



royal free
charity

barnet hospital
charity

chase farm
charity



Making today feel better

ANNUAL REPORT & IMPACT STATEMENT 2018-19

The complementary therapy team (featured on the front and back cover), supported by trained therapy volunteers, gave more than **1,500 hours** of treatment during the year. They offer massage therapy to staff and patients to complement conventional medical treatment.

Over 12 months they have provided **34,000 massage treatments** to cancer patients and women on the maternity wards, and to staff to relieve stress during the working day.

The benefits include encouraging relaxation, reducing anxiety and blood pressure and easing symptoms such as pain, nausea and poor sleep.

The team continues to grow, **from 9 to 13 members**, and has introduced online referral forms – helping users to benefit from the service more easily.



The complementary massage therapy team

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Thank you for all you do

 Making today feel better

*Judy Dewinter, Chair of Trustees and
Chris Burghes, Chief Executive laying
the first brick in the Pears Building*

OUR TRUSTEES

Mrs Judy Dewinter
CHAIR (from 20 May 2019)

Mrs Christine Fogg
CHAIR (to 20 May 2019)

Mr Russell Brooks

Ms Caroline Clarke
(to 31 March 2019)

Miss Elizabeth Cleaver

Dr Russell Gilbert

Mr Robert Leak
(to 31 March 2019)

Mr Michael Luck

Professor Stephen Powis
(to 10 November 2019)

Ms Akta Raja
(from 3 June 2019)

Dr Stephen Shaw

Mrs Melanie Sherwood
(from 2 December 2019)

SENIOR MANAGEMENT TEAM

Chris Burghes
CHIEF EXECUTIVE

Barry Aspland
DIRECTOR OF FINANCE

Julio Grau
DIRECTOR OF FUNDRAISING
AND CAPITAL APPEALS

Richard Scarth
DIRECTOR OF OPERATIONS



MESSAGE FROM THE CHAIR AND THE CHIEF EXECUTIVE

Here at the Royal Free Charity, the patients and staff of the Royal Free London NHS Foundation Trust are at the centre of everything we do. This year has been a record year in turning the generosity of our donors into practical support.

Our most ambitious project to date, the Pears Building, has risen from the ground and taken shape: it will house our world-leading £62m medical research centre, the UCL Institute of Immunology and Transplantation, which is on track to be finished by the end of 2020.

£11M TRANSFORMATION

During the year we supported the Royal Free with our largest-ever grant of £11.2m. This is being used to invest in the digital transformation of the hospitals

and in supporting the trust's quality improvement work, bringing tangible benefits to patients and staff.

PATIENT SUPPORT

While we provide grants to the Royal Free we also have a range of non-clinical services to help patients. The past year has seen the creation of an advice and support hub at the Royal Free Hospital in Hampstead which has significantly supported the health and wellbeing of patients with fitness guidance and benefits advice. We plan a similar service at Barnet Hospital.

And, with more and more care delivered beyond hospital gates, we're moving out into the community, with some of our young volunteers now working in GP surgeries to advise patients on services.

Two of our volunteers have been given special recognition. John Gaunt won a Daily Mail Hero Award for his work as a dementia companion. And 16-year-old Malakiva Bangeru received a Points of Light award, from former Prime Minister Theresa May, for her work using live music to support patients.

ACCOMMODATION FOR STAFF

During the year we've also undertaken a number of property transactions to support our long-term ambitions.

We've sold the former Royal National Throat, Nose and Ear Hospital site on Gray's Inn Road, near King's Cross, but retained the right to create future key accommodation there for Royal Free staff. We've also refurbished Graseby House

in Barnet to provide our first housing for Barnet Hospital's nurses and doctors, as well as administrative offices. This supports the trustees' objective of helping recruit and retain clinical staff, which is critical to providing consistent and high quality care.

LOOKING AHEAD

This year the results of our donors' generosity have been particularly tangible but how do we know what impact NHS charities have? Working with our colleagues at Imperial Health Charity and New Philanthropy Capital we have looked into this and provided guidance for other NHS charities.

Challenging times mean it is essential that what we do fits in with the priorities of our three hospitals and their stakeholders. We are looking into how, over the next five to 10 years, we can now best support the staff and patients of the trust.

None of this would be possible without our generous supporters and, of course, our volunteers. They make the difference between a good and a bad day for patients and staff more often than we will ever know and our deepest thanks go to them.

Judy Dewinter

Chair of Trustees, Royal Free Charity

Chris Burghes

Chief Executive, Royal Free Charity

ABOUT US

The Royal Free Charity supports three hospitals: the Royal Free, Barnet and Chase Farm hospitals. We also support staff and patients at our satellite units including Tottenham Hale Kidney and Diabetes Centre, Finchley Memorial Hospital, Edgware Community Hospital and Mary Rankin Dialysis Centre. St Peter's Trust remains part of the Royal Free Charity and continues to support kidney, bladder and prostate research.

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 one charity supporting all areas of what was then the Royal Free Hampstead NHS Trust, and 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 charity too.

In 2016 we became a fully independent charity and ceased to be established under NHS legislation. The charity is authorised to hold charitable funds for the NHS trust, and these funds may be used to enhance and complement the work 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 IMPACT IN NUMBERS

£1.9m



**PATIENT EXPERIENCE
GRANTS GIVEN**

32% decrease on last year

£1.9m



RESEARCH GRANTS GIVEN

36% increase on last year

34,000



MESSAGES GIVEN

2% increase on last year

800



VOLUNTEERS

6% increase on last year

OUR YEAR IN NUMBERS

£42.2m

**INCOME PLUS NET GAIN ON
INVESTMENTS**

including £33.1m gain on disposal of
investment property

225% increase on last year

£21.69m

TOTAL SPEND

146% increase on last year

£18.58m

TOTAL CHARITABLE SPEND

including £11.6m grant awarded to
Royal Free London NHS Foundation Trust

159% increase on last year

OUR IMPACT ACROSS OUR OBJECTIVES

Our 2016-21 strategic plan has 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



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

OBJECTIVE 3



A&E navigators are volunteers who assist A&E department with administrative tasks to speed up discharges and help with other non-clinical issues.

OBJECTIVE 1



Sale of the RNTNEH site in Gray's Inn Road.

OBJECTIVE 4

ON-GOING



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

OBJECTIVE 3



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

OBJECTIVE 4



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

OBJECTIVE 1



Our recreation club to provide health and wellbeing classes to patients with long-term conditions.

OBJECTIVE 1



The young person volunteer scheme in GP surgeries across north London has now been launched.

OBJECTIVE 1



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

OBJECTIVE 4



Invest over £10m into medical research and support at the Royal Free Hospital to help all patients receive cutting-edge treatments.

OBJECTIVE 1 & 4



Funding of quality improvement initiatives at Chase Farm and the Royal Free hospitals.

OBJECTIVE 2

PLANNED



Further developments in volunteer training at the Royal Free Hospital.

OBJECTIVE 1



Plans to fit out the new nurses' accommodation at Graseby House in Barnet.

OBJECTIVE 2



Initial plans to provide staff accommodation in the Chase Farm Hospital area.

OBJECTIVE 2



Opening of patient accommodation in the Pears Building.

OBJECTIVE 1

In 2018/19 the charity awarded the trust its largest grant to date following the realisation of £11.6m from the sale of the Royal National Throat, Nose and Ear Hospital site. This grant has helped transform the digital set-up in all three hospitals and fund other quality improvement work. This includes taking advantage of the latest technologies, advancing the understanding of illness, developing new and better therapies as well as tackling health and social inequalities.

Largest grant awarded

DIGITAL TRANSFORMATION

A total of £8m of this amount was allocated by the trustees to help fund major digital changes including the continued investment in the electronic patient record system at Barnet and Chase Farm hospitals. Chase Farm Hospital is already the most digitally advanced hospital in the UK and the additional funds will allow:

- a single electronic patient record to replace paper records
- patients the opportunity to access their own records through a modern, patient portal
- integrated medical devices to reduce error and free up clinical time
- a seamless electronic process to better manage outpatient clinics
- the networking of GP records to the RFL systems.

RECORD INVESTMENT

As part of the overall grant the trustees also committed £2m to quality improvement schemes in the hospital – the largest investment in NHS quality improvement given by a charity.

This will be invested in workshops, training, organisational development and local initiatives. It will allow the trust to:

- work with leading healthcare systems to ensure that cost reduction is driven by improvements in clinical and operational quality by removing waste and variation in service quality between different areas of the trust
- improve the patient experience
- help frontline staff improve care for their patients
- improve staff satisfaction
- allow clinicians to develop processes which improve the links between the different organisations that patients deal with during their care, reducing the risks in patient handovers and providing more effective treatment plans.

The grant will also enable investment in patient transport support with dedicated concierges at Barnet and the Royal Free hospitals, the first time an NHS hospital will have provided such a service. This will mean:

- more effective routing of patients to/from clinical services, taking patients directly between clinics/treatment areas and transport providers
- reduced waiting times in arrival/discharge areas, improved scheduling for clinics with better understanding of where patients are at any point and nursing time saved from having to collect/deliver patients for transport.

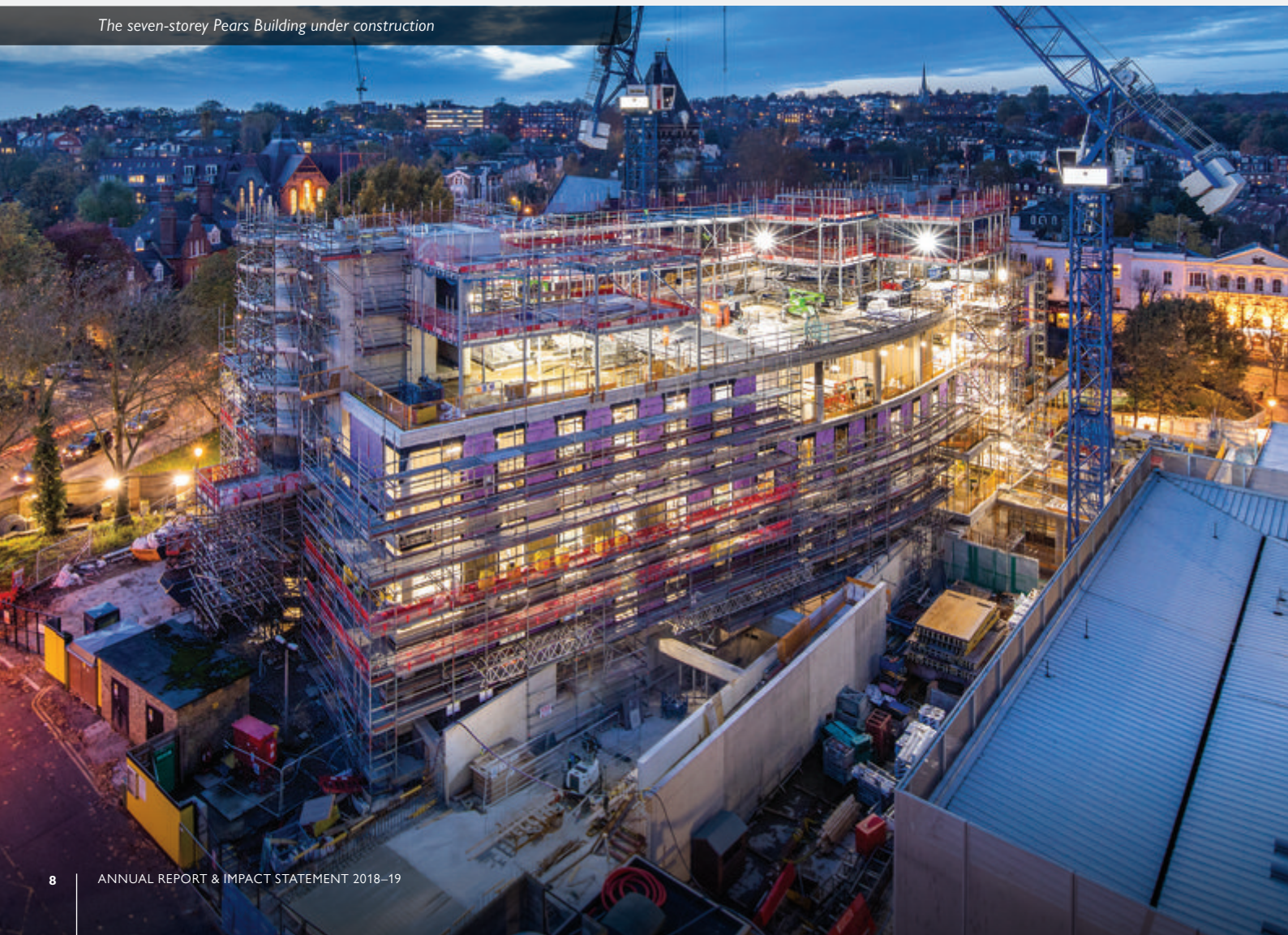


Electronic patient records at the Royal Free Hospital

The Royal Free Hospital

The Royal Free Hospital (RFH) is one of the UK's most prestigious hospitals with a reputation for research, teaching and clinical excellence. The charity's focus over the past 12 months has been on supporting the hospital in these three areas. It has provided grants for clinical research and continued its long-term investment in the training and support of NHS staff. The year has also seen the charity start construction on the long-anticipated Pears Building which will dramatically increase the scale of medical research undertaken on the Hampstead campus of UCL. The discoveries in the new facility will improve the lives of not only our patients at the RFH but also patients nationally and internationally.

The seven-storey Pears Building under construction



OBJECTIVE 1

AN UNDERSTANDING EAR

Being treated for kidney disease can be challenging. There are difficult decisions about treatments such as dialysis or even transplantation and major restrictions on what you eat and drink - and all while remembering to take multiple medications.

Nurses, doctors and other health professionals provide a wealth of education and support, but many patients find it helpful to talk to someone who is in a similar position or who has been through a similar experience. To offer this to more patients, the renal team at the RFH set up a project to support patients with the help of charity volunteers, creating a team of peer supporters who shared their first-hand experience of kidney disease during an informal chat.

IMPROVING EMERGENCY CARE

Following the redevelopment of the A&E department at the RFH, we worked with staff to improve the role of the A&E navigator. This role can ensure that patients see the most appropriate healthcare service, be it A&E or a GP, help with administrative tasks and speed up discharges which are delayed by non-clinical issues.

OBJECTIVE 2

SMOKING CESSATION

As part of a new campaign of smoking cessation at the RFH, we have recruited a small team of smoking cessation volunteers. The volunteers support patients during their hospital stay to quit smoking for good and they are helping to improve the smoking cessation culture across the hospital.

OBJECTIVE 3

PHASE 2 OF IIT

Undoubtedly the project that has the biggest impact on the charity this year is the realisation of a 10-year vision to create a new home for the UCL Institute of Immunology and Transplantation (IIT) in the new Pears Building.

The £62m 90,000 sq foot development will become a centre of excellence for translational research into disorders of the immune system. Translational research is designed to convert laboratory findings into new patient treatments.

Central to this idea is to bring into close proximity scientists, clinicians and patients, hence the decision to build it on the site of the RFH.

The building will also house a new patient accommodation facility, coffee bars, patient car parking and new charity offices, which will allow us to increase the number of volunteers we can train to help patients. The new building is expected to be handed over to the charity in September 2020.

OH I DO LIKE TO BE ON WARD 8W...

Beach huts, an ice-cream van and a gift shop may not be what you expect to see on a hospital ward, but that's what greets patients and visitors on ward 8 West at the RFH, which has been refurbished to improve the care of patients living with dementia.

The seaside theme sits alongside a theatre space, complete with a red-curtain backdrop, created for live performances by actors, musicians and poets.

The benefits of the refurbishment as well as an extensive programme of stimulating activities being delivered by staff and dementia-trained volunteers are already clear: improvement in patient communication with staff, increased physical activity that helps with recovery and reduction in the isolation endured by some patients.

Danielle Wilde, dementia lead, said: *"This ward marks the first step in our journey towards integrating the arts into routine dementia care."*

SPEEDIER SCANS IN A&E

The A&E department at the RFH treats around 370 patients a day and about 40 of these patients will need treatment for conditions identified by ultrasound scanning. These patients needed to be moved to another area within the hospital, often delaying diagnosis, treatment and pain relief. But thanks to a mobile ultrasound scanner that the charity bought for A&E, speedier patient diagnosis and care are now possible.

The scanner can detect clots in legs and lungs, collapsed lungs, fluid in legs and heart failure. It also helps clinicians to perform tasks like getting intravenous access and inserting chest drains.

OBJECTIVE 4

CHARITY BACKS RESEARCH

After a competitive application process, the charity awarded two fellowships to students studying PhDs at the IIT.

One project will focus on Fabry disease, a rare genetic metabolic disorder which can affect many parts of the body including the kidneys, heart and skin. It will focus on the environmental, clinical and biological reasons behind the very wide variation in symptoms between different Fabry sufferers in the hope of better predicting how the disease will develop in individual patients and how they are likely to respond to treatment.

The other fellowship will look at the BK virus, which can infect patients who have had a kidney transplant and lead to rejection of the donor organ. The virus, which is named after the first patient it was identified in, affects only a minority of transplant patients and the project aims to uncover the factors that influence its development.

The process to choose the awards was led by Professor Tony Schapira, director of the Royal Free campus of the medical school; Steve Shaw, then chief executive of Barnet Hospital; and Chris Streather, the trust's chief medical director.

NEXT YEAR'S FOCUS

2019/20 will see the charity focus its energies on the completion of the Pears Building. The largest project the charity has ever managed, the trustees are determined that it will be delivered on time and on budget and the medical research that is planned will have a major impact on patients, giving them quicker access to new treatments and drugs to improve their health. The charity also plans to expand its services, particularly as the Pears Building will give it the opportunity to have a larger and better trained volunteer team who will be able to do more for patients.

Barnet Hospital

OBJECTIVE 1

BARNET SUMMER PROGRAMME

BH welcomed a group of 12 volunteers aged 16-18 who spent three weeks during an intensive volunteering programme. They gained an insight into helping on the wards, supporting patients in clinics and directing people around the hospital. They also supported the running of the Lindsey Café, a pop-up initiative for patients living with dementia.

OBJECTIVE 2

ANNUAL VOLUNTEER PARTY

The annual volunteer parties gives us an opportunity to say thank you for the many hours of time that volunteers give the hospitals, their patients and staff. The volunteers at the Royal Free Hospital celebrated as always in the staff restaurant and Barnet and

Throughout the year the charity has consistently supported the patients, families and staff of Barnet Hospital (BH). From art to grants, volunteering to fundraising the charity is intertwined with the hospital and how it helps NHS patients. Over the past 12 months the charity has increased the number of volunteers and the range of their activities. We have also invested a record amount in the staff as we recognise that great patient care can be delivered only with a well-trained and supported workforce.

Chase Farm hospitals had a joint party at a hotel in Hertfordshire with music and merriment. Many volunteers were given awards and some received long-service certificates.

OBJECTIVE 4

A BRIGHTER DISCHARGE LOUNGE

A mural created by students at Barnet College is now the centrepiece of the discharge lounge at BH, where patients can wait for their medication and transport after being discharged.

The mural depicts an island scene with hard-to-spot animals which patients can hunt for in this more relaxed and attractive environment. The mural is also designed to stimulate, distract and facilitate conversation with patients with dementia.

NEXT YEAR'S FOCUS

2019/20 will see the charity increase the services it offers at the hospital and how it supports staff. The charity is in the final stages of fitting out new nurse accommodation at Graseby House (which is in the heart of Barnet). Across London the provision of affordable accommodation for clinical staff is a major obstacle to recruiting and retaining nurses. This will help Barnet Hospital retain more staff which will lead to a more consistent level of care, increasing our impact. At the same time we will also be opening a Support Hub, our advice service to patients. Following its success at the Royal Free Hospital we know we can significantly help patients recovering from surgery or coping with a long-term medical condition.

New mural has great feedback





Meet and greet volunteer Anastasia assisting a visitor at Chase Farm Hospital

Chase Farm Hospital

OBJECTIVE 1

CHASE FARM AND MEET AND GREET

Meet and greet volunteers were a crucial element in the successful transition into the new CFH. As new departments and walkways were being opened each week, our existing and newly-recruited volunteers were deployed to different areas of the hospital and provided a navigation lifeline to patients and staff. They now support the concierge team in welcoming and checking in patients to the hospital.

OBJECTIVE 3

BIG THANK YOU TO STAFF

The stellar achievements of the staff who provide services at CFH, and those worked to redevelop it, were celebrated at a thank-you event on 17 January with food and fireworks provided by the charity.

The opening of the new Chase Farm Hospital (CFH) was a significant highlight of the year. Not only was it the only new hospital to open in the 70th anniversary year of the NHS but it was also the most digitally advanced hospital in the UK. The charity supported this change with a major increase in its volunteer support for patients at CFH. We also helped the trust celebrate the opening and have helped the new staff settle into their new facility.

Natalie Forrest, chief executive of CFH, told guests: *"Staff who work here have done three amazing things – decluttered and moved into this beautiful new hospital; deployed electronic patient records; had a CQC inspection. Most NHS staff might expect do that over the course of a career, not in the space of three months."*

The charity was delighted to help the new hospital say thank you to the staff for this magnificent achievement.

OBJECTIVE 4

AIMING FOR EXCELLENT CARE

The charity awarded a grant of £409,000 to the trust to enable staff, especially at CFH, to improve quality and efficiency. The grant has helped the development of clinical pathway groups (CPGs) which aim to reduced variations in care so that patients can expect the same high standards of care regardless of which of our hospitals they are treated in.

In particular the grant funded the Point of Care Foundation to involve patients and carers in designing CPGs so that their experiences could inform them and help provide a toolkit to be used staff at each hospital.

NEXT YEAR'S FOCUS

We will turn from supporting the opening of the new building to understanding how we can best help patients treated within it. We already have a large volunteer army but this now needs to be supported with a range of new services including the charity's Support Hub. We will also continue our grant scheme to support staff at CFH. As they understand the new hospital better we'll be on hand to help fund those items, often small, that make providing care easier.

Raising funds, supporting patients

The Royal Free Charity raises funds to provide and develop services that help patients and staff in all three hospitals within the Royal Free London NHS Foundation Trust: Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital.

Our supporters are at the heart of everything we do, whether volunteering their time or contributing to our income through gifts and donations, regular giving, fundraising events, one-off campaigns and legacies.

Many of our fundraisers are patients, their carers or staff of the hospitals - they are crucial to our fundraising activities. During the year many took part in our calendar of events, including the London Marathon, Superhero and Santa runs, charity walks, cycle challenges and our comedy night. Many others organised imaginative events such as a white collar boxing night at York Hall in aid of scleroderma research, golf days and the Autumn Ball for dementia patients at Barnet Hospital.

Businesses, charitable trusts and individual major donors also enable us

to fund innovative projects that make a real difference to patients' treatment. Projects funded included two three-year fellowships for research on treatments of tremor dominant Parkinson's disease, the purchase of high dependency monitors for maternity care, young volunteers at GP practices and the creation of a theatre space for dementia patients.

We now have five charity shops which receive donated goods from the public and look forward to them becoming part of their local communities and making a significant contribution to our income.

- 1 Christmas Sparkle Day at Chase Farm Hospital
- 2 Volunteers support the Christmas draw
- 3 'Silent Saw' for Barnet Hospital children's fracture clinic
- 4 Autumn Ball supporting patients with dementia
- 5 Children at the Cancer Christmas party
- 6 Natalie Forrest(left) – first Christmas at Chase Farm Hospital with Diane Ryan
- 7 Yoko in Japan preparing for the London Marathon
- 8 Steve Downer with Keith Hunt, MBE, fundraising for massage therapy
- 9 Celebrating 70 years of the NHS
- 10 The 'Superhero' team 2018
- 11 Michael Ayeni running the Big Half
- 12 Walk for Wards, Trent Park
- 13 Summer Solstice Nordic Walk on Hampstead Heath





4



8



9



5



10



6



11



7



12



13

OUR FUNDRAISING POLICY

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

The charity is registered with the Fundraising Regulator, contributes to its levy on fundraising charities and adheres to its code of practice as well as to Charity Commission guidelines. Trustees provide guidance and oversee our fundraising practices. They are aware of and ensure adherence to the Charity Commission's six fundraising principles:

- 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

No professional fundraisers or commercial participators carried out any fundraising activities on behalf of the charity. We do not sell or exchange lists of data with any other charities or companies for marketing or fundraising purposes. Our 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.

We regularly review our procedures to ensure that we provide our supporters with a good experience when they work with and support us.

Any failure 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 website and an internal process. There have been no complaints or recorded failures to comply with fundraising standards in the past financial year. We were prepared for the introduction of the General Data Protection Regulation in May 2018 having gained consent from our supporters where required and having informed them of their rights and how we use and look after their personal data.

Our privacy policy describes how we use the data provided by our supporters and 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.



Volunteer Syed supporting at Adelaide General Practice

Time that makes such a difference

Thank you to our many wonderful volunteers who dedicate their spare time to helping improve the experience of thousands of patients every year. Whether they are giving directions, bringing in their pets as therapy for patients or lending a listening ear, each one of them makes a difference. Together they volunteered 75,000 hours, 5,000 up on last year.

YOUNG VOLUNTEERS SUPPORT GP PRACTICES

We were delighted to receive funding from the Pears #iwill fund to pilot a project involving young volunteers supporting GP practices. The project directly contributes to the vision set out in the NHS Five Year Forward View and has a positive impact on volunteers, practice staff and patients at GP surgeries.

To date we have provided support at three surgeries and plan to extend the programme to more Camden GPs once we have gathered and processed feedback on the scheme.

OUR VOLUNTEERING NUMBERS

170,000 

times a volunteer has given directions or helped someone navigate around the hospitals – 30,000 times more than last year

6,229 

times a therapy dog has brought comfort or joy to a member of staff, patient or family – 3,000 more times than last year

1,400 

people who volunteered in a year

1,000 

unique times a patient living with dementia has been supported by a specially-trained volunteer

LIVE MUSIC

Live music is really beneficial for patients' mood and wellbeing. Between December 2018 and March 2019 we supported almost 50 live performances, including from Royal Academy of Music students, guitarists, choirs, a violin virtuoso and some great bands. The jazz duo, Duopoly, performed at Chase Farm Hospital and we have plans for music at Barnet Hospital.

"For the first time in weeks, this patient moved his arms and smiled. Matt personalised a song for him and all the nurses



Malavika accepting the Points of Light Award for Volunteering from Theresa May

came in to see and were really moved. This was the last pleasure of this patient's life." Staff member on 10 North, Royal Free.

A keen musician, Malavika Banger first witnessed the positive effect music can have on patients when she produced arrangements of classic songs for Barnet Hospital's dementia café. Excited by what she saw, she began visiting wards with her guitar to perform for patients. This culminated in being given the Points of Light Award by Theresa May, then the Prime Minister, in recognition of her contribution.

TENDER LOVING PAWS

Our 14 therapy dogs and their owners are inundated with daily requests from wards and clinics. Our Cavapoo, Rolo, has been a key supporter of the Royal Free School and eating disorders unit. He regularly visits the maths GCSE class and helps to keep the children engaged with the lessons.



Therapy dog Charlie doing his doggy rounds

DISCHARGE RUNNERS

Our new team of discharge runners are a significant support for the discharge lounge staff team. Covering big distances around the hospital, they pick up medicine from the pharmacy and escort and assist patients between the wards, discharge lounge and to their transport home.

Volunteers also deliver Royal Free Charity-provided clothing, Oyster cards and food to ensure disadvantaged patients are fully supported for their discharge from hospital and can leave with dignity.

SUPPORT HUB

The Royal Free Charity Support Hub was launched in April 2018 and since then more than 20 volunteers have been recruited and trained to support the daily running of the service. Volunteers give information and advice, advocate for patients with long-term conditions wishing to claim benefits, signpost to local community activities and lend visitors a supportive listening ear.

IMPROVED INDUCTION AND TRAINING

Our new volunteer induction programme has received really positive feedback from new volunteers. The interactive sessions cover all mandatory training, introduction to our three hospitals, the charity and the volunteer team. Volunteers who have been with us for longer than a year have been asked to attend a refresher induction.



Royal Free volunteers brushing up their knowledge at refresher training

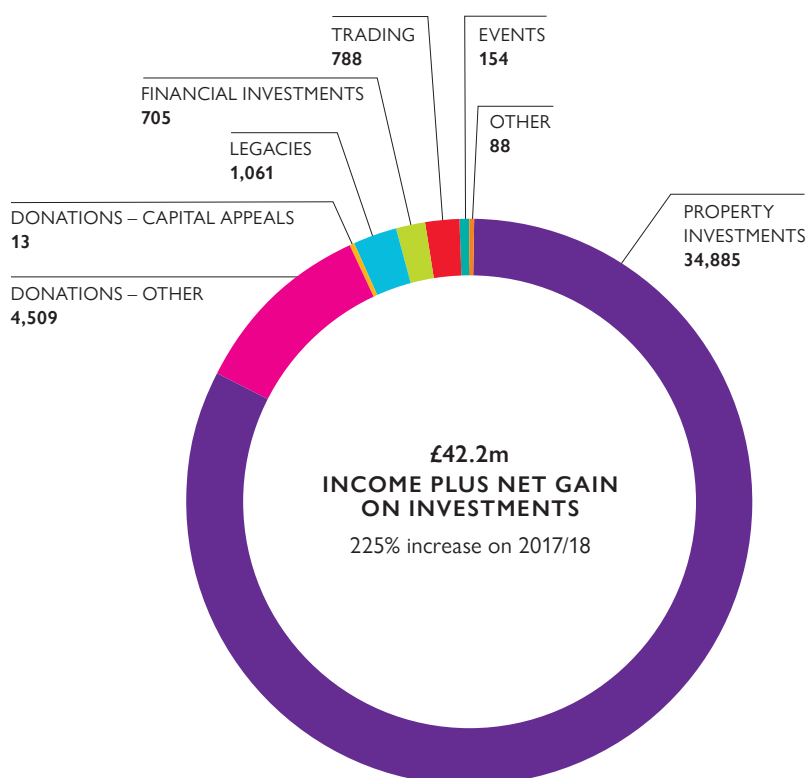
NEXT YEAR'S PRIORITIES

- Transferring the management of volunteers to a digitised system called Better Impact will automate the application process and communications with volunteers.
- Working to become one of the first NHS charities to achieve the Investing in Volunteers (IIV) accreditation. Achieving the IIV accreditation will involve:
 - setting up peer support groups for volunteers
 - extending and supporting an arts programme

Where our income came from

Income including net gain on investments for the year totalled £42.2 million. This is split between donations, legacies, financial and property investments, trading and event activities.

BREAKDOWN OF TOTAL INCOME (£000)



DONATIONS: CAPITAL APPEAL

Funds generated through gifts and grants specifically for the construction of our major new research facility – the Pears Building.

DONATIONS - OTHER

Voluntary gifts and donations received either directly by the charity or through medical departments in the trust from individuals, corporations, charities and charitable trusts and foundations.

EVENTS

Many supporters of the charity participate in, or organise, events such as the London Marathon and the Vitality London Half Marathon to raise money for the charity. During 2018/19 some of the proceeds were used to support the complementary therapy services team and the dementia wards, nurses' training and purchase of equipment such as Accuvein machines and bladder scanners.

FINANCIAL INVESTMENTS

Investment income generated from quoted investments and cash holdings.

LEGACIES

Gifts that donors have left to the charity in their Wills.

OTHER

Income generated from, among other things, training courses run by various departments to further charitable activities within the department concerned.

PROPERTY INVESTMENTS

This predominately relates to the net disposal proceeds on investment properties when they have been sold and the rental income generated from properties held for investment purposes.

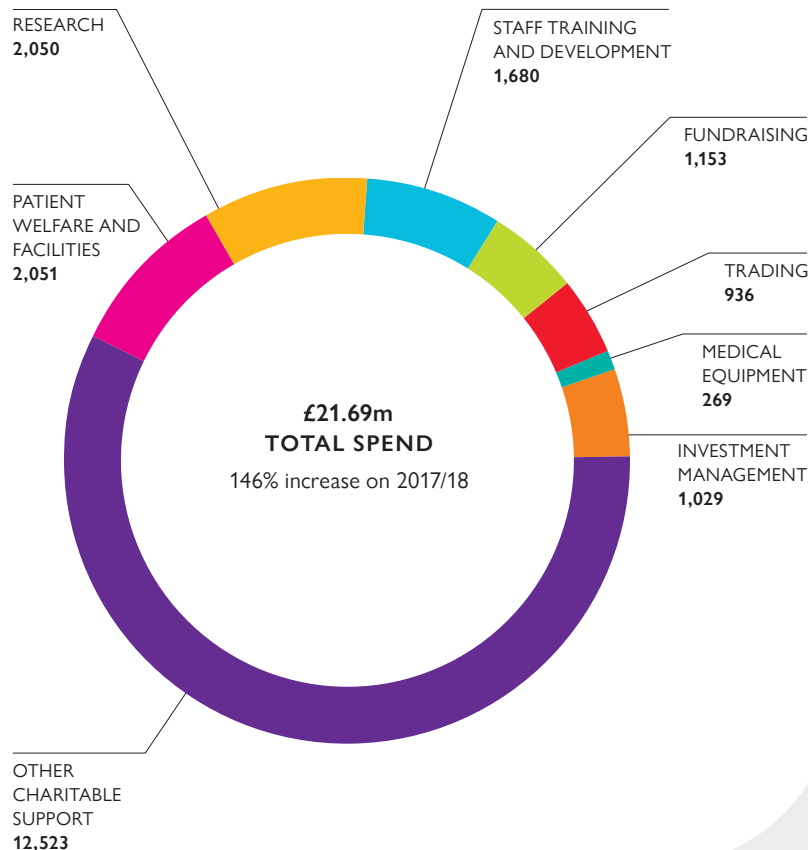
TRADING

Income from our retail operations (charity shops) and 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.

Where the money is spent

Total expenditure for the year was £21.69 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)



FUNDRAISING

The cost of generating our fundraising income by way of staff, event and other related costs.

INVESTMENT MANAGEMENT

These are professional fees in relation to the charity's financial and property investments.

MEDICAL EQUIPMENT

The cost of medical equipment procured by the charity for various departments of the Royal Free London NHS Foundation Trust.

OTHER CHARITABLE SUPPORT

This predominately relates to a grant of £11.6m awarded to the Royal Free London NHS Foundation Trust for use in quality improvement, digital transformation and other patient impact measurable capital schemes.

PATIENT WELFARE AND FACILITIES

Much of this expenditure relates to the volunteer services provided throughout the trust, our Support Hub service, discharge services and the support given to the complementary therapy staff, who, like the volunteers, provide much appreciated services directly to patients.

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.

STAFF TRAINING AND DEVELOPMENT

Many donations are given to benefit 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.

TRADING

The operating costs of the 'Rec Club', which provides fitness and wellbeing services; the figure also includes the cost of the charity's retail trading operations.

FINANCIAL COMMENTARY 2018/19

A key focus in 2018/19 was construction of the charity's flagship building project, the Pears Building, which commenced in March 2018. The £62m project, a partnership between UCL, the charity and the trust, is being managed through RFC Developments Limited, a subsidiary company of the charity. The development programme has progressed very well during the year and is on course to complete in September 2020. There have been no additional donations contributed by the key stakeholders to the Pears Building project in 18/19. However, £10.6m of the accrued donation which stood at £24.2m in 17/18 was received in the year. That leaves £13.6m of the accrued donation being outstanding at year end.

The combined income of the group, including gain on investments, totalled £42.2m for the year. The significant increase compared to 17/18 income (£13m) was due to a £33.1m gain on disposal of the major part of the charity's investment of the Gray's Inn Road site of the Royal National Throat Nose and Ear Hospital (RNTNEH) in December 2018. The disposal was made to support funding for the Pears Building project. Proceeds from disposal have been kept on short-term deposit earning interest income as opposed to being invested in financial investments due to market uncertainty and volatility created by Brexit.

Following disposal of the RNTNEH, a grant of £11.6m has been awarded and paid to the trust for use in quality improvement, digital transformation and other patient impact measurable capital schemes. The disposal also released £16.3m from creditors due after more than one year, which was represented by an £11.3m bank loan and the final £5m of a £7.68m grant. This grant was awarded in prior years to University College London Hospitals NHS Foundation Trust towards construction of its new facility to replace the RNTNEH.

Normal operating income for the group is £6.5m compared to £6.2m in 17/18. The £6.5m income includes a £1.8m asset transfer from JF Moorhead Trust, restricted for the purpose of renal research, following its merger with the charity in October 2018. The charity continues to grow income through diversification and opened two additional charity shops during the year making the total number of shops to be five at the year-end. Online trading started in April 2019.

The charity disinvested £10m of its financial investments during the year to support the cash flow requirement needed to fund the Pears Building commitments prior to disposal of the RNTNEH.

During the year, the charity also spent a further capital expenditure of £0.6m on Graseby House, a charitable property which is undergoing refurbishment to provide the charity's Support Hub for Barnet Hospital, office space for the trust and accommodation for nurses.

Expenditure on charitable activities increased from £7.2m in 17/18 to £18.6m in 18/19. £11.6m (62% of the total charitable expenditure) was a grant provided to the Royal Free London NHS Foundation Trust which is explained in the commentary above. We continued to award grants and undertake activities ourselves in providing patient welfare and support as well as investing in medical research, staff training and medical equipment. More details of projects undertaken, in support of our objectives, are included in the annual report.

Reserves

The charity's reserves are to provide funding for financial commitments and a contingency against unforeseen environmental circumstances. The trustees review the reserves levels annually to ensure the charity has adequate funds.

The charity holds three main categories of reserves:

- Restricted funds primarily derive from other charities that have merged with the charity and therefore their funds must be utilised for the charitable objects of the merged charity. In addition the charity's capital appeal is restricted because of its nature and materiality. Restricted funds at the year-end were £39.5m.
- Unrestricted, designated funds are donations or legacies which have been received by the charity with an expression of wish from the donor, but no binding restriction, to benefit specific activities of a department of either the Royal Free, Barnet or Chase Farm hospitals. Unrestricted, designated funds at the year-end were £30.5m.
- Unrestricted, general funds are generated when no stipulation is made by the donor. However these funds must be expended in line with the charity's objects, which is the responsibility of the trustees. Unrestricted, general funds at the year-end were £23.9m.

A target level and minimum level of unrestricted, free reserves have been established, to ensure the charity has adequate liquid funds to operate, taking account of the environmental risks. The calculation of unrestricted, free reserves deducts the cost of future financial commitments of the Pears Building from the unrestricted, general reserves and measures this against the minimum reserves level. Unrestricted, free reserves at the year-end were £1.4m. The trustees have considered a target level of reserves would be six months of net operating costs and a minimum level of reserves would be four months of net operating costs which equates to £1m and £666k respectively. The current reserves position is in line with this policy.

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 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 effect upon its asset base and cash flow of the construction of the Pears Building and its holdings in property generally;
- the effect of new regulations regarding the use of personal data.

The key risks the RFC Recreation Club faces are:

- 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.

The key risk RFC Developments Ltd faces is:

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

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
Judy Dewinter		2 December 2019
TRUSTEE		Date
Russell Gilbert		2 December 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal structure

On 1 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 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 charity; in addition, the Royal Free London NHS Foundation Trust has the right to appoint and remove one trustee. Currently this is Akta Raja, non-executive director at the Royal Free London NHS Foundation Trust.

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 to 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' board and its four sub-committees – finance and investment, works of art, fundraising and nominations and governance – meet quarterly.

Powers of investment

The charity's 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 2019 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 2019 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 12 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 19, 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

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

internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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

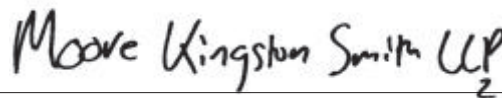
evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- 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.



Luke Holt (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House, 60 Goswell Road, London EC1M 7AD

Date

19 December 2019

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2019

		Year ended 31 March 2019			Year ended 31 March 2018		
	Note	Unrestricted funds £000	Restricted funds £000	2018/19 total £000	Unrestricted funds £000	Restricted funds £000	2017/18 total £000
Income and endowments from:							
Donations and legacies	2	3,479	2,104	5,583	3,551	2,105	5,656
Charitable activities		88	–	88	42	–	42
Other trading activities		788	–	788	527	–	527
Investments	9.2	2,488	45	2,533	4,535	73	4,608
Other events		152	2	154	185	2	187
Other income		–	–	–	15	–	15
Total income		6,995	2,151	9,147	8,855	2,180	11,035
Expenditure on:							
Raising funds	4						
Fundraising expenditure		653	500	1,153	569	14	583
Trading expenditure		936	–	936	662	–	662
Investment/property management		1,029	–	1,029	409	–	409
Charitable activities	3	18,328	247	18,575	6,953	209	7,162
Total expenditure		20,946	747	21,693	8,593	223	8,816
Net gains on investments	9.4	32,997	35	33,032	1,936	2	1,938
Net income		19,046	1,439	20,485	2,198	1,959	4,157
Transfers between funds	12	–	–	–	–	–	–
Net movement in funds		19,046	1,439	20,485	2,198	1,959	4,157
Reconciliation of funds:							
Total funds brought forward		35,332	38,058	73,390	33,134	36,099	69,233
Total funds carried forward		54,378	39,497	93,875	35,332	38,058	73,390

The notes on pages 26 to 35 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 MARCH 2019

	Note	Group March 2019 £000	Charity March 2019 £000	Group March 2018 £000	Charity March 2018 £000
Fixed assets					
Tangible assets	7	7,797	7,747	7,073	7,015
Asset under construction	7	23,872	24,990	10,074	10,519
Investments	9	16,687	16,826	46,887	47,026
Total fixed assets		48,356	49,563	64,034	64,560
Current assets					
Debtors	10	19,775	20,869	30,843	31,849
Short term deposits		21,476	21,476	—	—
Cash at bank and in hand		11,900	10,591	2,712	2,285
Total current assets		53,151	52,936	33,555	34,134
Creditors falling due within one year	11.1	(7,631)	(7,507)	(7,853)	(8,515)
Net current assets		45,520	45,429	25,701	25,619
Creditors falling due after more than one year	11.2	—	—	(16,345)	(16,345)
Total net assets		93,875	94,992	73,390	73,834
Funds of the charity					
Income funds					
Unrestricted	12.1	54,378	55,495	35,332	35,776
Restricted	12.2	39,497	39,497	38,058	38,058
Total funds		93,875	94,992	73,390	73,834

The notes on pages 26 to 35 form part of these accounts.

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 £21,159,000 (2017/2018: £4,257,000).

CHAIR

Judy Dewinter

Date

2 December 2019

TRUSTEE

Russell Gilbert

Date

2 December 2019

Company registration no: 09987907

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	2018/19 £000	2017/18 £000
Cash (outflow) from operating activities		
Net cash (used in) operating activities	(9,214)	(42,419)
Cash flows from investing activities		
Investment income and interest received	2,534	6,845
Proceeds from disposal of fixed asset investments	65,048	46,658
Acquisition of fixed asset investments	(1,817)	(293)
Acquisition of tangible fixed assets by charity	(781)	(6,811)
Acquisition by subsidiary companies of:		
Tangible fixed assets	(8)	(47)
Asset under construction	(13,798)	(2,847)
Net cash flow from investing activities	51,177	43,505
Cash flow from financing activities		
Repayment of loan	(11,300)	–
Increase/(decrease) in cash and cash equivalents	30,664	1,086
Cash and cash equivalents at beginning of period	2,712	1,626
Cash and cash equivalents at end of period	33,376	2,712

	2018/19 £000	2017/18 £000
Reconciliation of net income to cash flow from operating activities		
Net income including endowments	20,485	4,157
Adjustments for:		
Depreciation charges	65	30
Net gains on investments	(33,032)	(1,938)
Investment income	(2,533)	(4,607)
Decrease/(increase) in debtors	11,068	(7,381)
(Decrease) in creditors	(5,267)	(32,680)
Net cash (used in)/provided by operating activities	(9,214)	(42,419)

The notes on pages 26 to 35 form part of these accounts.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

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 2019 includes £13.1 million (£24.85m in 2018) relating to the charity's major development project. The trustees believe this sum to be fully recoverable and construction commenced in the latter part of the 2017/18 financial year.

Works of art are valued in the balance sheet at £312,020 (£224,000 in 2018), 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, deferred income and balances with HMRC under statute, all other debtor and creditor balances, as shown in notes 10 and 11, are considered to be basic financial instruments under FRS 102.

Consolidation

These financial statements consolidate on a line-by-line basis the financial statements of the company (the Royal Free Charity) and its subsidiaries RFC Developments Ltd and RFC Recreation Club Ltd.

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.

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.

During the year, the trustees updated cost allocation method used to split costs between governance, raising funds and charitable activities to best reflect the activities undertaken by the charity. Accordingly, some comparative figures for 2017/18 have been re-stated to reflect the change in method.

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 2018/19, as in 2017/18, a direct charge was made to restricted and designated funds in recognition of the overhead and support costs relating to those funds.

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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (CONT.)

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.

Two investment properties were valued in 2013 by CBRE Chartered Surveyors. A further property purchased in 2016/17 was valued at its purchase price. The trustees believe that a revaluation at 31 March 2019 was not needed as management believe the current value reflects fair value.

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 the Pears Building, constructed on the Royal Free Hospital site, to house the UCL Institute of Immunity and Transplantation, patient accommodation, a car park and charity offices. The costs incurred to date relate to construction, architects and other professional fees. Depreciation will not be charged until the building is ready to be 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 profit and loss account evenly over the period of the lease.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (CONT.)

	Unrestricted funds £000	Restricted funds £000	Total 2018/19 £000	Unrestricted funds £000	Restricted funds £000	Total 2017/18 £000
2 DONATIONS AND LEGACIES						
Donations – capital appeal	–	13	13	–	2,001	2,001
Donations – others	2,471	2,038	4,509	2,825	25	2,850
Legacies	1,008	53	1,061	725	79	804
Total	3,479	2,104	5,583	3,550	2,105	5,655

	Grants £000	Activities undertaken directly £000	Support costs £000	Total 2018/19 £000	Grants £000	Activities undertaken directly £000	Support costs £000	Total 2017/18 £000
3 CHARITABLE EXPENDITURE								
Patient welfare and facilities	159	1,747	145	2,051	1,682	1,181	780	3,644
Staff training and development	394	1,167	119	1,680	263	1,049	187	1,499
Research	609	1,296	145	2,050	305	1,134	206	1,646
Medical equipment	–	250	19	269	–	208	30	238
Others	11,601	35	886	12,523	30	88	17	135
Total	12,764	4,496	1,315	18,575	2,281	3,662	1,220	7,162

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 2018/19 £000	Governance £000	Raising funds £000	Charitable activities £000	Total 2017/18 £000
Salaries – charity	142	443	442	1,026	120	368	383	871
Salaries – trading subsidiary	–	229	–	229	–	206	–	206
Investment/property management	–	1,029	59	1,088	–	409	–	409
Other trading subsidiary costs	–	286	–	286	–	202	–	202
Charity trading costs	–	421	–	421	–	254	–	254
Statutory auditor's remuneration	16	–	–	16	15	–	–	15
Legal and other professional fees	140	–	6	145	132	–	–	132
Event and marketing costs	7	14	–	21	–	14	–	14
Consultancy/recruitment services	111	19	19	149	128	23	11	162
Publicity materials	–	106	–	106	–	50	–	50
Capital appeal costs	–	–	283	283	–	–	371	371
Others*	40	571	52	663	35	129	26	190
Total support costs	454	3,118	860	4,432	429	1,654	791	2,874
Governance costs reallocated	(454)	–	454	–	(429)	–	429	–
Total support costs	–	3,118	1,315	4,432	–	1,654	1,220	2,874

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 2018/19 this charge was £179,000 (2017/18: £140,000).

*Raising funds include a provision for bad debt of £500,000 for a donation of same amount recognised as income in prior years. Provision has been required as recoverability of the amount is doubtful.

During the year, the trustees updated cost allocation method used to split costs between governance, raising funds and charitable activities to best reflect the activities undertaken by the charity. Accordingly, some comparative figures for 2017/18 have been re-stated to reflect the change in method.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (CONT.)

4.1 ANALYSIS OF STAFF COSTS	Charity £000	Subsidiary £000	Total 2018/19 £000	Charity £000	Subsidiary £000	Total 2017/18 £000
Salaries and wages	1,551	205	1,756	1,189	180	1,369
Social security costs	153	19	172	119	16	135
Other pension costs	102	11	113	119	10	129
Total	1,806	235	2,041	1,427	206	1,633

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

The number of such employees of the charity were:

	2018/19	2017/18
£60,001 – £70,000	–	–
£70,001 – £80,000	–	1
£80,001 – £90,000	1	1
£90,001 – £100,000	1	–
£100,001 – £110,000	–	1
£120,001 – £130,000	1	–

Pension contributions were made for these employees as follows:

	£000	£000
£60,001 – £70,000	–	33
£70,001 – £80,000	–	7
£80,001 – £90,000	7	3
£90,001 – £100,000	4	–
£100,001 – £110,000	–	15
£120,001 – £130,000	17	–

There was an average monthly number of 56 staff in 2018/19 (2017/18: 45). RFC Recreation Club Ltd had an average number of 10 staff (2017/18: 9), 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 Fundraising and Capital Appeals), Barry Aspland (Director of Finance – from October 2018), and Richard Scarth (Director of Operations). The total salary cost of these employees (including social security and employer pension costs) was £403,000 (2017/18: £403,000).

5 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Unrestricted funds £000	Restricted funds £000	Total 2018 £000
Fixed assets	46,513	1,844	48,357	64,034	–	64,034
Current assets	15,276	37,875	53,151	(4,794)	38,350	33,556
Liabilities	(7,411)	(221)	(7,632)	(23,909)	(292)	(24,201)
	54,378	39,497	93,875	35,332	38,058	73,390

	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Unrestricted funds £000	Restricted funds £000	Total 2018 £000
Charity						
Intangible fixed assets	13	–	13	11	–	11
Tangible fixed assets	32,724	–	32,724	17,523	–	17,523
Investments	14,983	1,844	16,826	47,026	–	47,026
Current assets	15,061	37,875	52,936	(4,216)	38,350	34,134
Short term liabilities	(7,286)	(221)	(7,507)	(8,223)	(292)	(8,515)
Long-term liabilities	–	–	–	(16,345)	–	(16,345)
	55,495	39,497	94,992	35,776	38,058	73,834

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (CONT.)

6 CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE	Unrestricted funds £000	Restricted funds £000	Total 2019 £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2018 £000
Net movement in funds for the year	19,046	1,439	20,485	2,198	1,959	–	4,157
Net movement in tangible fixed assets	14,522	–	14,522	9,675	–	–	9,675
Net movement in funds available for future activities	33,569	1,439	35,007	11,873	1,959	–	13,832

7.1 FIXED ASSETS – GROUP	Recreational equipment £000	Shop system £000	Shop fit out £000	Artworks £000	Asset under construction £000	Computer equipment £000	Properties £000	Total £000
Cost								
Brought forward at 1 April 2018	81	14	140	224	10,074	11	6,657	17,201
Additions	8	5	58	88	13,798	–	630	14,587
Carried forward at 31 March 2019	89	19	198	312	23,872	11	7,287	31,788
Accumulated depreciation								
Brought forward at 1 April 2018	23	3	17	–	–	11	–	54
Charge for the year	16	3	45	–	–	–	–	65
Carried forward at 31 March 2019	39	6	62	–	–	11	–	119
Net book value at 1 April 2018	58	11	123	224	10,074	–	6,657	17,147
Net book value at 31 March 2019	50	13	136	312	23,872	–	7,287	31,669

7.2 FIXED ASSETS – CHARITY	Shop system £000	Shop fit out £000	Artworks £000	Asset under construction £000	Computer software £000	Properties £000	Total £000
Cost							
Brought forward at 1 April 2018	14	140	224	10,519	11	6,657	17,565
Additions	5	58	88	14,471	–	630	15,252
Carried forward at 31 March 2019	19	198	312	24,990	11	7,287	32,817
Accumulated depreciation							
Brought forward at 1 April 2018	3	17	–	–	11	–	31
Charge for the year	3	45	–	–	–	–	49
Carried forward at 31 March 2019	6	62	–	–	11	–	80
Net book value at 1 April 2018	11	123	224	10,519	–	6,657	17,534
Net book value at 31 March 2019	13	136	312	24,990	–	7,287	32,737

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 2019 (CONT.)

8 SUBSIDIARY COMPANIES (CONTINUED)

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

	Year ended 31 March 2019		Year ended 31 March 2018	
	RFC Recreation Club Ltd £000	RFC Developments Ltd £000	RFC Recreation Club Ltd £000	RFC Developments Ltd £000
Turnover	469	14,409	434	2,953
Expenditure	(510)	(13,867)	(404)	(2,969)
Result for the year	(41)	542	30	(16)
Total assets	166	3,231	214	2,123
Total liabilities	(23)	(3,230)	(30)	(2,165)
Net funds at the end of the year	143	1	184	(42)

The charity's other subsidiary companies (see note 16) did not trade during 2018/19

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
9 ANALYSIS OF INVESTMENT PORTFOLIO				
Market value as at 1 April	46,887	47,026	93,551	93,690
Less: disposals at carrying value	(32,108)	(32,108)	(46,634)	(46,634)
Add: acquisitions at cost	1,817	1,817	293	293
Net gain/(loss) on revaluation	91	91	(323)	(323)
Market value as at 31 March	16,687	16,826	46,887	47,026

	Held in UK £000	Held overseas £000	2019 total £000	Held in UK £000	Held overseas £000	2018 total £000
9.1 MARKET VALUE AT 31 MARCH						
Investment properties	5,901	—	5,901	27,845	—	27,845
Investments listed on stock exchange	—	39	39	—	39	39
Investments in common investment funds	10,745	—	10,745	18,959	—	18,959
Cash held within the investment portfolio	2	—	2	45	—	45
Total investments – Group	16,648	39	16,687	46,848	39	46,887
Investments in subsidiary companies	139	—	139	139	—	139
Total investments – Charity	16,788	39	16,826	46,987	39	47,026

	Held in UK £000	Held overseas £000	2018/19 total £000	Held in UK £000	Held overseas £000	2017/18 total £000
9.2 ANALYSIS OF INVESTMENT INCOME						
Investment properties	1,828	—	1,828	3,845	—	3,845
Investments in Common Investment Funds	602	—	602	760	—	760
Cash held outside the investment portfolio	103	—	103	2	—	2
Total investment income	2,533	—	2,533	4,607	—	4,607

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (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 2019 £000	Value 2018 £000
M&G	Charifund	4,633	9,674
Cazenove	Majedie Asset Management UK Equity	531	1,071
	Charity Equity Value Fund	343	–
	Charity Equity Income Fund	783	–
	Schroder European Alpha Income Fund	287	–
	Schroder Charity Equity Fund	–	688
	Equity Income Trust for Charities	–	1,637
	Findlay Park American Fund	437	729
	Ruffer Charity Assets Trust	477	1,011

9.4 GAINS/LOSSES ON INVESTMENTS

The 2018/19 net gains on investments include £33.1m gain on disposal of major part of the charity's investment property on the Gray's Inn Road site of the Royal National Throat Nose and Ear Hospital.

The 2017/18 net gains include £2.2m gain on disposal of the charity's investment at Chase Farm Hospital.

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
10 ANALYSIS OF DEBTORS				
Prepayments	38	38	30	30
Due from subsidiary undertakings:				
RFC Developments Ltd	–	1,500	–	1,092
RFC Recreation Club Ltd	–	–	–	–
Other debtors	19,737	19,331	30,813	30,727
Total debtors	19,775	20,869	30,843	31,849

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 2020/21.

Other debtors include £13.1 million relating to the development project. It is due for receipt at various stages of completion of the project, and as at 31 March 2019, £4.8 million was due after more than one year.

All other debtors fall due within one year.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (CONT.)

II ANALYSIS OF CREDITORS

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
II.1 CREDITORS FALLING DUE WITHIN ONE YEAR				
Grant and other accruals	2,024	2,024	3,514	3,514
Due to subsidiary undertaking – RFC Developments Ltd	–	1,763	–	1,765
Other creditors	5,607	3,721	4,339	3,236
Total creditors falling due within one year	7,631	7,507	7,853	8,515

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
II.2 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR				
Grant accrual	–	–	5,045	5,045
Other creditors	–	–	11,300	11,300
Total creditors falling due after more than one year	–	–	16,345	16,345

The £11.3m mortgage loan secured against the Royal National Throat, Nose and Ear Hospital, Gray's Inn Road has been redeemed in December 2018, following disposal of the property. Subsequently the £5m long-term grant has also been settled.

II ANALYSIS OF MATERIAL FUNDS

	2019 £000	2018 £000
II.1 UNRESTRICTED FUNDS		
Designated funds:		
Development of UCL Institute of Immunity and Transplantation	–	13,861
Friends' Fund – transferred from the formerly separate charity, Friends of the Royal Free Hospital **	563	563
Departmental funds received from the former Barnet and Chase Farm Hospitals Charitable Fund **	–	–
Departmental funds – Royal Free Hospital **		
Clinical biochemistry	2,909	2,972
HIV/AIDS	1,419	1,429
Others	25,565	15,596
Total designated funds	30,455	34,421
Other general funds (undesignated) ***	23,923	911
Total unrestricted funds	54,378	35,332

** 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 holders in specific areas of the Royal Free London NHS Foundation Trust (cardiac, renal, etc) for use on appropriate projects as they arise.

*** General funds of the charity have shown a major increase in 2018/19 (£23.9m) compared to 2017/18 (£0.9m). That is mainly due to a £33m gain on disposal of an investment property (the Royal National Throat, Nose and Ear Hospital, Gray's Inn Road).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (CONT.)

12.2 RESTRICTED FUNDS 2018/19	Opening balance £000	Income £000	Expenditure £000	Transfers £000	Gains £000	Closing balance £000
Capital appeal	36,367	14	(501)	–	–	35,880
Beckett legacy	91	3	(78)	–	1	17
Peter Costin memorial	582	20	(15)	–	4	591
St Peter's Trust	350	292	(122)	–	3	524
Dresden Assistance	504	–	(17)	–	–	487
Kitty Cookson Memorial	107	4	(1)	–	1	110
J F Moorhead	–	1,817	(13)	–	26	1,831
Others (revaluation reserve)	57	–	–	–	–	57
Total restricted funds	38,058	2,151	(747)	–	35	39,497

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

RESTRICTED FUNDS 2017/18	Opening balance £000	Income £000	Expenditure £000	Transfers £000	Gains £000	Closing balance £000
Capital appeal	34,366	2,001	–	–	–	36,367
Beckett legacy	176	7	(92)	–	–	91
Peter Costin memorial	568	26	(13)	–	1	582
St Peter's Trust	334	119	(103)	–	–	350
Dresden Assistance	495	22	(14)	–	1	504
Kitty Cookson Memorial	103	5	(1)	–	–	107
Others (revaluation reserve)	57	–	–	–	–	57
Total restricted funds	36,099	2,180	(223)	–	2	38,058

12.3 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
J F Moorhead	To support renal research

13 CONTINGENT LIABILITIES

There were no contingent liabilities at either 31 March 2019 or 31 March 2018

14 POST BALANCE SHEET EVENTS

The charity received £3.526m from the Education and Skills Funding Agency (ESFA) in April 2019 as the agency is no longer going ahead with constructing houses on the site (Chase Farm Hospital) it bought from the charity including the affordable housing that the charity prepaid for during the sale.

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 2018/19 or 2017/18.

No trustees were reimbursed any expenses in 2018/19 or in 2017/18.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019 (CONT.)

16 RELATED PARTY INTERESTS

Ms Caroline Clarke (resigned 31/3/19), Dr Stephen Shaw (appointed 1/4/18), Mrs Judy Dewinter, and Akta Raja (appointed 3/6/19) respectively Group Chief Executive, Chief Executive, Lead Governor, and Non Executive 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 Kedir Mohammed (appointed 25/4/18), and Mr Richard Scarth, respectively Chief Executive, Finance Manager, and Director of Operations of the charity, are directors. In 2018/19, RFC Recreation Club Ltd reimbursed the charity £234,010 in respect of staff salaries (£222,308 in 2017/18). There was nothing due to the charity at 31 March 2019 or 31 March 2018.

The charity paid RFC Recreation Club Ltd £5,470 (£2,933 in 2017/18) in respect of the use of facilities. None of this was outstanding at 31 March 2019. The charity owed the club £7,212 representing cost share on the wellbeing centre set up at the club in 2018/19. This amount was outstanding at 31 March 2019.

RFC Developments Ltd (company no 8729267)

Mr Christopher Burghes, Mr Richard Scarth, and two trustees of the charity, Dr Russell Gilbert and Mrs Judy Dewinter, are directors. In 2018/19, 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 £14,409,483 (£2,953,226 in 2017/18), of which £1,762,704 (£1,764,744 in 2017/18) was due to RFC Developments Ltd at 31 March 2019.
- loan of £1 million from the charity to RFC Developments Ltd (see note 10) – RFC Developments Ltd was charged interest of £66,667 (£63,542 in 2017/18), of which none (£63,542 in 2017/18) was due to the charity at 31 March 2019.
- provision of administrative services by the charity to RFC Developments Ltd – RFC Developments Ltd was charged £60,000 (£60,000 in 2017/18), none of which was outstanding at 31 March 2019 (none at 31 March 2018).
- during the year RFC Developments Ltd made a gift aid distribution to the charity of £500,153 (none in 2017/18).

The following three subsidiary companies did not trade in 2018/19:

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

	2018/19 £000	2017/18 £000
Due in less than one year	128	128
Due in 1-2 years	120	128
Due in 2-5 years	152	273

18 MEMBERS' 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
140 Camden High Street
London NW1 0NG

Handelsbanken
2nd Floor
6A Hampstead High Street
London NW3 1PR

Investment Managers

Cazenove Capital Management
1 London Wall Place
London EC2Y 5AU

M&G Investments
10 Fenchurch Avenue
London EC3M 5AG

Auditors

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

Solicitors

Withers LLP
20 Old Bailey
London EC4M 7AN

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 public 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 FOR ALL YOU DO

Many thanks to all our donors and supporters for their generosity during the financial year. The support of many individuals, charitable trusts and organisations underpins the delivery of the services we provide.

SPECIAL THANKS

Abbott Laboratories Ltd	M L for Endocrinology
Actelion Pharmaceuticals Ltd	Eddie and Joyce Lim
ADLQ	London School of Hygiene & Tropical Medicine
Association of Anaesthetists of Great Britain and Ireland	Marks & Spencer – Southgate
Aquilant Endoscopy Ltd	Ben Milan
Gabriel G Balint-Kurti	Jeffrey Modell Foundation
Biss Davies Charitable Trust	John and Gina Mulheron
Bobath Centre	Norgine Pharmaceuticals Limited
Boston Scientific Ltd	Novartis Pharmaceuticals UK Limited
Paul Brett	The estate of Janet Owens
British Heart Foundation	David Palfreyman
Cook Medical	Pears Foundation
Arabella Cooke and Zebra Gala	Pfizer Limited
Dermatrust	Radio Ysbyty Gwynedd
Peter Elliott	Roche Products Limited
ERBE Medical	Rosetrees Trust
David Fair	Royal Free Kidney Patient Association
GI Supply Inc	Irene G Rubenstein
Maria P Gofa	Mary Russell
Richard Hammell	Sanofi European Treasury Center
Josephine Herring	Scleroderma & Raynaud's UK (SRUK)
Philip W Hinchliff	Prafula Shah
Ipsen Ltd	Shire International GmbH
Dorothy Jacobs Charity	Stillbirth and Neonatal Death Charity
Steven Jarm	In memory of Nia Thomas
Narendra Karnani	Thompson Family Charitable Trust
KeyMed Ltd	Rita Watts
Ladies Kidney Research Darts League	John Wiley & Sons Ltd
Lansdowne Partners (UK) LLP	Charles Wolfson Charitable Trust
Christos Lazari Foundation	

LEGACIES

The gifts that we receive from wills, large or small, are very important to our work and make a lasting difference for generations to come. These gifts support improvements to patient care at all the hospitals we support.

Dennis C Brown
Sally M Cohen
Pamela E Guyver
Michael A Hughes
Richard J King
Rose M Lee
Ruby J Leonard
John M Loder Hutchison
David G Lund
James M Murdoch
Peter Stapleton
Robert W Sutherland
John James Leon Varney Will Trust
Nora Wraight

ROYAL FREE CHARITY

Royal Free Hospital
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

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