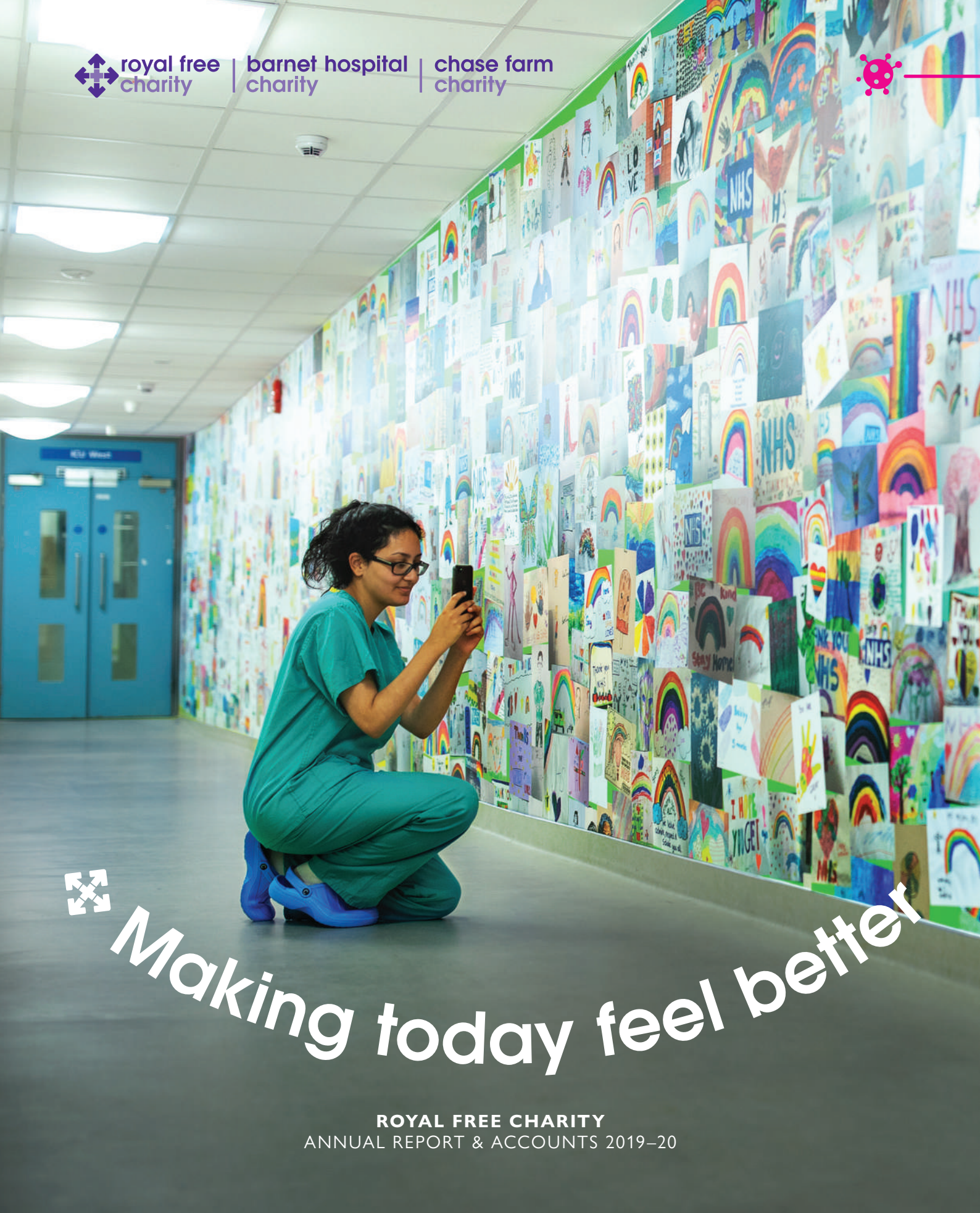




royal free
charity

barnet hospital
charity

chase farm
charity



Making today feel better

ROYAL FREE CHARITY
ANNUAL REPORT & ACCOUNTS 2019-20

In a year that has seen a pandemic not experienced before in our lifetime, our staff, volunteers and supporters worked as one to do all they could to support our patients and the staff caring for them. Throughout all of our areas of remit and some that were newly acquired we strove to make the daily experience feel better.



9 SUPPORT GROUPS
PROVIDED REMOTE SUPPORT
FOR AMPUTEES



27 VOLUNTEERS
PROVIDED A REGULAR
'CHECK IN AND
CHAT' SERVICE FOR
SHIELDING PATIENTS



**88 COMMUNITY CHESTS
AND SATELLITE BOXES**
PROVIDED TO STAFF REST
ROOMS AT BARNET HOSPITAL
AND SATELLITE SITES



650+ VOLUNTEERS
MADE 50,000
PROTECTIVE GOWNS
FOR STAFF CARING FOR
COVID-19 PATIENTS



30 LAMB TEDDIES
PURCHASED FOR THE
NEONATAL UNIT



700 FREE TV SETS
FOR PATIENT BEDS AT THE
ROYAL FREE HOSPITAL



120 MEALS A DAY
DELIVERED TO STAFF WHO WERE
UNABLE TO COME TO
OUR FREE SUPERMARKET DUE TO
WORKING IN HIGH RISK AREAS



**1000+ ARTWORKS &
MESSAGES**
DONATED BY THE PUBLIC
TO THE ICU WALL AT THE
ROYAL FREE HOSPITAL
(as seen on the front cover)



21,000 EASTER EGGS
DONATED



**7 WEEKLY VIRTUAL
WORKOUTS**
CREATED AND POSTED TO
HELP WITH STAFF FITNESS
AND MORALE



**293,068 ITEMS
PROVIDED**

Every day our free supermarket free@thefree was filled with donations and emptied by staff, grateful not to have to wait in a queue after a long shift.



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Making today feel better

Message from the chair

The Royal Free Charity is the linchpin of support for the Royal Free London NHS Foundation Trust (RFL). Many would argue that as a result of our founder William Marsden, who saw the need to provide free healthcare to everyone who needed it, the Royal Free was an early pioneer in the creation of the NHS 120 years before it was founded.

Today that vision still inspires our supporters to want to help the RFL to move further and faster in achieving its strategic objectives.

That same pioneering ethos is driving us today. Covid-19 has brought tremendous challenges and has ushered in a new era for the NHS. We are more determined than ever to support the RFL as it realises its clinical and academic ambitions as part of a reconfigured, fully integrated health system. Our focus is on developing and supporting high-impact projects that go beyond the limitations of NHS funding.

The UCL Institute of Immunity and Transplantation, a world-class research centre that will be housed in the new Pears Building, is a beacon of what we can achieve in partnership with the RFL. It lies at the heart of our strategy, which incorporates support for translational research aimed at finding cures and new treatments for diseases such as diabetes, amyloidosis, pancreatic cancer and haemophilia.

As well as looking to the care of tomorrow, we are also focused on today and use the generosity of our donors to supplement investment in the physical and technical infrastructure of our hospitals, reinforcing safety, increasing efficiency and treating more patients closer to their homes.

Our hospital staff have been an inspiration since the pandemic began and we will support them every step of the way, as they come to terms with the greatest challenge they have faced in a generation and rebuild for the future. Their health and wellbeing lie at the heart of our collective success – to be strong for others, they must be well supported and we plan to be a key part of that support.

During this year, Chris Burghes stood down as our chief executive. He made a significant contribution to the Royal Free Charity and we are very grateful. I would like to thank Richard Scarth for stepping up so effectively in the interim and look forward to welcoming our new chief executive, Jon Spiers.

On behalf of the trustees, thank you to our committed supporters, our staff and partners for all that you do for us. Whether it is volunteering your time, making donations or supporting our fundraising activities, you are at the core of our efforts for our incredible group of hospitals and we are so grateful.



Judy Dewinter
Chair of trustees

*Judy Dewinter, chair of trustees and
Richard Scarth, interim chief executive
at the entrance of the Pears Building*



£2.11M
RAISED
IN THE COVID-19
CAMPAIGN

Message from the CEO

We have had another successful year supporting the work of the RFL. This year we entered the final phase of our five-year strategy, which centres on adding value to our patient and staff experience and investing in the physical and technical environment, as well as in medical research and facilities. We have made good progress across all our activities and have also been working to ensure we are fully equipped for the next stage of our journey by consolidating our approach and reviewing our internal operations and systems.

There have been a number of highlights. The development of the Pears Building, our most ambitious project to date, has continued apace, despite the challenges of Covid-19. It will open in 2021 and will re-house the relocated UCL Institute of Immunity and Transplantation, helping in its aim to become the European leader in its field. Our support hub and its welfare benefit advice service have grown enormously, providing advice and practical support for more than 1,000 visitors. Our volunteer network has continued to inspire, working across the RFL to lighten the load for staff and patients with 65,000 hours of voluntary time.

We were also humbled by the overwhelming public response to our Covid-19 emergency appeal which enabled us to make life a bit more bearable for our hospital staff. The unprecedented challenge of Covid-19 and the resulting recovery and reset of the NHS has underlined the importance of the charity working hand-in-hand with the RFL to help it achieve its strategic goals. We look forward to a successful next chapter in the history of the Royal Free Charity, made possible by our incredible supporters, volunteers, staff, partners and trustees.



Richard Scarth
Interim chief executive

About us

The Royal Free Charity was formed in 2000 and supports the Royal Free London NHS Foundation Trust (RFL) and its three hospitals – Barnet, Chase Farm and the Royal Free – along with several satellite units including Tottenham Hale Kidney and Diabetes Centre, Finchley Memorial Hospital, Edgware Community Hospital and Mary Rankin Dialysis Centre.

Nearly 200 years ago, a young surgeon named William Marsden discovered a girl seriously ill on the steps of a church. He tried in vain to get her into a hospital and she died. Deeply affected, he gathered around him a group of philanthropists and established what would become the Royal Free Hospital.

The charity embodies that same philanthropic spirit today. We are the linchpin of support for the RFL and its three hospitals, which between them offer world-class healthcare treatment, clinical research and teaching excellence.

The RFL is one of the largest hospital trusts in the country, employing more than 10,000 staff and serving a population of more than 1.6 million people across 20 sites in north London and Hertfordshire. Patients come from across the country and beyond to its specialist services in liver and kidney disease and transplantation, haemophilia, HIV, infectious diseases, plastic surgery, immunology, vascular surgery, cardiology, amyloidosis and scleroderma.

The Royal Free Hospital has a high level isolation unit used for the treatment of high consequence infectious diseases such as Ebola. The RFL is a member of the academic health science partnership, UCLPartners.

Our focus is on working closely with the RFL to develop and support projects beyond the limitations of NHS funding. We use our funds to help the RFL go further and faster with its clinical and research ambitions, by supporting translational research facilities, medical research, medical equipment and amenities and services for patients and staff.

We are governed by an independent board of trustees. In 2016, we became a fully independent charity and we are authorised to hold charitable funds for the RFL to complement its work.

OUR TRUSTEES

Judy Dewinter
Chair

Akta Raja
Vice-chair

Russell Brooks

Caroline Clarke
(appointed 24 June 2020)

Liz Cleaver

Russell Gilbert

Nicola Grinstead
(appointed 11 June 2020)

Michael Luck

Katie Morrison
(appointed 11 June 2020)

Prof Stephen Powis
(to 10 November 2019)

Melanie Sherwood
(from 2 December 2019)

Dr Chris Streater
(from 31 March 2020)

Steve Shaw
(to 31 March 2020)

SENIOR MANAGEMENT

Richard Scarth
Deputy chief executive (and
chief executive from 1 April 2020
to 7 September 2020)

Barry Aspland
Director of finance


Paul Stein
Executive director of income
generation (from January 2020)

Julio Grau
Director of fundraising and capital
appeals (to December 2019)

Chris Burghes
Chief executive (to May 2020)



**1,370 PREPARED
MEALS**
PROVIDED PER DAY
ACROSS ALL SITES



1,364 EMAILS
RECEIVED AND RESPONDED
TO SINCE THE START OF
THE APPEAL

Our 2016–21 strategic plan
comprises four objectives that
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

Our response to Covid-19

ROYAL FREE CHARITY
COVID-19
EMERGENCY APPEAL
IMPACT

Covid-19 is the biggest crisis the NHS has faced in a generation. From early in 2020, the staff at our three hospitals – Barnet, Chase Farm and the Royal Free – were facing the formidable challenge of caring for Covid patients, looking after very ill non-Covid patients and dealing with a huge number of patients needing acute care. With resources stretched to the limit and in the most difficult of circumstances, our 10,000-strong workforce of clinical and support staff showed incredible dedication, professionalism and compassion in their collective fight against this deadly virus.

Never has the charity been prouder or more determined to walk side by side with our hospital colleagues, easing the path where we could, thanks to the generosity of our donors. We launched our Covid-19 emergency appeal after consulting closely with the RFL to determine what staff needed to make life more bearable. This included the provision of care packages at the end of a very long shift, psychological support, physical respite spaces for them to rest, refuel and connect with their families, as well as much-needed recreational outings and treats for staff and their families facing financial hardship.

The response from our supporters has been astounding. By the time the appeal closed several months after the end of the financial year, we had raised over £2m and recruited more than 2,000 new supporters. Thanks to this incredible generosity, we are continuing to address the changing needs of staff who are coping with their own mental health challenges. These include trauma, anxiety and insomnia caused by seeing colleagues becoming unwell with the virus and losing patients to the illness. We are more determined than ever to continue supporting them.

650,000+ ITEMS
DONATED TO
FREE@THEFREE, OUR
FREE SUPERMARKET
FOR STAFF

30,400 MEALS
DISTRIBUTED ACROSS
ALL 12 SITES

55,000 FOOTFALL
AT FREE@THEFREE OVER
THE EIGHT WEEKS

11 SATELLITE SITES
SUPPLIED WITH SNACKS,
MEALS AND ESSENTIAL
ITEMS DAILY/WEEKLY

21,000 EASTER EGGS
DONATED

36 CRATES
DONATED TO THE CAMDEN
FOOD BANK IN THE FINAL
THREE WEEKS TO SUPPORT
OUR LOCAL COMMUNITY

40 VOLUNTEERS
SUPPORTED THE
REC CLUB TEAM





Better spaces to work and rest

The Rec Club continues to provide RFL staff and the local community with the opportunity to increase their physical activity, help relieve stress and anxiety and improve overall health.

The club is firmly committed to offering its facilities at affordable prices and this is reflected in the high levels of use by its members and visitors. They make full use of our equipment, our team of fitness experts and personal trainers who encourage and cajole in equal measure, and our incredible sports hall and swimming pool, where they relax and wind down after a busy day. Our Pilates, spinning, yoga and aerobic classes also provide something for everyone, whatever their level. This year we also made a significant investment in the refurbishment of the changing rooms for women and disabled people.

**52,758 STAFF VISITS
TO THE REC CLUB SHOP IN
THE EIGHT WEEKS
OF OPERATION**

COVID-19 EMERGENCY APPEAL – THE REC CLUB SHOP

As the pandemic gathered pace, we worked closely with the RFL to determine the immediate needs of staff. Using funds and goods so generously donated to our emergency appeal, we re-purposed the sports hall into 'Free@theFree' – a free supermarket for our hospital staff.

A massive operation saw the stockroom filled and emptied every day, with six free snacks, basic necessities or more substantial items on offer to staff on each occasion. At the height of the crisis, around 7,500 staff were visiting the shop each week to select food and other items to keep them going. Much of the stock was donated on a daily basis by local firms, and donations made to the charity's emergency appeal were also used to buy items that staff needed but which weren't included in deliveries. A similar scheme at Barnet Hospital provided goods for a further 4,650 frontline workers each week.

Staff who were self-isolating at home weren't forgotten either. Working in close co-operation with the hospitals, the charity re-purposed one of the club's studios to store weekly food boxes for the most vulnerable, with charity volunteers delivering more than 30 food boxes to them each week, each with enough to feed two adults for a week. Ready meals also went to staff living in temporary accommodation near the hospital.

One of the studios was converted into a rest area for staff. The facilities department was also given 24-hour access to the club's changing rooms and lockers so that, even at the peak of the crisis, they could keep their belongings secure and have a hot shower at the end of their long shifts.

"It is great to have a shop after work as we nurses are tired, hungry and stressed and we don't have a time to think about daily shopping. Thank you so much for feeding us. Thank you so much. I appreciate it. Many thanks." Nurse

"It makes such a difference to someone who has been on the wards all day and often having not had much of a break, to be able to come and pick up things they can use at home, rather than having to join a supermarket queue." Kelly Rush, Recreation Club manager



A hub of support for patients

The RFC support hub and its welfare benefit advice service offers help and advice to patients with long-term health conditions. It is a quiet and relaxing space within the Royal Free Hospital, with volunteers on hand to warmly welcome people, listen to and support them. Our team of welfare benefit advisors can help patients with the practical aspects of living with a chronic illness, such as helping to apply for benefits and securing suitable accommodation, sometimes preventing homelessness.

The hub has a strong relationship with trust staff, with patient referrals coming from medical consultants, clinical nurse specialists, physiotherapists and others. This service is made possible by the generosity of our donors.

Many patients have multiple health conditions, with attendant mental health challenges, making dealing with the complications of the benefit and housing systems very difficult. Between April 2019 and March 2020, our advisers helped 501 patients receive over £1.1m of support that they may not otherwise have accessed.

We have had very powerful feedback about the hub from many other patients and also the RFL staff who care for them, reinforcing its impact on patients and our hospital staff:

"If it wasn't for Gabrielle pulling together all the medical information to make my case, I couldn't have done it by myself." Angela

"I had 16 months of reduced income and it was one of the scariest times of my life. Organisations like the hub help to fill in that missing bit of support and give you hope". Ian

"The hub is an invaluable service. I come across at least one patient a week who needs benefit or housing support who I refer. It allows me to spend time doing other things. I don't have the time or expertise to be able to give advice." Jane, clinical nurse specialist, Royal Free Hospital

SUPPORT HUB IMPACT

1,000+ visitors to the hub

238 new patients seen at the hub (152 for welfare benefit support and 50 cases for housing support)

144 patients referred to the 12-week exercise programme

501 patients successfully awarded financial benefits

28 referrals to community services, eg counselling

13 cases where homelessness was averted

11 housing or disrepair approvals/ health adaptations obtained

8 patients rehoused

9 amputee peer support groups held

11 Covid-19 shielding patients with no access to food connected with food or medication

100 patients with chronic conditions received massages in the hub to relieve stress and anxiety



238 NEW PATIENTS
SEEN BY THE HUB
ADVISERS FOR BENEFITS
AND HOUSING ADVICE



★
430 VOLUNTEERS
NEWLY RECRUITED

Our volunteers

It's been another great year for the volunteer team at the Royal Free Charity as we continue to provide a vital helping hand to our patients and hospital staff. Our emphasis has been on expanding the network, investing in our volunteers and monitoring our impact.

NEW VOLUNTEER ROLES CREATE AN IMPACT

Our volunteers make a significant impact by lightening the load for staff and patients across our three hospitals. Our volunteer roles have expanded this year and now include administrative support to the community paediatrics team and volunteer assistants in the blood room, bereavement service, chemotherapy day unit and pharmacy. Their presence provides patients with much-needed comfort and help which enables the clinical staff to spend more time focusing on the patients' clinical needs.

PAIN PROGRAMME

Escape Pain is a programme offering rehabilitation for people with chronic joint pain by integrating simple education, self-management and coping strategies, with an exercise regime. Volunteers assist the therapist twice a week during the 12-week programme, helping to set up equipment, greet patients and offer encouragement and support during the circuit training session. The success of these roles has led to a number of other inpatient and outpatient therapy groups requesting a regular volunteer and there is scope to expand this support to other groups and sites.

YOUNG VOLUNTEERS JOIN THE RANKS

A total of 166 new young volunteers have joined the team, including two young people who have completed the Duke of Edinburgh gold award with us and a group of 24 school-age volunteers who have raised £5,767 through a variety of initiatives.

"So far so good, I am so happy I can socialise with the patients and some of them have lived extraordinary lives. I feel privileged speaking to them." Young volunteer

THE YOUNG VOLUNTEERS SUPPORTING GPS PROJECT

The project is funded by the Pears Foundation and aims to support general practices by creating an interface with voluntary and community sector organisations and the wider community, and encouraging young people to become active citizens. We had a great response from young people applying to volunteer and we were able to interview and place 22 volunteers across the seven practices we support. The project has been paused by the pandemic but we hope our volunteers will be able to finish their placements in the future.

OUR IMPACT

800 volunteers gave 65,000 hours of their time

50,000 gowns made for staff caring for Covid-19 patients

838 specialist interactions with people living with dementia

1,000 hours' worth of relaxing massages for patients and staff

6,000 interactions with patients and staff with one of our 15 friendly therapy dogs

365 days of music and entertainment brought to patients and staff through Royal Free Radio

30 new sets of clothes delivered to patients each month so they can travel home with dignity and in comfort

166 new young volunteers assisting in a variety of roles across the sites



25 VOLUNTEERS
WORKED AT
FREE@THEFREE
AND BARNET HOSPITAL
SORTING DELIVERIES
AND PREPARING FOOD
PACKAGES

INVESTING IN OUR VOLUNTEERS

Volunteers now have access to a wide range of training. Starting with in-house induction for new volunteers, small groups are also offered the chance to expand their knowledge in more specialist areas, including deaf awareness, sighted guide training and learning disability awareness. This provides our volunteers with the knowledge and confidence to assist patients with their specific needs.

We continue to work towards achieving Investing In Volunteers, the UK quality standard for organisations who involve volunteers in their work. We have introduced volunteer peer support groups, reflection meetings for volunteers to share their experiences and improved training for trust staff who work with volunteers.

MONITORING OUR IMPACT

In September 2019, we implemented a new volunteer database system, Better Impact. This allows us to record hours much more efficiently and gives a much better insight into how the volunteers' time is distributed around the hospital.





Investing in the physical and technical environment

The development of infrastructure around our three hospitals continues to be central to our strategy. Covid-19 is making this even more vital, as the RFL, in common with the rest of the NHS, reconfigures its hospitals to create infection-free zones and introduces more ways of caring for patients remotely.

In the coming year, we will support the RFL as it invests in a digital transformation that will enable it to treat more and more patients away from the physical buildings – creating ‘hospitals without walls’. The generosity of our donors means we can help the RFL do more than government funding alone would permit.

IMPROVING SPACES

At the onset of the pandemic, the rooms that ICU staff could rest in were being used at capacity and the conditions were poor and crowded. We carried out a complete refurbishment of four rest rooms and one wellbeing room, including completely new décor and kitchen facilities, creating a haven for our ICU staff. We also supported a revamp of the doctors’ mess by installing artwork and replacing the seating area, providing a more welcoming environment in which they could sleep, eat and socialise.

A combination of art we received after the year end through our public appeal and from children of our staff, as well as work produced by specialist graffiti and street art team Graffiti Kings, were used to fill the walls of the ICU corridor with an array of colourful pictures and messages. A similar rainbow art wall involving 1,000 pieces of artwork has also been installed at Barnet Hospital. Staff have commented on how much it has made them feel appreciated.

“I’ve wanted to brighten up this space with a mural for a long time, and with the added pressures of our response to COVID-19, it seemed like the right time. We approached the Royal Free Charity, and I was blown away by the response – they have taken our initial idea and transformed it into something that really captures the thanks and support from the community.” Sinead Hanton, ICU matron

CREATING SPACES

Other pressures caused by the pandemic include the need to accommodate administrative staff away from the hospital to keep them safe from infection and the provision of accommodation for staff with vulnerable families at home.

Before the charity bought it, Graseby House was an empty student accommodation block a short walk from Barnet Hospital. This year we transformed it into accommodation for 63 clinical staff and offices for 100 administration staff. Each resident has their own room and bathroom and a shared kitchen and laundry facilities. Feedback from staff has been hugely positive.

“The way everything is organised makes you feel like they are really taking care of you. Bills are included in the rent, a cleaner comes into the communal areas every day, the trash is emptied. These things take a huge load off you.” A&E doctor living in Graseby House



63 ROOMS
AT GRASEBY HOUSE
PROVIDING ACCOMMODATION
FOR HOSPITAL STAFF



**16 RESILIENCE AND
EMOTIONAL SUPPORT
AREAS (REST)**
FURNISHED OR IMPROVED BY
THE CHARITY



**23 METRES OF
CHILDREN’S ARTWORK**
DECORATING THE ICU
CORRIDOR AT THE RFH



Celebrating the 'topping out' of the Pears Building – the moment the final bolt was fitted to the structure at its highest point

Investing in medical research and facilities

From its earliest days pioneering free healthcare to today's groundbreaking research, the Royal Free has been associated with innovation which has changed not just the lives of individual patients but also medical practice.

Our partnership with the RFL has helped carry this spirit forward, particularly in our support for translational research, which is designed to convert insights in the laboratory to new treatments. A generous donation from the Pears Foundation helped us to realise our ambitious plan to create the Pears Building, a new home for the UCL Institute of Immunity and Transplantation (IIT) which will open in 2021. This will help the IIT in its mission to become a world class research centre, where clinicians and researchers will work side by side, speeding up the conversion of research insights from the laboratory bench to novel and effective treatments at the patient's bedside.

Together with another of our landmark projects, the Charles Wolfson Centre for Reconstructive Surgery, these facilities will result in important new treatments. We are also proud to support other medical research being carried out by our hospitals and continue to give over £2.5m of research funding every year to break new ground for conditions such as amyloidosis, pancreatic cancer and haemophilia.

THE PEARS BUILDING, HOUSING THE INSTITUTE OF IMMUNITY AND TRANSPLANTATION

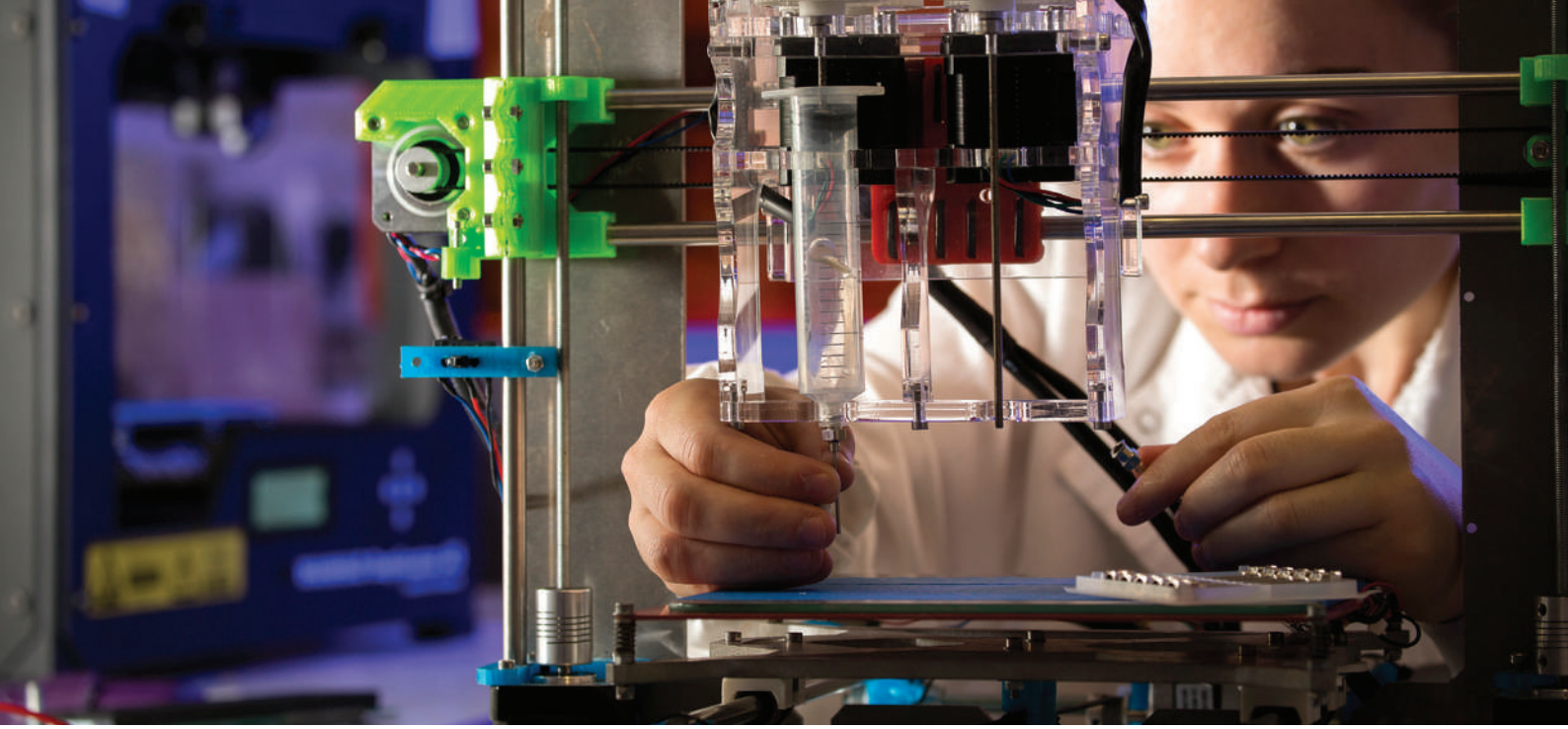
"The Pears Building will provide the space and equipment to attract world class scientists to join our team and help our patients to access potentially curative cutting-edge therapies." Dr Siobhan Burns, who leads research into inherited disorders of the immune system.

Covid-19 has posed inevitable challenges for the construction of the Pears Building, with the safety of the construction workforce and minimising the impact on our neighbours being our top priorities. Provided there are no new issues posed by the pandemic, we hope the new home for the IIT will be ready to move into by early 2021.

Almost a year to the day that we celebrated the building reaching the seventh and final floor of the new building, Sir Trevor Pears, executive chair of the Pears Foundation, fitted the last bolt into the steel frame of the new building. A group of special guests wrote their names on bricks and laid them into a wall that will remain visible in the charity's new office for the life of the building.



**100 CARE PACKAGES
PROVIDED TO PATIENTS BEING
DISCHARGED FROM BARNET AND
THE ROYAL FREE HOSPITALS**



IIT RESEARCH INTO KIDNEY CANCER – LABORATORY BENCH TO THE BEDSIDE

Maxine Tran, associate professor in kidney cancer and an honorary consultant urological surgeon, knows that immediate treatment for kidney cancer is not necessarily the best plan, as most small tumours, whether cancerous or benign, pose little risk of harm. Better tools would help distinguish between those that are destined to be problematic and those that are not. The large number of patients treated by the Royal Free Hospital's Specialist Centre for Kidney Cancer – now the largest centre of its kind in western Europe – has been key to her team's research.

"The high volume of patients and the close links between clinicians and scientists mean that we can translate our insights in the laboratory to workable treatments for patients much faster. This will significantly benefit not just our patients but cancer patients everywhere."

Maxine Tran

This year, IIT investigators have secured significant research grants for a range of studies, including how a group of cells on the skin protect us from infections, how genes regulate immunity and funding for a 20-centre trial to test a potentially groundbreaking treatment for patients who have

had a bone marrow stem cell transplant.

The IIT continues to engage the local community, school children and students. During the year, it again threw open its doors for its annual symposium and the annual schools open day, attended by more than 100 A-level students. Eight UCL undergraduates will also be studying a new BSc in infection and immunity, which will give them significant insight into how scientific discoveries are made at the highest level.

THE CHARLES WOLFSON CENTRE FOR RECONSTRUCTIVE SURGERY

The Charles Wolfson Centre for Reconstructive Surgery has been made possible by a significant donation from the Charles Wolfson Charitable Trust. The centre combines surgical innovation and advanced surgical training, with the aim of translating findings into novel treatments for patients who have suffered from disfigurement to their face and body.

Surgical innovation through research in the centre has continued apace, including the development of a new ear implant funded by the Royal College of Surgeons of England and the Medical Research Council. The research was awarded the Patey prize from the Society of Academic and Research Surgery, as well

as the President's Prize from the British Association of Plastic, Reconstructive and Aesthetic Surgeons. In addition, our MSc programme has collaborated with the UK military to develop a new battlefield dressing using novel bio-foams, earning one student a Fulbright Scholarship to Harvard Medical School. The Royal Free Hospital is carrying out a National Institute for Health Research sponsored trial on a new stem cell treatment for fibrosis and scarring, with the work awarded the Excellence in Translational Regenerative Science Award by the Wound Healing Society.

The surgical skills centre, a joint project between UCL and the Royal Free Hospital, focuses on training medical students and surgeons in the latest surgical techniques, using simulations and prosthetics. Plans are being developed for a new laboratory in regenerative medicine, paving the way for the growth of healthy new tissues and organs to replace those damaged by injury and disease.



Our fundraising

Our ability to support the work of the RFL and its three hospitals – Barnet, Chase Farm and the Royal Free – relies on the generosity of our fundraisers and donors. Our supporters are the driving force behind everything we do, whether they are volunteering their time or contributing to our income through gifts, regular donations or legacies; or supporting our fundraising events and campaigns. We use the funds to complement the work of the RFL by funding medical research and services and equipment for patients and staff.

The earlier part of the past year included an abundance of fundraising events to support the work of the RFL. These included our most successful London Marathon to date, as well as the Comedy Night at the Shard, which combined a priceless view of London with a fun-filled evening to support the complementary therapy massage service for our cancer patients. We also held our first Colour Run – a 3k race in which participants were covered in paint – in partnership with Middlesex University, who train over 800 nurses each year for the NHS. The Autumn Ball for Dementia was a huge hit with our NHS staff, with guests from the BBC drama series *Holby City* joining in the fun.

Christmas markets at Barnet and Chase Farm hospitals, along with school choirs and our Sparkle Day, ensured that NHS staff and patients didn't miss out on seasonal festivities. Electric Chanukah candles were provided for wards and the chaplaincy team invited all patients and staff to the on-site carol services. For children with cancer, the Helping Hands Fund supported an exclusive trip to the panto at Wyllotts Theatre in a protected environment, creating a unique experience that would not have been possible without the support of our donors.

Fundraising volunteers focused on funding specific pieces of equipment for the RFL, including interactive sensory projectors for the dementia unit. These provide an engagement tool for nursing staff, volunteers and visitors and encourage communication, interaction and a lot of laughs. These projectors can be used for children, adults and those with learning difficulties.

Perhaps the greatest challenge for the fundraising team came at the end of the financial year, when we rapidly mobilised all our resources to launch the Covid-19 Emergency Appeal. The response was astounding and has provided strong foundations on which to build next year. During 2020/21, we will further develop our fundraising infrastructure, systems and processes, enabling us to optimise delivery of our future funding plans.



**2,151 NEW SUPPORTERS/
DONORS
TO THE CHARITY**



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.

During this year, no professional fundraisers or commercial participators carried out any fundraising activities on behalf of the charity. Similarly, no cold call, telephone or street fundraising was been carried out. As a matter of policy, no inducements are made to staff or volunteers and we do not sell or exchange lists of data with any other charities or companies for marketing or fundraising purposes.

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.

* Blackbaud data breach

In the spring of 2020, Blackbaud was subject to an illegal data breach. We were informed that Blackbaud had paid a ransom from its own funds and we were not involved in this decision. We had no reason to believe that the data went beyond the cybercriminal but this could not be guaranteed. We contacted all affected individuals and informed the relevant authorities. We also reviewed our internal processes and our contract with Blackbaud.

Income

Income for the year totalled £9.5 million and comprised donations, legacies, financial and property investments, trading and event activities.

**BREAKDOWN OF TOTAL
INCOME (£000)**
£9.5m total income
3.8% increase on 2018/19

OTHER	220	•
EVENTS	232	•
PROPERTY INVESTMENTS	756	●
TRADING	900	●
FINANCIAL INVESTMENTS	977	●
LEGACIES	1,299	●
DONATIONS – CAPITAL APPEALS	2,003	●
DONATIONS – OTHER	3,107	●

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.

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.

FINANCIAL INVESTMENTS

Investment income generated from quoted investments and cash holdings.

EVENTS

Many supporters of the charity participated in, or organised, events such as the London Marathon and the Vitality London Half Marathon to raise money for the charity.

LEGACIES

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

OTHER

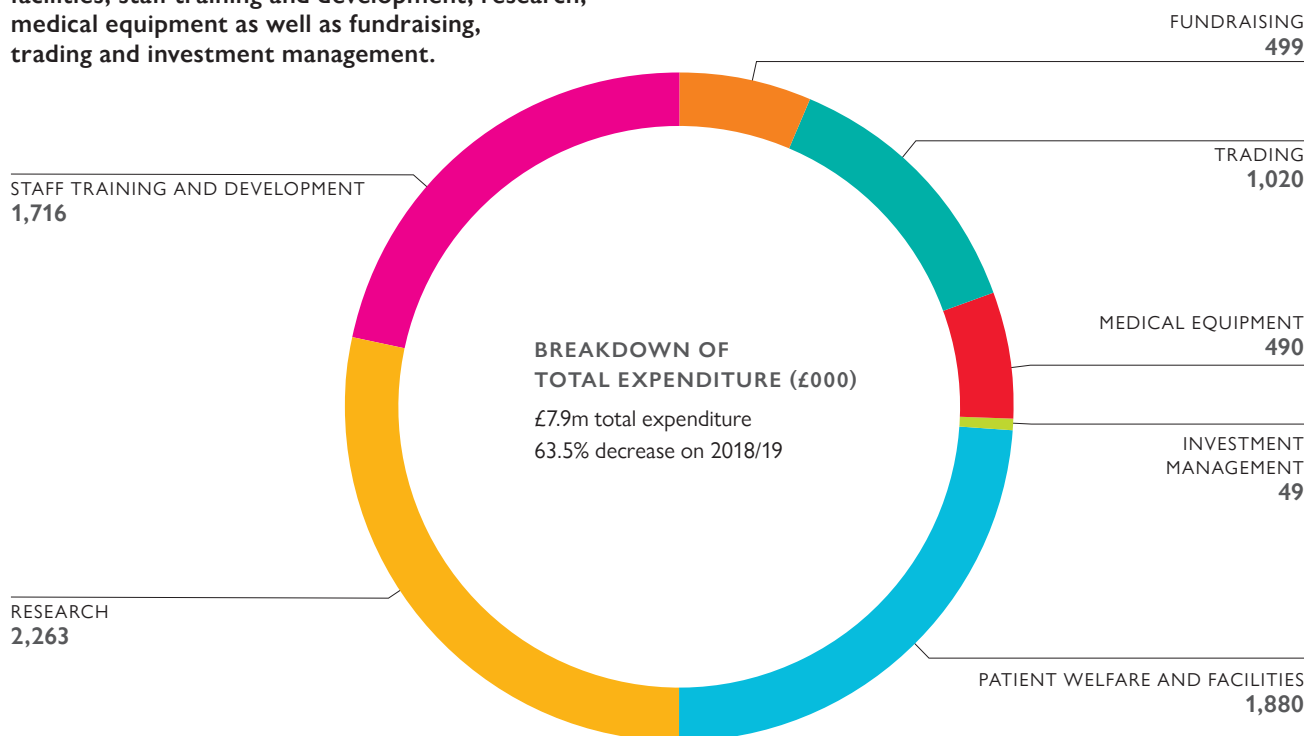
Income generated from, among other things, training courses run by various departments in the Royal Free London to further the charitable activities within the department concerned.

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.

Spend

Total expenditure for the year was £7.9 million. Expenditure is split across the four key objectives: patient welfare and facilities, staff training and development, research, medical equipment as well as fundraising, trading and investment management.



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.

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.

STAFF TRAINING AND DEVELOPMENT

Many donations are given to benefit Royal Free London 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.

PATIENT WELFARE AND FACILITIES

Much of this expenditure relates to the volunteer services provided throughout the trust, our support hub service 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.

MEDICAL EQUIPMENT

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

£2.3 million

Spent on research and medical facilities

£1.9 million

Spent on patient welfare and facilities

£1.7 million

Spent on staff training and development

FINANCIAL COMMENTARY 2019/20

The main focus of the charity in 2019/20 continued to be 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 Royal Free London, is being managed through RFC Developments Limited, a subsidiary company of the charity. The development programme has progressed very well during the year. The project was planned to complete in September 2020 but the pandemic and other issues meant completion was extended by several months. It is now on course to complete early in 2021. There has been the recognition in the financial year of a planned further £2m donation contributed by the Royal Free London to the Pears Building project in 2019/20. Furthermore, £7m of the accrued donation which stood at £13.1m in 2018/19 was received in the year. That leaves £6.1m of the accrued donation being outstanding at the end of the year. The charity continued to draw down on its short-term deposits as and when funds were required to discharge the Pears Building commitments as they became due.

The total income of the group totalled £9.5m for the year compared to £9.1m in 2018/19. Operating income, which excludes income from investments, for the group is £7.8m compared to £6.6m in 2018/19. The increase is mainly represented by the £2m additional funding from the Royal Free London.

There was an unrealised loss of £3.6m in the charity's investment portfolio following the adverse impact of Covid-19 on global financial markets in March 2020.

The charity also received £3.5m from the Education and Skills Funding Agency (ESFA) in April 2019 as the ESFA decided not to go 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. The same amount was taken off property investment value with no further gain or loss reported in 2019/20.

The charity invested a further £7.5m in financial investments towards the beginning of 2019/20 and the overall financial investment portfolio had been performing well until the pandemic adversely affected on the global financial markets. The charity's investment income reduced from £2.5m in 2018/19 to £1.7m in 2019/20 mainly due to a reduction in rental income. This followed the 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 in December 2018 to support funding for the Pears Building project.

During the year, the charity also spent a further £2.9m on Graseby House, a mixed motive investment property which had undergone a major refurbishment to provide accommodation for key workers at Barnet Hospital, office space for the trust and a charity support hub for the hospital. The trust occupied its space in September 2019 and the key worker accommodation became operational from February 2020.

Expenditure on charitable activities decreased from £18.6m in 2018/19 to £6.3m in 2019/20. The main reason for the significant reduction is that in 2018/19 the charity awarded a significant grant

of £11.6m to the Royal Free London for the purpose of quality improvement, digital transformation and other schemes with measurable impact on patients. In 2019/20 the charity continued to award grants to the trust 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.

The adverse impact of the pandemic on the charity in 2019/20 was primarily reflected in the unrealised loss on financial investments of £3.6m due to the downward correction on global financial markets in March 2020. The statement on Post Balance Sheet Events (Note 14) in the annual accounts explains the impact of the pandemic on the charity subsequent to the year-end.

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 derived from other charities that have merged with the charity. 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 end of the year were £41.8m.
- 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 Barnet, Chase Farm or Royal Free hospitals. Unrestricted, designated funds at the end of the year were £14.6m.
- Unrestricted, general funds are generated when no stipulation is made by the donor. However these funds must be spent in line with the charity's objects, which is the responsibility of the trustees. Unrestricted, general funds at the end of the year were £35.9m.

Both a target level and minimum level of unrestricted, free reserves have been established in a reserves policy, to ensure the charity has adequate liquid funds to operate, taking account of the environmental risks. The calculation of unrestricted, free reserves deducts, inter alia, 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 end of the year were a negative £413k (see note 12.2). This was primarily due to the loss on the investment portfolio in the year of £3.6m that was incurred due to the adverse market correction following the national lockdown announced by the government in March 2020. This was

FINANCIAL COMMENTARY 2019/20 (CONT.)

exacerbated by the delay in the planned disposal of an investment property. The position of negative free reserves is considered to be temporary due to a combination of the subsequent recovery of the financial markets after the end of the year and the planned investment property disposal. This will enable the charity to return to a position of positive unrestricted, free reserves in the short to medium term in line with the charity's reserves policy.

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 charity has outlined its plan stated above to conform to 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 Rec Club faces are:

- the effect upon income and profitability should any facility be unavailable for a period of time (eg because of equipment failure) as above
- the effect upon its membership numbers of the Royal Free London 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 as before
- (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

Judy Dewinter



Date

17 December 2020

TRUSTEE

Russell Gilbert



Date

17 December 2020

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 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, 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 has the right to appoint and remove one trustee. Currently this is Chris Streather, group chief medical director at the Royal Free London.

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

The trustees and their four sub-committees, finance and investment committee, the works of art committee, fundraising committee and the nominations and governance committee 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 2020 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 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with the body of regulation known as United Kingdom (Generally Accepted Accounting Practice)
- 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 ethical standard of the regulator, the Financial Reporting Council, 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
- 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

This 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.

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 3, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

18 December 2020

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2020

		Year ended 31 March 2020			Year ended 31 March 2019		
	Note	Unrestricted funds £000	Restricted funds £000	2019/20 total £000	Restated unrestricted funds £000	Restated restricted funds £000	2018/19 total £000
Income and endowments from:							
Donations and legacies	2	4,357	2,053	6,409	2,939	2,644	5,583
Charitable activities		220	–	220	88	–	88
Other trading activities		900	–	900	788	–	788
Investments	9.3	1,610	123	1,733	2,475	58	2,533
Other events		230	3	232	152	2	154
Total income		7,317	2,178	9,496	6,442	2,704	9,146
Expenditure on:							
Raising funds	4						
Fundraising expenditure		499	–	499	653	500	1,153
Trading expenditure		1,020	–	1,020	936	–	936
Investment/property management		49	–	49	1,029	–	1,029
Charitable activities	3	6,143	206	6,348	18,325	250	18,575
Total expenditure		7,711	206	7,916	20,943	750	21,693
Net (losses)/gains on investments	9.5	(3,016)	(199)	(3,215)	32,995	37	33,032
Net income/(expenditure)		(3,409)	1,774	(1,635)	18,494	1,991	20,485
Transfers between funds	12	47	(47)	–	–	–	–
Net movement in funds		(3,362)	1,727	(1,635)	18,494	1,991	20,485
Reconciliation of funds:							
Total funds brought forward		53,826	40,049	93,875	35,332	38,058	73,390
Total funds carried forward		50,464	41,776	92,240	53,826	40,049	93,875

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

CONSOLIDATED AND CHARITY BALANCE SHEET

AS AT 31 MARCH 2020

	Note	Group March 2020 £000	Charity March 2020 £000	Restated group March 2019 £000	Restated charity March 2019 £000
Fixed assets					
Tangible assets	7	483	451	7,797	7,747
Asset under construction	7	47,398	49,630	23,872	24,990
Investments	9	27,707	27,846	16,687	16,826
Total fixed assets		75,588	77,926	48,356	49,563
Current assets					
Debtors	10	8,107	9,596	19,775	20,869
Short-term deposits		5,005	5,005	21,476	21,476
Cash at bank and in hand		10,773	9,141	11,900	10,591
Total current assets		23,885	23,742	53,151	52,936
Creditors falling due within one year	11.1	(7,233)	(7,195)	(7,631)	(7,507)
Net current assets		16,651	16,547	45,520	45,429
Total net assets		92,240	94,474	93,875	94,992
Funds of the charity					
Income funds					
Unrestricted	12.1	50,464	52,698	53,826	54,943
Restricted	12.3	41,776	41,776	40,049	40,049
Total funds		92,240	94,474	93,875	94,992

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 expenditure of the charity for the year was £518,000 (2018/19: net income of £21,159,000).

CHAIR

Judy Dewinter

Date

17 December 2020

TRUSTEE

Russell Gilbert

Date

17 December 2020

Company registration no: 09987907

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

	2019/20 £000	2018/19 £000
Cash inflow/(outflow) from operating activities		
Net cash provided by/(used in) operating activities	11,238	(9,214)
Cash flows from investing activities		
Investment income and interest received	1,733	2,534
Proceeds from disposal of fixed asset investments	3,440	65,048
Acquisition of fixed asset investments	(7,525)	(1,817)
Acquisition of tangible fixed assets by charity	(2,956)	(781)
Acquisition by subsidiary companies of:		
Tangible fixed assets	(1)	(8)
Asset under construction	(23,526)	(13,798)
Net cash flow from investing activities	(28,836)	51,177
Cash flow from financing activities		
Repayment of loan	–	(11,300)
Increase/(decrease) in cash and cash equivalents	(17,598)	30,664
Cash and cash equivalents at beginning of period	33,376	2,712
Cash and cash equivalents at end of period	15,778	33,376

	2019/20 £000	2018/19 £000
Reconciliation of net income to cash flow from operating activities		
Net (expenditure)/income including endowments	(1,635)	20,485
Adjustments for:		
Depreciation charges	66	65
Net (losses)/gains on investments	3,269	(33,032)
Investment income	(1,733)	(2,533)
Decrease in debtors	11,668	11,068
(Decrease) in creditors	(398)	(5,267)
Net cash provided by/(used in) operating activities	11,238	(9,214)

	01 April 2019 £000	Cashflows £000	31 March 2020 £000
Analysis of net debt			
Short term deposit	21,476	(16,471)	5,005
Cash at bank and in hand	11,900	(1,127)	10,773
	33,376	(17,598)	15,778

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

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020

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 including Covid-19 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 and considering the available cash balances and funds within the investment portfolio, which has recovered significantly since the year end, the trustees 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 2020 includes £6.1 million (£13.1m in 2019) 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 with planned completion towards end of 2020/21.

Works of art are valued in the balance sheet at £317,020 (£312,020 in 2019), a figure which the trustees believe fairly reflects their value.

Investment properties are valued in the balance sheet at £2,753,000 (£5,901,000 in 2019), a figure which the trustees believe fairly reflects their value. See the accounting policy for investment properties which explains how the valuation has been arrived at.

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.

During the year, a fund named Dr Janet Owens Fellowship was reclassified from designated to restricted to reflect the terms of the original gift. Figures for 2018/19 have been re-stated. There is no change to the 2018/19 surplus.

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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

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 2019/20, as in 2018/19, 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.

Grants

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.

One investment property was valued in the year by Cluttons, Chartered Surveyors. A second property has been valued based on its anticipated sale price. The trustees are satisfied that these valuations reflect the properties' 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 and a car park. 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 in 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 2020 (CONT.)

	Unrestricted funds £000	Restricted funds £000	Total 2019/20 £000	Restated unrestricted funds £000	Restated restricted funds £000	Total 2018/19 £000
2 DONATIONS AND LEGACIES						
Donations – capital appeal	–	2,003	2,003	–	13	13
Donations – others	3,070	37	3,107	1,931	2,578	4,509
Legacies	1,287	13	1,299	1,008	53	1,061
Total	4,357	2,053	6,409	2,939	2,644	5,583

	Grants £000	Activities undertaken directly £000	Support costs £000	Total 2019/20 £000	Grants £000	Activities undertaken directly £000	Support costs £000	Total 2018/19 £000
3 CHARITABLE EXPENDITURE								
Patient welfare and facilities	84	1,291	505	1,880	159	1,747	145	2,051
Staff training and development	299	956	461	1,716	394	1,167	119	1,680
Research	431	1,224	608	2,263	609	1,296	145	2,050
Medical equipment	–	358	131	490	–	250	19	269
Others	–	–	–	–	11,601	35	886	12,523
Total	814	3,829	1,705	6,348	12,764	4,496	1,315	18,575

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

	Governance £000	Raising funds £000	Charitable activities £000	Total 2019/20 £000	Governance £000	Raising funds £000	Charitable activities £000	Total 2018/19 £000
4 ANALYSIS OF SUPPORT COSTS BY ACTIVITY								
Salaries – charity	149	386	483	1,018	142	443	442	1,026
Salaries – trading subsidiary	–	284	–	284	–	229	–	229
Investment/property management	–	49	173	222	–	1,029	59	1,088
Other trading subsidiary costs	–	237	–	237	–	286	–	286
Charity trading costs	–	499	–	499	–	421	–	421
Statutory auditor's remuneration	17	–	–	17	16	–	–	16
Legal and other professional fees	185	–	–	185	140	–	6	145
Event and marketing costs	–	21	2	22	7	14	–	21
Consultancy/recruitment services	131	16	224	371	111	19	19	149
Publicity materials	–	35	–	35	–	106	–	106
Capital appeal costs	–	–	223	223	–	–	283	283
Others*	36	41	83	161	40	571	52	663
Total support costs	518	1,569	1,187	3,274	454	3,118	860	4,432
Governance costs reallocated	(518)	–	518	–	(454)	–	454	–
Total support costs	–	1,569	1,705	3,274	–	3,118	1,315	4,432

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 2019/20 this charge was £171,000 (2018/19: £179,000).

*Raising funds include a provision for bad debt of £0 (2018/19: £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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

	Charity £000	Subsidiary £000	Total 2019/20 £000	Charity £000	Subsidiary £000	Total 2018/19 £000
4.1 ANALYSIS OF STAFF COSTS						
Salaries and wages	1,709	253	1,962	1,551	205	1,756
Social security costs	167	20	187	153	19	172
Other pension costs	120	11	131	102	11	113
Total	1,996	284	2,280	1,806	235	2,041

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

The number of such employees of the charity were:

	2019/20	2018/19
£60,001 – £70,000	1	–
£80,001 – £90,000	1	1
£90,001 – £100,000	1	1
£120,001 – £130,000	1	1

Pension contributions were made for these employees as follows:

	£000	£000
£60,001 – £70,000	6	–
£80,001 – £90,000	8	7
£90,001 – £100,000	4	4
£120,001 – £130,000	21	17

There was an average monthly number of 63 staff in 2019/20 (2018/19: 56). RFC Recreation Club Ltd had an average number of 11 staff (2018/19: 10), 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 - until December 2019), Paul Stein (executive director of fundraising and communications - from January 2020), Barry Aspland (director of finance), and Richard Scarth (director of operations and then deputy chief executive).

The total salary cost of these employees (including social security and employer pension costs) was £479,000 (2018/19: £403,000).

5 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted funds £000	Restricted funds £000	Total 2019/20 £000	Unrestricted funds £000	Restricted funds £000	Total 2018/19 £000
Fixed assets	73,919	1,669	75,588	46,513	1,844	48,357
Current assets	(16,466)	40,351	23,885	15,276	37,875	53,151
Liabilities	(6,989)	(244)	(7,233)	(7,411)	(221)	(7,632)
	50,464	41,776	92,240	54,378	39,498	93,875

Charity	Unrestricted funds £000	Restricted funds £000	Total 2019/20 £000	Unrestricted funds £000	Restricted funds £000	Total 2018/19 £000
Intangible fixed assets	9	–	9	13	–	13
Tangible fixed assets	50,072	–	50,072	32,724	–	32,724
Investments	26,177	1,669	27,846	14,983	1,844	16,826
Current assets	(16,609)	40,351	23,742	15,061	37,875	52,936
Short-term liabilities	(6,951)	(244)	(7,195)	(7,286)	(221)	(7,507)
	52,698	41,776	94,474	55,495	39,497	94,992

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

6 CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE	Unrestricted funds £000	Restricted funds £000	Total 2019/20 £000	Unrestricted funds £000	Restricted funds £000	Total 2018/19 £000
Net movement in funds for the year	(3,914)	2,278	(1,635)	19,046	1,439	20,485
Net movement in tangible fixed assets	16,212	–	16,212	14,522	–	14,522
Net movement in funds available for future activities	12,298	2,278	14,577	33,569	1,439	35,007

7.1 FIXED ASSETS – GROUP

Cost	Recreational equipment £000	Shop system £000	Shop fit out £000	Furniture & fixtures £000	Artworks £000	Asset under construction £000	Computer equipment £000	Properties £000	Total £000
Brought forward at 1 April 2019	89	19	198	–	312	23,872	11	7,287	31,788
Additions	1	–	–	34	5	23,526	–	2,917	26,483
Transfer to investments (see notes 9)	–	–	–	–	–	–	–	(10,204)	(10,204)
Disposals	(5)	–	–	–	–	–	–	–	(5)
Carried forward at 31 March 2020	85	19	198	34	317	47,398	11	–	48,062
Accumulated depreciation									
Brought forward at 1 April 2019	39	6	62	–	–	–	11	–	119
Charge for the year	17	4	45	–	–	–	–	–	66
Depreciation on disposals	(4)	–	–	–	–	–	–	–	(4)
Carried forward at 31 March 2020	52	10	107	–	–	–	11	–	181
Net book value at 1 April 2019	50	13	136	–	312	23,872	–	7,287	31,669
Net book value at 31 March 2020	33	9	91	34	317	47,398	–	–	47,881

7.2 FIXED ASSETS – CHARITY

Cost	Shop system £000	Shop fit out £000	Fixture & fittings £000	Artworks £000	Asset under construction £000	Computer equipment £000	Properties £000	Total £000
Brought forward at 1 April 2019	19	198	–	312	24,990	11	7,287	32,817
Additions	–	–	34	5	24,640	–	2,917	27,596
Transfer to investments (see notes 9)	–	–	–	–	–	–	(10,204)	(10,204)
Carried forward at 31 March 2020	19	198	34	317	49,630	11	–	50,209
Accumulated depreciation								
Brought forward at 1 April 2019	6	62	–	–	–	11	–	80
Charge for the year	4	45	–	–	–	–	–	49
Carried forward at 31 March 2020	10	107	–	–	–	11	–	129
Net book value at 1 April 2019	13	136	–	312	24,990	–	7,287	32,737
Net book value at 31 March 2020	9	91	34	317	49,630	–	–	50,080

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

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

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

	Year ended 31 March 2020		Year ended 31 March 2019	
	RFC Recreation Club Ltd £000	RFC Developments Ltd £000	RFC Recreation Club Ltd £000	RFC Developments Ltd £000
Turnover	510	24,543	469	14,409
Expenditure	(516)	(23,561)	(510)	(13,867)
Result for the year	(6)	982	(41)	542
Total assets	253	5,943	166	3,231
Total liabilities	(116)	(4,943)	(23)	(3,230)
Net funds at the end of the year	137	1,000	143	1

The charity's other subsidiary companies (see note 16) did not trade during 2019/20

9 ANALYSIS OF INVESTMENT PORTFOLIO

	Group 2019/20 £000	Charity 2019/20 £000	Group 2018/19 £000	Charity 2018/19 £000
Market value as at 1 April	16,687	16,826	46,887	47,026
Less: disposals at carrying value	(3,440)	(3,440)	(32,108)	(32,108)
Add: acquisitions at cost	7,525	7,525	1,817	1,817
Transfer from fixed assets (see notes 7)	10,204	10,204	—	—
Net gain/(loss) on revaluation	(3,269)	(3,269)	91	91
Market value as at 31 March	27,707	27,846	16,687	16,826

9.1 MARKET VALUE AT 31 MARCH

	Held in UK £000	Held overseas £000	2019/20 total £000	Held in UK £000	Held overseas £000	2018/19 total £000
Investment properties	2,753	—	2,753	5,901	—	5,901
Mixed motive investment (see note 9.2)	10,204	—	10,204	—	—	—
Investments listed on stock exchange	—	39	39	—	39	39
Investments in common investment funds	14,486	—	14,486	10,745	—	10,745
Cash held within the investment portfolio	226	—	226	2	—	2
Total investments – Group	27,668	39	27,707	16,648	39	16,687
Investments in subsidiary companies	139	—	139	139	—	139
Total investments – Charity	27,807	39	27,846	16,788	39	16,826

9.2 MIXED MOTIVE INVESTMENT

	Group 2019/20 £000	Charity 2019/20 £000	Group 2018/19 £000	Charity 2018/19 £000
Market value as at 1 April	—	—	—	—
Transfer from fixed assets (see notes 7)	10,204	10,204	—	—
Market value as at 31 March	10,204	10,204	—	—

Mixed motive investments relate to a property used to help to fulfil the Charity's charitable objectives as well as generating investment income.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

	Held in UK £000	Held overseas £000	2019/20 total £000	Held in UK £000	Held overseas £000	2018/19 total £000
9.3 ANALYSIS OF INVESTMENT INCOME						
Investment properties	683	—	683	1,828	—	1,828
Mixed motive investment	73	—	73	—	—	—
Investments in common investment funds	819	—	819	602	—	602
Cash held outside the investment portfolio	158	—	158	103	—	103
Total investment income	1,733	—	1,733	2,533	—	2,533

9.4 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 2019/20 £000	Value 2018/19 £000
M&G	Charifund	9,221	4,633
Cazenove	Majedie Asset Management UK Equity	533	531
	Charity Equity Value Fund	336	343
	Charity Equity Income Fund	—	783
	Schroder European Alpha Income Fund	—	287
	Findlay Park American Fund	515	437
	Ruffer Charity Assets Trust	—	477
	UBS ETF - MSCI World Socially	397	—
	Trojan Ethical Fund	446	—

9.5 GAINS/LOSSES ON INVESTMENTS

The 2019/20 net losses include £3.6m unrealised loss on investment in common investment funds.

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.

	Group 2019/20 £000	Charity 2019/20 £000	Group 2018/19 £000	Charity 2018/19 £000
10 ANALYSIS OF DEBTORS				
Prepayments	45	45	38	38
Due from subsidiary undertakings:				
RFC Developments Ltd	—	2,049	—	1,500
RFC Recreation Club Ltd	—	20	—	—
Other debtors	8,062	7,482	19,737	19,331
Total debtors	8,107	9,596	19,775	20,869

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. Repayment is expected to be in the financial year 2021/22.

Other debtors include £6.1 million relating to the development project. It is due for receipt at various stages of completion of the project, and as at 31 March 2020, there was none due after more than one year.

All other debtors fall due within one year.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

11 ANALYSIS OF CREDITORS

	Group 2019/20 £000	Charity 2019/20 £000	Group 2018/19 £000	Charity 2018/19 £000
11.1 CREDITORS FALLING DUE WITHIN ONE YEAR				
Grant and other accruals	2,196	2,196	2,024	2,024
Due to subsidiary undertaking – RFC Developments Ltd	–	3,972	–	1,763
Other creditors	5,037	1,027	5,607	3,721
Total creditors falling due within one year	7,233	7,195	7,631	7,507

12 ANALYSIS OF MATERIAL FUNDS

	2019/20 £000	Restated 2018/19 £000
12.1 UNRESTRICTED FUNDS		
Designated funds:		
Friends Fund – transferred from the formerly separate charity, Friends of the Royal Free Hospital	564	563
Departmental funds – Royal Free Hospital *		
Clinical biochemistry	2,872	2,909
HIV/AIDS	1,461	1,419
Others**	9,694	25,013
Total designated funds	14,591	29,903
Other general funds (undesigned) ***	35,873	23,923
Total unrestricted funds	50,464	53,826

* 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 (eg cardiac, renal) for use on appropriate projects as they arise.

** In 2018/19, various reserve accounts to a value of £15.2m have been included in 'Other designated funds'. However, a transfer has been made at the beginning of 2019/20 financial year to move that £15.2m out of 'Other designated funds' to 'Other general funds (undesigned)'.

*** General funds of the charity have shown a major increase in 2019/20 (£35.5m) compared to 2018/19 (£23.9m). The main reasons are transfer of £15.2m from other designated funds discussed above and £3.1m unrealised loss on investment during the year.

	2019/20 £000
12.2 FREE RESERVES	
General funds	35,873
Less: Total fixed assets	(47,881)
And back: Fixed assets covered by restricted funds	37,895
Less: Investment properties	(2,753)
Less: Mixed motive investment	(10,204)
Less: Pears Building commitments	(13,343)
Free reserves	(413)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

	Opening balance £000	Income £000	Expenditure £000	Transfers £000	Gains (loss) £000	Closing balance £000
12.3 RESTRICTED FUNDS 2019/20						
Capital appeal	35,880	2,005	–	10	–	37,895
Beckett legacy	17	–	(17)	–	–	–
Peter Costin memorial	591	29	(15)	–	–	604
St Peter's Trust	524	70	(104)	–	–	489
Dresden Assistance	487	–	(37)	–	–	450
Kitty Cookson Memorial	110	5	(1)	–	–	114
J F Moorhead	1,831	43	(25)	–	(199)	1,650
Dr Janet Owens Fellowship	552	27	(5)	–	–	574
Others (revaluation reserve)	57	–	–	(57)	–	–
Total restricted funds	40,049	2,178	(205)	(47)	(199)	41,776

	Opening balance £000	Income £000	Expenditure £000	Transfers £000	Gains £000	Closing balance £000
RESTRICTED FUNDS 2018/19 (RESTATED)						
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	523
Dresden Assistance	504	–	(17)	–	–	487
Kitty Cookson Memorial	107	4	(1)	–	1	110
J F Moorhead	–	1,817	(13)	–	26	1,831
Dr Janet Owens Fellowship	–	553	(3)	–	2	552
Others (revaluation reserve)	57	–	–	–	–	57
Total restricted funds	38,058	2,704	(750)	–	37	40,049

12.4 DETAILS OF RESTRICTED FUNDS

Capital appeal

To fund the building of the Institute of Immunity and Transplantation

Beckett legacy

To fund a lecturer in medicine

Peter Costin memorial

To provide bursaries to medical students

St Peter's Trust

To support kidney, bladder and prostate research

Dresden Assistance

To support needy patients upon discharge from hospital

Kitty Cookson Memorial

To support an oncology fellowship

J F Moorhead

To support renal research

Dr Janet Owens Fellowship

To support parkinson's research

13 CONTINGENT LIABILITIES

There were no contingent liabilities at either 31 March 2020 or 31 March 2019.

14 POST BALANCE SHEET EVENTS

The charity's services continued to be adversely impacted in a number of ways after the end of the year. The national lockdown announced by the government in response to the Covid-19 pandemic, which began on 23 March 2020, continued until mid-summer. Further restrictions later in the year continued to hamper the return of services in the following ways:

- The charity's shops remained closed until it was announced later in the summer that non-essential shops could reopen. However the trustee board decided in July that the external environment and the likely performance of the retail operation was so uncertain that it was decided to permanently close the shops which led to the redundancy of 10 employees and a provision for onerous contracts.
- The Recreation Club was also closed following the lockdown, in line with government guidance for leisure facilities including gyms and swimming pools. During this period the facilities were repurposed to provide essential services including a temporary supermarket for trust staff early during the lockdown period. It reopened in the summer but services were limited due to the restrictions of a Covid-secure environment. It was subsequently closed again following the second lockdown later in 2020.
- The volunteer services throughout the hospitals were also

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2020 (CONT.)

suspended during the lockdown period. They have continued to be severely restricted following the lifting of the lockdown due to infection control requirements but volunteers have continued to be deployed in areas other than the hospital environment wherever possible.

As at the date of signing these financial statements, the global financial markets have continued to recover since the severe downward correction in March 2020. An initial recovery followed the lifting of the national lockdown and continued with improvements in the economy and the prospect of vaccines.

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 2019/20 or 2018/19.

No trustees were reimbursed any expenses in 2019/20 or in 2018/19.

16 RELATED PARTY INTERESTS

Caroline Clarke (resigned 31/3/19, reappointed 24/6/20), Dr Stephen Shaw (appointed 1/4/18), 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)

Melanie Sherwood (appointed 16/6/20), Christopher Burghes (resigned 31/3/20), Kedir Mohammed, and Richard Scarth, respectively trustee, chief executive, finance manager, and deputy chief executive of the charity, are directors. In 2019/20, RFC Recreation Club Ltd reimbursed the charity £241,046 in respect of staff salaries (£234,010 in 2018/19). There was £20,092 due to the charity at 31 March 2020 (nothing on 31 March 2019).

The charity paid RFC Recreation Club Ltd £2,480 (£5,470 in 2018/19) in respect of the use of facilities. None of this was outstanding at 31 March 2020. The charity awarded a grant of £12,000 (none in 2018/19) that was paid in the year. The charity was charged £14,968 by the club (£7,212 in 2018/19) representing cost share on the wellbeing centre that was set up at the club in 2018/19. £3,532 of the cost share was outstanding at 31 March 2020 (none in 2018/19).

RFC Developments Ltd (company no 8729267)

Christopher Burghes (resigned 31/3/20), Richard Scarth, and three trustees of the charity, Caroline Clarke, Russell Gilbert and Judy Dewinter, were directors. In 2019/20, 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 £24,543,264 (£14,409,483 in 2018/19), and £3,971,534 (£1,762,704 in 2018/19)

was due to RFC Developments Ltd at 31 March 2020.

- loan of £1 million from the charity to RFC Developments Ltd (see note 10) - RFC Developments Ltd was charged interest of £67,500 (£66,667 in 2018/19), of which £67,500 (none in 2018/19) was due to the charity at 31 March 2020.
- provision of administrative services by the charity to RFC Developments Ltd - RFC Developments Ltd was charged £60,000 (£60,000 in 2018/19), none of which was outstanding at 31 March 2020 (none at 31 March 2019).
- during the year RFC Developments Ltd made a gift aid distribution to the charity of £981,715 (£500,153 in 2018/19).

The following three subsidiary companies did not trade in 2019/20:

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

	2019/20 £000	2018/19 £000
Due in less than one year	120	128
Due in 1-2 years	105	120
Due in 2-5 years	48	152

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 including Update Bulletin 2, 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



Revolutionising treatments and therapies for patients

The Pears Building, which will open in 2021 next to the Royal Free Hospital, is the charity's largest project to date and is a collaboration with the Royal Free London NHS Foundation Trust and UCL. It will provide a new home for the UCL Institute of Immunity and Transplantation (IIT), currently located in the Royal Free Hospital. It will provide a world-class facility to enable scientists and clinicians to work together on new forms of immunotherapy to fight disease.

Many local residents and organisations have supported the project, including the Pears Foundation, which so generously donated £5million towards the construction.

The building is a culmination of the ambitions of UCL, which is a world leader in research, and the Royal Free Hospital, a clinical centre of excellence. The existing experts in groundbreaking research will be joined by world leaders in clinical immunology to help make the IIT the European leader in its field.

The IIT already attracts significant competitive research grant money from organisations such as the National Institutes of Health, the Medical Research Council, the Wellcome Trust and Cancer Research UK. This is set to grow, as it realises its ambitions to have scientists, doctors and patients in one place, focused on testing new medicines in clinical trials and significantly shortening the time it takes to bring new treatments to patients.



**SUPPORTING
STAFF & PATIENTS
THROUGHOUT THE
COVID-19 PANDEMIC**



**royal free
charity**

**barnet hospital
charity**

**chase farm
charity**

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



Making today feel better

royalfreecharity.org

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