and the Royal Free NHS Trust. The Trust's share is held on behalf of the Trust for the future purchase of medical equipment. In addition the Charity has retained a £3.5m interest in the future development of social housing on site. This releases £47.4m (16/17) from creditors due after more than one year.

Normal operating income for the Group is £6.2m compared to £6.1m in 16/17. The Charity continues to grow income through diversification and opened the first, of three, charity shops at Church Street, in July 2017. A further 2 shops and online trading are scheduled during 2018. The shops are leased over a 5 year period.

Expenditure on charitable activities increased by 26% to £6.8m. £1.2m of this increase has been allocated to grants and activities undertaken by ourselves in providing much needed patient welfare and support. In addition we invest in research, staff training and medical equipment. More details of projects undertaken, in support of our objectives, are included in the Annual report.

During 2017 the Charity purchased Graseby House for £6.6m. This will provide a charity support hub for Barnet hospital and office space. After refurbishment it will provide nurses accommodation. The property was purchased with cash reserves.

Reserves

The Charity's reserves total £73.4m of which £38m are restricted in support of the Pear's building capital appeal and £2m for funds received for special purpose. The Charity has £35m of unrestricted funds with £34m designated. Designated funds are expected to be drawn down over the next 1-5 years in line with expected expenditure of special purpose fund projects. The remaining undesignated free reserves of £911k cover 19 weeks of operational and running costs, which the Trustees and management believe to be an acceptable level. This is after allowing for fully funding the Pear's building capital programme. At the 31st March the Charity held £21.6m in liquid investments and cash.

Public benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2011 and that they have considered the Charity Commission's guidance on public benefit in shaping the Charity's decisions and planning future activities.

Risks and risk management

The Trustees of the Royal Free Charity recognise their duty to minimise the risks to which the Charity's activities could be exposed. They acknowledge that risk is inherent in all activities and that its management is crucial to managing the Charity's objects.

The biggest risks it currently faces are:

- Potential financial loss in unfavourable market conditions. The Charity has appointed investment managers to provide a minimum return on its investments. It also has a diversified portfolio in equities, cash and investment properties.
- The assumption of an increasing number and variety of responsibilities and activities as the Charity moves from being a traditional grant giver operating on only one site, to becoming a multi-site service provider. The Charity meets regularly with the Trust to understand future strategy and operational plans.
- The effect upon its asset base and cashflow of the construction of the Pears Building and its increased holdings in property generally. The Charity monitors cashflow on a monthly basis and has plans in place to ensure cash is available throughout the development. The Pears building will provide additional income to support the charity activities.
- The effect of new regulations regarding the use of personal data.

RFC Recreation Club Ltd:

- The effect upon income and profitability should any facility be unavailable for a period of time (eg because of equipment failure).
- The effect upon its membership numbers of the Royal Free London NHS Foundation Trust operating over several sites, some of which are not in the immediate vicinity of the Royal Free Hospital.

RFC Developments Ltd:

- The effect of any cash flow issues that could endanger its operational efficiency.

Reserves policy

In the short term funds have been accumulated to support the development of the Pear's building and once completed the policy will be reviewed.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of the Royal Free Charity for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the income and expenditure, of the company for that period. In preparing those financial statements, the Trustees are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- (c) state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- (d) make judgements and estimates that are reasonable and prudent;
- (e) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

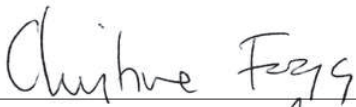
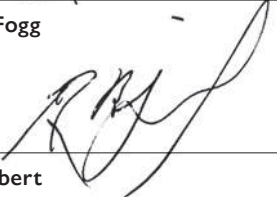
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the trustees are aware:

- (a) there is no relevant audit information of which the company's auditor is unaware: and
- (b) the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees' Annual Report is approved by the Trustees of the Charity. The Strategic Report, which forms part of the Annual Report, is approved by the Trustees in their capacity as directors in company law of the Charity.

By order of the Trustees

CHAIR		Date
Christine Fogg		4 December 2018
TRUSTEE		Date
Russell Gilbert		4 December 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

On 1st April 2016 The Royal Free Charity reconstituted as an independent charity (no. 1165672), solely regulated by the Charity Commission and no longer also subject to NHS legislation. This new status, establishes the Charity's independence from the Department of Health and by virtue of becoming a company limited by guarantee (no 09987907), limits the Trustees' liability. The Charity operates under a Charity Commission Scheme dated 1 April 2016 and its objects as stated in its Articles of Association, encompass not only the support of patients of the Royal Free London NHS Foundation Trust, but also and more generally the promotion of health and medical research, particularly within the catchment area of the Foundation Trust.

Trustees

Following the reconstitution of the Charity, new Trustees are appointed by the Trustee board after open competition. Several Trustees who were previously Trustees of the former NHS charity are now Trustees of the incorporated and charity; in addition. The Royal Free London NHS Foundation Trust has the right to appoint and remove, one Trustee, Currently this is Caroline Clarke, the Group Deputy Chief Executive and Group CFO of the Foundation Trust. Professor Stephen Powis, the Foundation Trust's Group Chief Medical Officer, also serves as a Trustee, but by invitation of the Trustee board.

The Chair of the Trustees aims for new and existing Trustees to be fully briefed on the key issues facing the royal Free Charity, including Charity Commission information on Trustee responsibilities, aspects of charity law pertinent to the Royal Free Charity and that they receive timely copies of reports, accounts and other key documents. Committee members declare all relevant interests in other bodies, especially bodies closely connected with the Royal Free London NHS Foundation Trust.

The Trustees and their two sub-committees, – Finance and Investment Committee and Works of Art Committee, meet quarterly.

Powers of investment

The Charity' powers of investment are principally derived from its Articles of Association and the Companies Act 2006; in exercising these powers, the Trustees must act in accordance with their duties as charity Trustees and as company directors as set out in the Charities Act 2011 and the Companies Act 2006. They must also act in accordance with the Trustee Act 2000.

These powers of investment are wide, allowing the Trustees to invest in such stocks, funds, shares, equities or other investments as they see fit.

Remuneration

The remuneration of senior staff is agreed by the Chair of the Trustees, following a comparison of their posts with similar positions in the charity sector generally.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL FREE CHARITY

Opinion

We have audited the financial statements of The Royal Free Charity for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. Our opinion on the financial statements does not

cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

The information given in the strategic report and the trustees' annual 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' annual 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 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' annual 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 17, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL FREE CHARITY (CONT.)

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 and 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Kingston Smith LLP, Statutory Auditor
Devonshire House, 60 Goswell Road, London EC1M 7AD
Date

12 December 2018

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2018

Year ended 31 March 2018						Period ended 31 March 2017				
	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2017/18 Total £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2016/17 Total £000	
Income and endowments from:										
Donations and legacies	2	3,551	2,105	–	5,656	3,879	10,576	–	14,455	
Charitable activities		42	–	–	42	88	–	–	88	
Other trading activities		527	–	–	527	396	–	–	396	
Investments	9.2	6,773	73	–	6,846	1,247	109	–	1,356	
Other Events		185	2	–	187	196	13	–	209	
Other income		15	–	–	15	3	–	–	3	
Total income		11,093	2,180	–	13,273	5,809	10,698	–	16,507	
Expenditure on:										
Raising funds	4	2,011	14	–	2,025	1,135	18	–	1,153	
Charitable activities	3	6,582	209	–	6,791	5,240	166	–	5,406	
Total expenditure		8,593	223	–	8,816	6,375	184	0	6,559	
Net gains/(losses) on investments		(302)	2	–	(300)	2,766	251	–	3,017	
Net income/(expenditure)		2,198	1,959	–	4,157	2,200	10,765	0	12,965	
Transfers between funds	12.1			–	–	–	96	(96)	–	
Net movement in funds		2,198	1,959	–	4,157	2,200	10,861	(96)	12,965	
Reconciliation of funds:										
Total funds brought forward		33,134	36,099	–	69,233	30,934	25,238	96	56,268	
Total funds carried forward		35,332	38,058	–	73,390	33,134	36,099	0	69,233	

The notes on pages 23 to 32 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 MARCH 2018

	Note	Group March 2018 £000	Charity March 2018 £000	Group March 2017 £000	Charity March 2017 £000
Fixed Assets					
Tangible Assets	7	7,073	7,015	245	224
Asset under construction	7	10,074	10,519	7,227	7,560
Investments	9	46,887	47,026	93,551	93,690
Total Fixed Assets		64,034	64,560	101,023	101,474
Current Assets					
Debtors	10	30,843	31,849	23,462	24,430
Short term deposits		—	—	—	—
Cash at bank and in hand		2,712	2,285	1,626	552
Total Current Assets		33,555	34,134	25,088	24,982
Creditors falling due within one year	11.1	(7,853)	(8,515)	(4,380)	(4,380)
Net Current Assets		25,701	25,619	20,708	20,602
Creditors falling due after more than one year	11.2	(16,345)	(16,345)	(52,498)	(52,498)
Total Net Assets		73,390	73,834	69,233	69,578
Funds of the Charity					
Capital Funds					
Endowment	12.1	—	—	—	—
Income Funds					
Unrestricted	12.2	35,332	35,776	33,134	33,478
Restricted	12.3	38,058	38,058	36,099	36,099
Total Funds		73,390	73,834	69,233	69,577

The notes on pages 23 to 32 form part of these accounts.

CHAIR

Christine Fogg

Date

4 December 2018

TRUSTEE

Russell Gilbert

Date

4 December 2018

Company registration no: 09987907

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

	2017/18 £000	2016/17 £000
Cash inflow/(outflow) from operating activities		
Net cash (used in)/ provided by operating activities	(52,419)	42,308
Cash flows from investing activities		
Investment income and interest received	6,845	1,356
Proceeds from disposal of fixed asset investments	46,658	10,293
Acquisition of fixed asset investments	(293)	(61,879)
Acquisition of tangible fixed assets by charity	(6,811)	(14)
Acquisition by subsidiary companies of:		
Tangible fixed assets	(47)	(11)
Asset under construction	(2,847)	(2,066)
	43,505	(52,321)
Increase/(decrease) in cash and cash equivalents	1,086	(10,013)
Cash and cash equivalents at beginning of period	1,626	11,639
Cash and cash equivalents at end of period	2,712	1,626

	2017/18 £000	2016/17 £000
Reconciliation of net income to cash flow from operating activities		
Net income including endowments	4,157	12,965
Adjustments for:		
Depreciation charges	30	7
Net(gains)/losses on investments	300	(3,017)
Investment income	(6,845)	(1,356)
(Increase)/decrease in debtors	(7,381)	(10,792)
(Decrease)/Increase in creditors	(32,680)	44,501
Net cash provided (used in)/by operating activities	(42,419)	42,308

The notes on pages 23 to 32 form part of these accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value via income and expenditure within the Statement of Financial Activities.

They are prepared in accordance with the Financial Reporting Standard applicable in the UK (FRS 102). The Charity is a public benefit group for the purposes of FRS 102, and so it also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

They are prepared in sterling, which is the charity's functional currency. Monetary amounts in the financial statements are rounded to the nearest one thousand pounds.

Going concern

The trustees assessed the suitability of the use of the going concern basis, and considered possible events or conditions that might significantly affect the charity's ability to continue as a going concern. In making this assessment, for a period of at least one year from the date of approval of the financial statements, they considered the charity's forecasts and projections, and noted the pressures on donation, legacy and investment income. After making enquiries, they believe that the charity has adequate resources to continue in operational existence for the foreseeable future. It therefore adopts the going concern basis in preparing its financial statements.

Estimates and judgements

The figure for debtors at 31 March 2018 includes £24.85 million relating to the Charity's major development project. The trustees believe this sum to be fully recoverable, construction commenced in the latter part of the 2017/18 financial year.

Works of art are valued in the balance sheet at £224,000, a figure which the trustees believe fairly reflects their value.

Financial Instruments

The charity has applied the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all its financial instruments. They are recognised in the charity's balance sheet when the charity 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 offset the recognised amounts, and an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Apart from prepayments and deferred income, all other debtor and creditor balances, as shown in notes 10 and 11, are considered to be basic financial instruments under FRS 102.

Consolidation

Royal Free Charity) and its subsidiaries RFC Developments Ltd and RFC Recreation Club Ltd.

As permitted by section 408 of the Companies Act 2006, the parent charity's gross income and results have not been included in the financial statements. The net income of the charity for the year was £4,257,000 (2016/2017: £13,068,000).

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits at call with banks, and other short-term liquid investments with original maturities of three months or less.

Fund Structure

Restricted funds are funds for which a legal restriction exists over their use, as determined by the donor. This could be a restriction to a particular department of the hospital (eg, cardiac or renal), or to a particular sphere of activity (eg, research, equipment).

Unrestricted funds may be used at the trustees' discretion for any general purpose of the Charity.

Endowment funds are funds for which the capital is held in perpetuity, but whose income may be used for restricted or unrestricted purposes, as determined by the donor.

Income

All income is included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- (a) entitlement – arises when a particular resource is receivable or the charity's right becomes legally enforceable.
- (b) probability – when it is probable that the incoming resources will be received.
- (c) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

Expenditure

Liabilities are recognised as expenditure if the charity has a legal or constructive obligation that commits it to the expenditure, or if there is a constructive obligation to make a transfer of value to a third party. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the particular category.

Governance costs comprise the costs of complying with statutory requirements.

Allocation of Overhead and Support Costs

Overhead costs have been divided into the categories shown in note 4, and apportioned between those categories (raising funds, and charitable expenditure), on the basis of their relevance to each category. In 2017/18, as in 2016/17, a direct charge was made to restricted and designated funds in recognition of the overhead and support costs relating to those funds.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

1 ACCOUNTING POLICIES (continued)

The salaries of the Charity's staff are apportioned individually across these expense categories, reflecting the time spent by each individual on the relevant activities.

Grants

Grants payable from designated funds to support the work of various departments of the Royal Free London NHS Foundation Trust are accounted for as a grant when a request for payment is received. Other grants are accrued in full when there is a binding commitment by the Charity to transfer the amounts involved to a third party.

Investments

Investments are shown in the balance sheet at market value.

Property assets held as at 31st March 2013 were valued at that date by CBRE Chartered Surveyors at £11,470,000, and are shown in the accounts at that value. A further property, purchased in 2013/14, and two others, purchased in 2016/17, are valued at their purchase prices (one of which subsequently sold in 2017/18). The trustees believe that a revaluation at March 2018 was not needed.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	5 years
Recreation equipment	5 years
Shop EPOS system	5 years
Shop fit outs	Lease term
Works of art	Not depreciated

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable, then the carrying values are reviewed for impairment.

Asset under construction

The asset under construction is a building on the Royal Free Hospital site, to house the Institute of Immunity and Transplantation. The costs incurred to date relate to construction, architects and other professional fees. Depreciation will not be charged until the building is brought into use.

Realised Gains and Losses

Gains and losses are reported in the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening market values (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or date of purchase if later).

Pooling Scheme

A pooling scheme for all funds held under the auspices of The Royal Free Charity is contained within a Charity Commission Scheme dated 1 April 2016. It covers all funds formerly held by the Special Trustees for The Royal Free Hospital, the Royal Free Hampstead Charities, the Dresden Assistance Fund for the Royal Free Hospital, and the Kitty Cookson Memorial Fund. It does not distinguish between the different types of funds (unrestricted, designated, restricted), which are pooled together.

Pension costs

Staff who were formerly employed by the Royal Free Hampstead NHS Trust (the predecessor of the Royal

Free London NHS Foundation Trust) participate in the NHS Pension Scheme. Some current staff remain in that pension scheme, but new employees participate in personal pension schemes to which the employer's contribution matches that of the employee. Staff of the Charity's trading subsidiary, RFC Recreation Club Ltd, also participate in personal pension schemes.

Operating lease

Rentals paid under operating leases are charged to the Statement of Financial Activities evenly over the period of the lease.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

2 DONATIONS AND LEGACIES	Unrestricted Funds £000	Restricted Funds £000	Total 2017/18 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2016/17 £000
Donations – Capital Appeal	–	2,001	2,001	–	10,380	10,380
Donations – Others	2,825	25	2,850	3,159	26	3,185
Legacies	725	79	804	720	170	890
Total	3,550	2,105	5,655	3,879	10,576	14,455

3 CHARITABLE EXPENDITURE	Grants £000	Activities Undertaken Directly £000	Support Costs £000	Total 2017/18 £000	Grants £000	Activities Undertaken Directly £000	Support Costs £000	Total 2016/17 £000
Patient Welfare and Facilities	1,682	1,181	409	3,273	576	389	137	1,102
Staff Training and Development	263	1,049	187	1,499	495	1,096	225	1,816
Research	305	1,134	206	1,646	628	1,254	266	2,148
Medical Equipment	–	208	30	238	10	265	39	314
Others	30	88	17	135	46	79	18	143
Expired grants written back	–	–	–	–	(117)	–	–	(117)
Total	2,281	3,662	849	6,791	1,638	3,083	685	5,406

All grants were made to institutions. There were no grants to individuals.

4 ANALYSIS OF SUPPORT COSTS BY ACTIVITY	Governance £000	Raising Funds £000	Charitable Activities £000	Total 2017/18 £000	Governance £000	Raising Funds £000	Charitable Activities £000	Total 2016/17 £000
Salaries – charity	120	368	383	870	102	308	323	733
Salaries – trading subsidiary	–	206	–	206	–	201	–	201
Investment/Property Management	–	219	–	219	–	35	–	35
Other trading subsidiary costs	–	202	–	202	–	173	–	173
Charity trading costs	–	254	–	254	–	7	–	7
Statutory auditor's remuneration	15	–	–	15	15	–	–	15
Legal and other professional fees	132	–	–	132	93	5	–	98
Event and marketing costs	–	14	–	14	–	48	–	48
Consultancy/recruitment services	128	23	11	162	67	12	24	103
Publicity materials	–	50	–	50	–	55	–	55
Capital appeal costs	–	371	–	371	–	227	–	227
Others	35	319	26	379	31	82	30	143
Total Support Costs	429	2,025	419	2,874	308	1,153	377	1,838
Governance costs reallocated	(429)	–	429	–	(308)	–	308	–
Total Support Costs	–	2,025	849	2,874	–	1,153	685	1,838

These costs are initially all charged to unrestricted funds, except for certain specific costs that relate to particular special purpose funds. Besides a share of investment management costs, each special purpose fund bears a levy as a contribution towards the other overhead costs, in recognition that some of these costs are incurred in relation to those funds. In 2017/18 this charge was £140,000 (2017/18: £140,000).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

4.1 ANALYSIS OF STAFF COSTS	Charity £000	Subsidiary £000	Total 2017/18 £000	Charity £000	Subsidiary £000	Total 2016/17 £000
Salaries and wages	1,189	180	1,369	835	169	1,004
Social security costs	119	16	135	85	15	100
Other pension costs	119	10	129	63	8	71
Total	1,427	206	1,633	983	192	1,175

No employee of any subsidiary company received emoluments exceeding £60,000.

The number of such employees of the Charity were:

	2017/18	2016/17
£60,001 – £70,000	–	1
£70,001 – £80,000	1	2
£80,001 – £90,000	1	–
£100,001 – £110,000	1	1

Pension contributions were made for these employees as follows:

	£000	£000
£60,001 – £70,000	33	9
£70,001 – £80,000	7	10
£80,001 – £90,000	3	–
£100,001 – £110,000	15	14

There was an average monthly number of 45 staff in 2017/18 (2016/17: 25). RFC Recreation Club Ltd had an average number of 9 staff (2016/17: 8), and RFC Developments Ltd did not employ any staff.

The key management personnel during the year were Christopher Burghes (Chief Executive), Julio Grau (Director of Capital Appeals), Stephen King (Director of Finance – until October 2017), and Richard Scarth (Director of Operations).

The total salary cost of these employees (including employer pension costs) was £403,000 (2016/17: £394,000)

There was no termination payment made during the year in respect of redundancies (2016/17: £17,000).

5 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
Fixed assets	64,034	–	64,034	99,061	1,962	101,023
Current assets	(4,794)	38,350	33,556	(9,343)	34,431	25,088
Liabilities	(23,909)	(292)	(24,201)	(56,584)	(294)	(56,878)
	35,332	38,058	73,390	33,134	36,099	69,233

Charity	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
Intangible fixed assets	11	–	11	–	–	–
Tangible fixed assets	17,523	–	17,523	7,784	–	7,784
Investments	47,026	–	47,026	91,728	1,962	93,690
Current assets	(4,216)	38,350	34,134	(9,449)	34,431	24,982
Short term liabilities	(8,223)	(292)	(8,515)	(4,086)	(294)	(4,380)
Long term liabilities	(16,345)	–	(16,345)	(52,498)	–	(52,498)
	35,776	38,058	73,834	33,479	36,099	69,578

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

6 CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2017 £000
Net movement in funds for the year	2,198	1,959	4,157	2,385	10,676	(96)	12,965
Net movement in tangible fixed assets	9,675	–	9,675	2,084	–	–	2,084
Net movement in funds available for future activities	11,873	1,959	13,832	4,469	10,676	(96)	15,049

7.1 FIXED ASSETS – GROUP

Cost	Recreational Equipment £000	Shop System £000	Shop Fit out £000	Artworks £000	Asset under construction £000	Computer Equipment £000	Properties £000	Total £000
Brought forward at 1 April 2017	34	–	–	224	7,227	11	–	7,496
Additions	47	14	140	0	2,847	–	6,657	9,705
Carried forward at 31 March 2018	81	14	140	224	10,074	11	6,657	17,201
Accumulated depreciation								
Brought forward at 1 April 2017	13	–	–	–	–	11	–	24
Charge for the year	10	3	17	–	–	–	–	30
Carried forward at 31 March 2018	23	3	17	–	–	11	–	54
Net book value at 1 April 2017	21	–	–	224	7,227	–	–	7,472
Net book value at 31 March 2018	58	11	123	224	10,074	–	6,657	17,147

7.2 FIXED ASSETS – CHARITY

Cost	Shop System £000	Shop Fit out £000	Artworks £000	Asset under construction £000	Computer Software £000	Properties £000	Total £000
Brought forward at 1 April 2017	–	–	224	7,560	11	–	7,795
Additions	14	140	–	2,959	–	6,657	9,770
Carried forward at 31 March 2018	14	140	224	10,519	11	6,657	17,565
Accumulated depreciation							
Brought forward at 1 April 2017	–	–	–	–	11	–	11
Charge for the year	3	17	–	–	–	–	20
Carried forward at 31 March 2018	3	17	–	–	11	–	31
Net book value at 1 April 2017	–	–	224	7,560	–	–	7,784
Net book value at 31 March 2018	11	123	224	10,519	–	6,657	17,534

8 SUBSIDIARY COMPANIES

Details of the Charity's subsidiary undertakings are set out below.

All the subsidiary undertakings are incorporated in England and Wales and operate in the United Kingdom.

Company	Class	Shares held %	Principal activity
RFC Recreation Club Ltd	Ordinary	100	Provision of recreational services
RFC Developments Ltd	Ordinary	100	Design, construction and building services
RFC Enterprises Ltd	Ordinary	100	Company dormant and not yet trading
RFC Properties Ltd	Ordinary	100	Company dormant and not yet trading
RFC Properties (CF Holdings) Ltd	Ordinary	100	Company dormant and not yet trading

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

8 SUBSIDIARY COMPANIES (CONTINUED)

The results of the subsidiaries, and their assets and liabilities, are as follows:

	Year ended 31 March 2018		Year ended 31 March 2017	
	RFC Recreation Club Ltd £000	RFC Developments Ltd £000	RFC Recreation Club Ltd £000	RFC Developments Ltd £000
Turnover	434	2,953	396	2,210
Expenditure	(404)	(2,969)	(369)	(2,232)
Result for the year	30	(16)	27	(22)
Total Assets	214	2,123	174	1,155
Total Liabilities	(30)	(2,165)	(21)	(1,181)
Net funds at the end of the year	184	(42)	153	(26)

The Charity's other subsidiary companies (see note 16) did not trade during 2017/18

9 ANALYSIS OF INVESTMENT PORTFOLIO

	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
Market value as at 1 April	93,551	93,690	38,948	39,087
Less: Disposals at carrying value	(46,634)	(46,634)	(9,500)	(9,500)
Add: Acquisitions at cost	293	293	61,879	61,879
Net gain/(loss) on revaluation	(323)	(323)	2,224	2,224
Market value as at 31 March	46,887	47,026	93,551	93,690

9.1 MARKET VALUE AT 31 MARCH

	Held in UK £000	Held Overseas £000	2018 Total £000	Held In UK £000	Held Overseas £000	2017 Total £000
Investment properties	27,845	–	27,845	74,255	–	74,255
Investments listed on Stock Exchange	–	39	39	–	39	39
Investments in Common Investment Funds	18,959	–	18,959	19,087	–	19,087
Cash held within the investment portfolio	45	–	45	170	–	170
Total Investments – Group	46,848	39	46,887	93,512	39	93,551
Investments in subsidiary companies	139	–	139	139	–	139
Total Investments – Charity	46,987	39	47,026	93,651	39	93,690

9.2 ANALYSIS OF INVESTMENT INCOME

	Held in UK £000	Held Overseas £000	2017/18 Total £000	Held In UK £000	Held Overseas £000	2016/17 Total £000
Investment properties	6,083	–	6,083	364	–	364
Investments in Common Investment Funds	760	–	760	953	–	953
Cash held outside the investment portfolio	2	–	2	39	–	39
Total Investment Income	6,845	–	6,845	1,356	–	1,356

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

9.3 DETAILS OF MATERIAL INVESTMENT HOLDINGS

The Charity has two investment managers. Investments in individual entities representing over 5% of the respective managers' portfolios are:

Holding		Value 2018 £000	Value 2017 £000
M&G	Charifund	9,674	9,876
Cazenove	Majedie Asset Management UK Equity	1,071	1,134
	Schroder Charity Equity Fund	688	676
	Equity Income Trust for Charities	1,637	2,034
	Findlay Park American Fund	729	696
	Ruffer Charity Assets Trust	1,011	1,034

10 ANALYSIS OF DEBTORS

	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
Prepayments	30	30	14	14
Due from subsidiary undertakings:				
RFC Developments Ltd	–	1,092	–	1,010
RFC Recreation Club Ltd	–	–	–	16
Other debtors	30,813	30,727	23,448	23,390
Total debtors	30,843	31,849	23,462	24,430

In 2013/14, the Charity made a loan of £500,000 to its subsidiary, RFC Developments Ltd, at a premium of 6% above base rate, regarding a major development project on the Royal Free Hospital site. The loan was increased to £1 million in January 2016, and is due for repayment upon the completion of the development, which is expected to be within the financial year 2019/20.

Other debtors include £24.85 million relating to the development project. It is due for receipt at various stages of completion of the project, and as at 31 March 2018, £14.3 million was due after more than one year. All other debtors fall due within one year.

11 ANALYSIS OF CREDITORS

11.1 CREDITORS FALLING DUE WITHIN ONE YEAR

	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
Grant and other accruals	3,514	3,514	3,801	3,801
Due to subsidiary undertaking – RFC Developments Ltd	–	1,765	–	154
Other creditors	4,339	3,236	579	425
Total creditors falling due within one year	7,853	8,515	4,380	4,380

11.2 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2018 £000	Charity 2018 £000	Group 2017 £000	Charity 2017 £000
Grant accrual	5,045	5,045	5,045	5,045
Other creditors	11,300	11,300	47,453	47,453
Total creditors falling due after more than one year	16,345	16,345	52,498	52,498

Other creditors consist of a mortgage loan secured on the following property: The Royal National Nose, Throat and Ear Hospital, Gray's Inn Road. Interest is charged at 1.45% above LIBOR and the full loan is repayable in March 2021.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

12 ANALYSIS OF MATERIAL FUNDS

12.1 ENDOWMENT FUND BALANCES

	Opening Balance £000	Incoming £000	Expenditure £000	Transfers £000	Gains/ Losses £000	Closing Balance £000
Cookson (2017/18)	–	–	–	–	–	–
Cookson (2016/17)	96	–	–	(96)	–	–

The Cookson Fund supports an oncology fellowship. The unrealised gains/(losses) were credited/(debited) to a revaluation reserve.
In 2016/17 an order was obtained from the Charity Commission to transfer this fund from permanent endowment to restricted (expendable).

	2018 £000	2017 £000
12.2 UNRESTRICTED FUNDS		
Designated Funds:		
Development of Institute of Immunity and Transplantation	13,861	13,880
Friends Fund – transferred from the formerly separate charity, Friends of the Royal Free Hospital **	563	560
Departmental funds received from the former Barnet and Chase Farm Hospitals Charitable Fund**	–	1,072
Departmental funds – Royal Free Hospital**		
Clinical Biochemistry	2,972	3,033
HIV/AIDS	1,429	1,340
Others	15,596	11,128
Total designated funds	34,421	31,013
Other general funds (undesignated)	911	2,121
Total unrestricted funds	35,332	33,134

** These funds derive from donations and legacies made by grateful patients and their relatives over many years, and are under the day-to-day control of fund advisers in specific areas of the Royal Free London NHS Foundation Trust (cardiac, renal, etc) for use on appropriate projects as they arise.

		Opening Balance £000	Income £000	Expenditure £000	Transfers £000	Gains £000	Closing Balance £000
12.3 RESTRICTED FUNDS 2017/18							
Capital Appeal	L	34,366	2,001	–	–	–	36,367
Beckett Legacy	Q	176	7	(92)	–	–	91
Peter Costin Memorial	P	568	26	(13)	–	1	582
St Peter's Trust	O	334	119	(103)	–	–	350
Dresden Assistance	M	495	22	(14)	–	1	504
Kitty Cookson Memorial	N	103	5	(1)	–	–	107
Others (revaluation reserve)		57	–	–	–	–	57
Total Restricted Funds		36,099	2,180	(223)	–	2	38,058

Unrealised gains/(losses) were credited/(debited) to a revaluation reserve.

		Opening Balance £000	Income £000	Expenditure £000	Transfers £000	Gains £000	Closing Balance £000
RESTRICTED FUNDS 2016/17							
Capital Appeal		23,959	10,410	(3)	–	–	34,366
Beckett Legacy		199	10	(42)	–	9	176
Peter Costin Memorial		528	29	(13)	–	24	568
St Peter's Trust		219	219	(112)	–	8	334
Dresden Assistance		461	26	(13)	–	21	495
Kitty Cookson Memorial		–	4	(1)	96	4	103
Others (revaluation reserve)		(128)	–	–	–	185	57
Total Restricted Funds		25,238	10,698	(184)	96	251	36,099

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2018 (CONT.)

12.4 DETAILS OF RESTRICTED FUNDS

Capital Appeal	To fund the building of the Institute of Immunity and Transplantation
Beckett Legacy	To fund a lecturer in medicine
Peter Costin Memorial	To provide bursaries to medical students
St Peter's Trust	To support kidney, bladder and prostate research
Dresden Assistance	To support needy patients upon discharge from hospital
Kitty Cookson Memorial	To support an oncology fellowship

13 CONTINGENT LIABILITIES

There were no contingent liabilities at either 31 March 2018 or 31 March 2017.

14 POST BALANCE SHEET EVENTS

In October 2018 the J F Moorhead Trust merged with the Royal Free Charity. Assets valued at £1.8m, on 31st March 2018, were transferred as a restricted fund, for the purpose of renal research. This is compatible with the Royal Free strategic objective 4, 'invest in medical research and facilities'.

On 30 November 2018 the Charity agreed to the sale of the RNTNEH (Royal National Throat Nose and Ear Hospital) for £55m.

15 TRUSTEES AND CONNECTED PERSONS TRANSACTIONS

No trustee or member of the key management staff or person related to them undertook any material transactions with the Charity in either 2017/18 or 2016/17.

No trustees were reimbursed any expenses in 2017/18 or in 2016/17.

16 RELATED PARTY INTERESTS

Ms Caroline Clarke and Professor Stephen Powis, respectively Director of Finance, and Medical Director, of the Royal Free London NHS Foundation Trust, are trustees of the Charity.

The Charity has five subsidiary companies, in all of which it is sole shareholder, as follows:
RFC Recreation Club Ltd (company no 7686541) – Mr Christopher Burghes, Mr Stephen King (resigned 30/6/17), and Mr Richard Scarth, respectively Chief Executive, Director of Finance, and Director of Operations of the Charity, are directors. In 2017/18, RFC. Recreation Club Ltd reimbursed the Charity £222,308 in respect of staff salaries (£181,210 in 2016/17). There was nothing due to the Charity at 31 March 2018 (£16,405 at 31 March 2017).

16 RELATED PARTY INTERESTS (continued)

The Charity also paid RFC Recreation Club Ltd £2,933 (£2,914 in 2016/17) in respect of the use of facilities. None of this was outstanding at 31 March 2018.

RFC Developments Ltd (company no 8729267) – Mr Christopher Burghes, Mr Stephen King (resigned 30/9/17), and two trustees of the Charity, Dr Russell Gilbert and Mrs Janet Morgan, are directors. In 2017/18 the transactions between RFC Developments Ltd and the Charity were:

Purchase of design and build services by the Charity from RFC Developments Ltd – the Charity was charged £2,953,226 (£2,209,908 in 2016/17), of which £1,764,744 (£153,743 in 2016/17) was due to RFC Developments Ltd at 31 March 2018.

Loan of £1 million from the Charity to RFC Developments Ltd (see note 10) – RFC Developments Ltd was charged interest of £63,542 (£63,333 in 2016/17), of which £63,542 (£10,417 in 2016/17) was due to the Charity at 31 March 2018.

Provision of administrative services by the Charity to RFC Developments Ltd – RFC Developments Ltd was charged £60,000 (£60,000 in 2016/17), none of which was outstanding at 31 March 2018 (none at 31 March 2017).

The following three subsidiary companies did not trade in 2017/18:
RFC Enterprises Ltd (company no 8729268)
RFC Properties Ltd (company no 10609331)
RFC Properties (CF Holdings) Ltd (company no 10699295)

17 OPERATING LEASES

At the reporting date the charity had outstanding minimum future payments in respect of non-cancellable operating leases, which fall due as follows:

	2017/18 £000	2016/17 £000
Due in less than one year	128	–
Due in 1-2 years	128	–
Due in 2-5 years	273	–

18 MEMBER'S LIABILITY

The Charitable Company is limited by guarantee, not having a share capital and consequently the liability of members is limited subject to an undertaking by each member to contribute to the net assets or liabilities if the charitable company on winding up such amounts as may be required not exceeding £1.

PROFESSIONAL ADVISERS

Bankers

Lloyds Bank PLC
40 Rosslyn Hill
London NW3 1NL

Investment Managers

Cazenove Capital Management
12 Moorgate
London EC2R 6DA

M&G Investments
Laurence Pountney Hill
London EC4S 0HH

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

Solicitors

Withers LLP
16 Old Bailey
London EC4M 7EG

Legacy adviser

Blake Morgan LLP
Seacourt Tower
West Way
Oxford OX2 0FB

REFERENCE AND ADMINISTRATIVE DETAILS

Financial statements

The audited consolidated financial statements comply with the Statement of Recommended Practice 'Accounting and Reporting by Charities' FRS 102 as revised in 2015, the Charities Act 2011, the Companies Act 2006.

Charity status

The Charity is a company limited by guarantee. Its members are the Trustees of the Charity, of whom there may be a maximum of 12. Each member guarantees to contribute up to one pound sterling (£1) to the Charity's debts, liabilities and costs in the event of the Charity being wound up and for one year after ceasing to be a member.

Charity objects

The objects of the Charity are, for the benefit:

- (a) to further any charitable purpose or purposes relating to the general or any specific purposes of the Foundation Trust or the purposes of the health service;
- (b) to promote, protect, preserve and advance all or any aspects of the health and welfare of the public, particularly within the catchment area of the Foundation Trust; and
- (c) to advance and promote knowledge and education in medicine, including by engaging in and supporting medical research.

Governing document

The Royal Free Charity is governed by its Articles of Association.

Company number

09987907 in England and Wales

Charity number

1165672 in England and Wales

Registered office

Royal Free Hospital
Pond Street
London NW3 2QG

Patron

HRH The Duke of York, KG, GCVO

THANK YOU



We would like to thank all of our supporters for their commitment to our work and their passion for what we do, which leads them to give generously in so many ways. They help us by volunteering their time, and providing funds through gifts and donations. It's thanks to the enormous generosity of our supporters that we are able to continue funding our services, promoting cutting-edge research and improving facilities for patients and staff. Without them we would not be able to continue our work.

OUR SPECIAL THANKS TO:

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Christos Lazari Foundation
Leadiant Biosciences
League of Friends of Edgware Community Hospital
Judy Lewis
Lighthearted Fundraising Events Team
Eddie and Joyce Lim
Harisadhan Maiti
Mango Tree Restaurant
Marks & Spencer – Southgate
Jeffrey Modell Foundation
Chris Morling
Peter Moxham and Family
Norgine Pharmaceuticals Limited
Pentax UK Ltd
Pfizer Limited
Relief Chest Scheme
ROAN Charitable Trust
The Romeera Foundation
Royal Free Kidney Patient Association
Sainsburys – O2 Centre

Scleroderma & Raynaud's UK
Shire
Society for Mucopolysaccharide Diseases
Samantha Tillman
Trent Park Golf Club
World Federation of Hemophilia
Worshipful Company of Information Technologists

LEGACIES

The gifts that we receive from wills, regardless of their size, enable future generations to benefit from improvements to patient care at all the hospitals we support.

Joan E Austin
Robert J Chicken
Gordon R Davidson
John Greenhalgh
Peter A Lund
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Margaret L Searle
Aron Sloma
Rosemary Sprigg
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Albert C Ward
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John James Leon Varney Will Trust



ROYAL FREE CHARITY

Royal Free
Pond Street
London NW3 2QG

BARNET HOSPITAL CHARITY

Barnet Hospital
Wellhouse Lane
Barnet EN5 3DJ

CHASE FARM CHARITY

Chase Farm Hospital
127 The Ridgeway
Enfield EN2 8JL