



ANNUAL REPORT & ACCOUNTS

2020 – 21

ROYAL FREE
CHARITY

FURTHER,
FASTER,
FOR ALL.

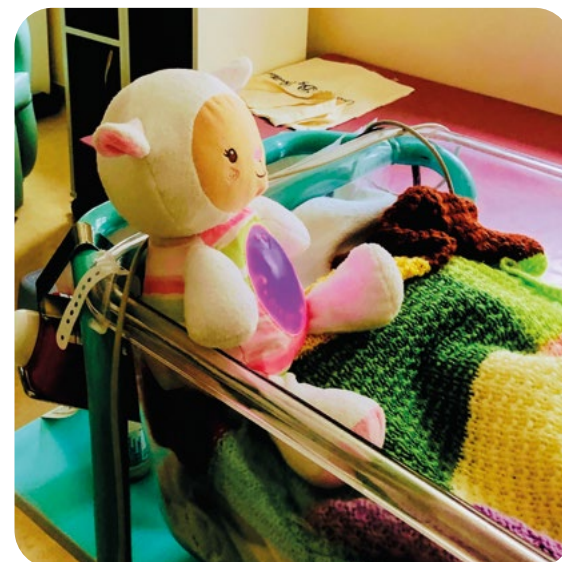


One of the highlights of the year was receiving the keys of the Pears Building, the new home for the UCL Institute of Immunity and Transplantation, made possible by visionary philanthropists, particularly the Pears Foundation.

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Our COVID support for our hospitals: a display of thanks from the public and a place for tired staff to rest at the Royal Free Hospital; a speaking bear to help bonding for babies at the Starlight neonatal unit at Barnet Hospital; and food and other essentials for hospital staff.



ABOUT US

The Royal Free Charity was formed in 2000 and supports the patients and staff at the Royal Free London NHS Foundation Trust (RFL) which comprises Barnet, Chase Farm and the Royal Free hospitals as well as numerous satellite sites across north London and Hertfordshire.

With its 10,000 staff, the RFL serves a population of more than 1.6 million people, many of whom come from across the country and beyond to seek out its world-class services in liver and kidney disease and transplantation, breast surgery, plastic surgery, myeloma

and neuroendocrine tumours. It also has a high-level isolation unit for the treatment of highly infectious diseases such as Ebola.

Nearly 200 years ago, a young surgeon, William Marsden, discovered a girl seriously ill on the steps of a church in Holborn. 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 continues to espouse that same philanthropic spirit,

being the linchpin of support for the RFL with its world-class healthcare, clinical research and teaching. We work closely with the leadership of the RFL to develop and support projects beyond the limitations of NHS funding. See more on p8-9.

OUR TRUSTEES

Judy Dewinter, chair
Akta Raja, vice-chair
Russell Brooks
Caroline Clarke
Nicola Grinstead
Russell Gilbert
(until 23 March 2021)
Michael Luck
Katie Morrison
Nina Robinson
(from 23 March 2021)
Melanie Sherwood
Chris Streather
Alistair Summers
(from 23 March 2021)

SENIOR MANAGEMENT

Chris Burghes, chief executive (until May 2020)
Jon Spiers, chief executive and company secretary
(from September 2020)
Richard Scarth, deputy chief executive
(and acting chief executive from April 2020 to September 2020)
Barry Aspland, director of finance
Sharron Grant, director of people (from May 2020)
Alison Kira, director of grants and services
Robin Meltzer, director of engagement and communications
(from July 2020)
Michael Ridgwell, chief operating officer (from July 2020)
Paul Stein, executive director of income generation
Jenny Todd, assistant director of services (from January 2021)

MESSAGE FROM OUR CHAIR AND CEO

During a tumultuous year, nothing has emerged more clearly than the extent of support that our three hospitals - Barnet Hospital, Chase Farm Hospital and the Royal Free Hospital - have received from their local communities.

From the moment the first lockdown was announced, offers of help and donations started to arrive and as the financial year ended, we had made new

relationships which would be crucial in helping us deliver our ambitious plans.

The first two phases of the pandemic saw our donors and fundraisers help us raise an amazing £2.2 million which we swiftly put into action to support our hard-pressed hospital colleagues. We set up a free supermarket for staff, 'Free@theFree', organised and run by our Rec Club staff with

the help of volunteers and charity colleagues, providing essentials to frontline workers at the beginning or the end of their long shifts as they could not get to the shops. We created or refurbished rest areas where hospital staff could sleep, eat and call their loved ones. And we put in place psychological support to help them deal with the inevitable aftermath of what they were coping with.

Although we were used to working closely with trust staff, the urgency and scale of need created by the pandemic drew us even closer together, creating unprecedented opportunities to understand exactly what was needed and how we could channel help from the hospitals' communities to meet that need. We've lost no time in applying those lessons to our plans.

While the pandemic dominated our activities - as you'll see in the report - we still made time to review how we operate and what our priorities should be over the next few years while our hospitals recover, reset and move forward.

“A KEY TOOL WILL BE OUR NEW BRAND WHICH WILL ENSURE THAT THE WAY WE PRESENT AND TALK ABOUT OURSELVES BETTER REFLECTS AND ARTICULATES OUR AMBITIONS.”

Our new strategic framework includes a new vision and mission for the next three to five years ensuring that every successful application for our donors' precious funds has answered tough questions about how it will support patients, hospital staff or locally-delivered research. It will also see us adopting a much more proactive and engaging approach to fundraising which we are confident will lead to significant increases in both our supporter base and our voluntary income. A key tool will be our new brand which will ensure that the way we present and talk about ourselves better reflects and articulates our ambitions.

The year also saw another hugely significant development: the completion of the Pears Building, the new home of the UCL Institute of Immunity and Transplantation and the new base for the charity in Hampstead. During the summer of 2021, researchers and charity staff moved in and patients who needed somewhere to stay - perhaps because they'd come

from afar or were participating in a clinical trial - started to benefit from stylish accommodation at the top of the building.

The innovative partnership behind this £60m building - UCL, the Royal Free London NHS Foundation Trust and the Royal Free Charity, as well as generous donors, particularly the Pears Foundation - are working together to bring new hope for patients through cutting edge immunology research in conditions like cancer, HIV, severe immune disorders and of course COVID-19. We've all seen the critical importance of immune research in the past year and we're hugely excited to see what lifesaving breakthroughs our incredible institute can achieve in its new home.

We're keenly aware of our responsibility to ensure that our donors' funds are used as wisely as possible and how important it is that we report back on the impact of your gifts. This report is one way that we do that. This year we've also begun 'RFC Presents', a very successful series of talks by high-profile speakers, and

launched electronic and printed newsletters to share the amazing stories of what goes on within our hospitals and laboratories.

It's essential to us that we demonstrate to you, our supporters and the communities served by our hospitals, the difference your generosity makes to our part of the NHS.

On behalf of our board, we would like to thank our committed supporters, staff, volunteers, hospital colleagues and partners for being on the journey with us. We look forward with confidence as we work together over the coming year.

Judy Dewinter
Chair of Trustees

Jon Spiers
Chief Executive





WHY DOES THE NHS NEED CHARITIES?

The role of NHS charities can often be unclear. After all, the NHS is funded by the taxpayer so why do hospitals need charities too? The short answer is that NHS charities fund vital projects which go beyond the limits of government funding. But what does that mean in practice? Here we explain how the Royal Free Charity plays a crucial role at Barnet, Chase Farm and the Royal Free hospitals and beyond.

Like all NHS charities, we exist to support our hospitals and other sites, their patients and the staff who care for them. We fund and directly deliver a vast range of projects helping to improve all patients' outcomes and experiences across our hospitals. This is summed up in our strapline – Further, Faster, For All.

We can move very fast – as we've done since the start of the pandemic, quickly identifying the urgent needs of staff for food, places to rest and psychological support. Our volunteers even helped make 50,000 surgical gowns to supplement PPE stocks.

And we take time to understand the longer-term needs such as improving hospital wards, more or better staff training, or bringing in the latest diagnostic equipment.

We provide services ourselves, alongside our clinical colleagues – whether that's benefits advice for patients with long-term conditions, massage therapy for cancer patients and staff, affordable keyworker accommodation or wellbeing support for hospital staff.

Increasingly, we're making long-term strategic investments to help our patients here and others around the world. The Pears Building, the new home we've created for the UCL Institute of Immunity and Transplantation, is a shining example of what the generosity of our donors can do for future generations.

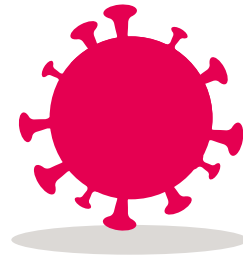
And we know that one of the most important roles we play as an NHS charity is acting as the link between our community and our hospitals. Through us, whether you give time, money or other gifts, you can show what

our amazing NHS means to you and help make sure your family, friends and neighbours have a great experience whenever they might need their local hospital.

Whether it's a care package for a patient unexpectedly in hospital overnight, or a multi-million pound research institute about to uncover the secrets of the immune system, it's all thanks to our incredible donors and fundraisers. Thank you.



OUR RESPONSE TO COVID-19



“ Thanks so much again for your help in this stressful time. I really appreciate it.”
(Foundation year one doctor redeployed to Barnet Hospital ICU)

As the number of patients in our intensive care units (ICUs) during the first wave rose, so did the response from the communities around our hospitals. During the year we raised £2.2 million in response to our COVID emergency appeal as well as millions of donated items of food and essentials for staff - and enough hours of people's time to make 50,000 protective surgical gowns for ICU staff.

None of us predicted how much the health and wellbeing needs of our hospital colleagues would change. While the hospital was focusing on treating COVID-19 patients, our role was to work closely with the hospital leadership to find the best way to support frontline staff.

The charity's strong partnership with the trust put us in a unique position on the inside and 'in the room' for key discussions. We ensured that these precious funds and offers of help were allocated to maximum effect. First, we transformed our

Recreation Club into a "Free@theFree" supermarket providing care packages and other immediate support to staff.

We then turned to four long-term areas: psychological support, programmes to champion workforce health and wellbeing, accommodation for frontline workers and essential food.

Psychological support

Our 10,000 staff had never faced these very high numbers of patients needing intensive care and the loss of so many lives, as well as such thinly-stretched resources. Months of working in these conditions placed staff under huge strain. The generosity of our communities was a huge support, funding:

- a free phonenumber offering support and signposting to further help
- psychologists to help staff stay in work or return after an absence
- treatment for staff experiencing depression, anxiety and post-traumatic stress disorder, bereavement and insomnia

Although valued by the NHS, it needs time to allocate resources to such services. The generosity of our communities allowed us to respond more quickly.

Staff health and wellbeing

Staff also cited physical issues including back, muscle and joint problems. As well as massages from our complementary therapy team, we provided £253,400 to support wellbeing initiatives and social activities, designed by staff for staff, and co-ordinated by a dedicated lead.

These programmes targeted high-risk groups, including:

- junior staff
- male staff
- staff who were obese and had several health conditions and/or family members who were shielding

REST

The resilience and emotional support for teams (REST) programme has been a linchpin of support for hospital colleagues throughout the crisis. It offers face-

to-face emotional help to frontline teams, including the A&E and intensive care departments, which were hardest hit by the pandemic.

During the year, the programme:

- provided team sessions to staff to support workplace wellbeing at our three hospitals including helping staff reflect on the emotional impact of their work and develop self-care strategies.
- organised virtual speaker events on topics such as coping with sleep difficulties and managing complex emotions.
- developed weekly themed communications reflecting staff concerns with information, education, self-help strategies and signposting to other services.

For most of the year the services were provided by redeployed mental health professionals in our trust. Thanks to the support of our donors and fundraisers, we have been able to recruit two additional mental health professionals and administrative help to maintain these services.

As the pandemic progressed, our focus shifted towards building resilience and capacity to face the challenges of tomorrow. Next year our plans will be informed by the assessment of an independent evaluator.

Staff accommodation

The number of requests for staff accommodation - for staff working extra shifts, those isolating or protecting a vulnerable family member - continually increased during the year and we spent £200,000 funding extra provision.

Donations and fundraising provided accommodation for nearly 4,000 nights of accommodation. Swift processing of applications eased the worry for stressed staff.

Essential food

Hospital staff worked long and demanding shifts, spending hours on their feet attending to patient needs. When our A&E and intensive care departments were constantly at maximum capacity, many struggled to find time for a meal or drink, ending their shifts physically and emotionally exhausted.

Funds raised enabled us to provide a meal-delivery service, ensuring hot meals, packed lunches and refreshments made their way to staff on the COVID wards, fuelling them to continue their life-saving work, as well as to colleagues on other wards and in A&E.

As we move into the next phase of our response, we are keen to share the lessons we have learned, alongside our achievements.

The past year has:

- reaffirmed the importance of working in partnership with the trust to identify the areas where donor investment can add greatest value, and to respond quickly
- highlighted the benefit of co-creating services with affected staff to meet genuine needs as effectively as possible
- underscored the importance of raising unrestricted funding to enable a flexible response to uncertainty and crisis

These insights will inform our plans, helping us harness your support to power our hospitals, their staff and their patients, through the pandemic and beyond.





HELPING PATIENTS



“It’s really important to connect patients to those they care for, particularly while visiting isn’t allowed. It boosts their morale and provides them with reassurance and additional human contact.

“But it can put pressure on ward staff to fit in what can be a time-consuming task. Having charity volunteers setting up the calls takes the pressure off the clinical staff because they know that someone is doing what matters to patients.”

(Steve Evans, head of patient experience and interpreting at the trust)

As well as grants for our hospital colleagues to spend as their patients need, the charity provides direct services: an army of energetic and thoughtful volunteers, a team of massage therapists and our support hub for patients with long-term conditions who need help with the benefits system, housing and other issues.

Our volunteers

Usually our volunteers can be found in many locations around our three hospitals: greeting and signposting patients as they arrive; helping patients on the

wards or chemotherapy suite; assisting pain management therapists; guiding patients and visitors around our hospitals; and in many other areas.

The pandemic closed many doors to them but they proved once again how adaptable they are, moving into new roles in:

- community vaccination centres including one at our re-purposed Recreation Club behind the Royal Free Hospital
- COVID and other wards, liaising between patients and their families
- community antenatal care,

working alongside community midwives and in a day nursery for the children of hospital staff

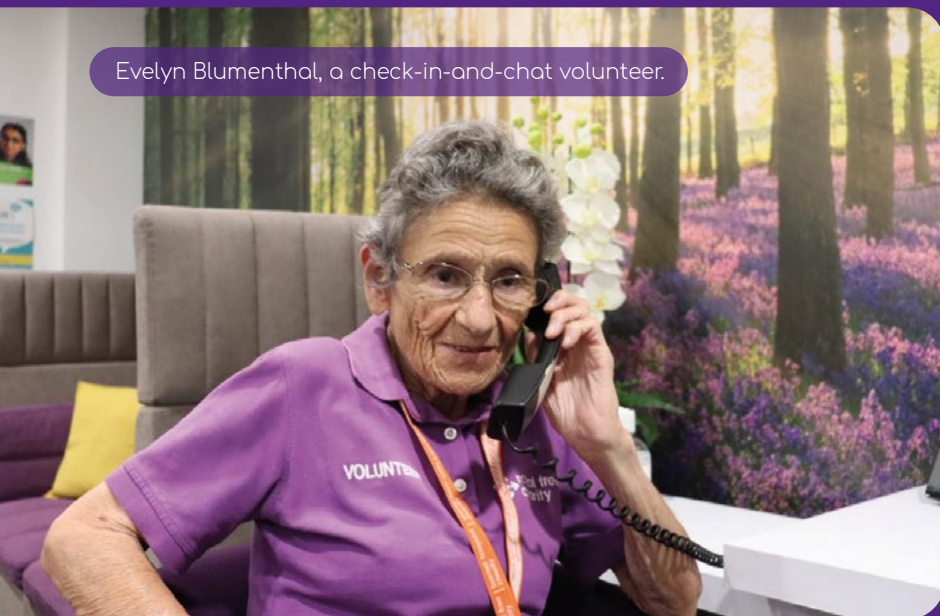
As the year progressed, volunteers were invited back to the wards in limited numbers, but first there were thorough briefings from the infection control team, risk assessments and refresher training.

New roles were established facilitating virtual visiting between COVID patients and their loved ones; meeting and greeting patients; supporting cancer patients in

“ONCE THE PANDEMIC STARTED, THE HUB CLOSED ITS DOORS AND ADAPTED ITS SERVICE TO THE NEW SITUATION.”



Evelyn Blumenthal, a check-in-and-chat volunteer.



administrative roles within the Macmillan service; and being companions to people living with dementia.

Again, our community rallied to the challenge and expressed huge interest in joining our volunteer team. At the gown factory alone, more than 600 volunteers contributed more than 32,000 hours.

Volunteering in figures

- Nearly **37,000** hours of volunteer support provided across the year
- More than **1,200** hours of support for the vaccination roll-out, provided by **47 volunteers**
- More than **700** active volunteers overall
- **365 days** of music and entertainment brought to patients and staff at the hospitals through the entirely volunteer-led Royal Free Radio

Other successes

- **23 volunteers** completed hundreds of 'check-in-and-chat' calls to lonely and vulnerable patients via our support hub (see right)
- We were delighted to have the quality of our sector-leading volunteering programme recognised with the award of Investing in Volunteers, a UK quality standard for good practice in volunteer management.



Our support hub

“Before, it was just me going through it all – not knowing how to do things or say things. It's such a pressure eased, having someone to help me along the way, helping me explain myself.”

(Hub user at the Royal Free Hospital)

The support hub in the Royal Free Hospital is a calm, safe place where patients with long-term conditions can get expert advice, have a chat with a volunteer or just have a cup of tea.

It offers services to patients and their carers, including:

- information, advice and advocacy on welfare benefits and housing
- support groups for people who have had a limb amputation
- an exercise programme
- complementary massages (via our complementary therapy team – more on p16)
- signposting to other services in the community

Once the pandemic started, the hub closed its doors and adapted its service to the new situation. A new “check-in-and-chat” service was immediately set up, pairing volunteers with patients who might be vulnerable. The welfare rights advice service moved and remained as a phone service for the rest of the year. Support groups moved online.

Support hub successes

34

patients paired with a volunteer for the check-in-and-chat service

112

welfare rights cases taken on

15

people were rehoused or found alternative accommodation

10

people were prevented from becoming homeless

10

people were helped with other housing-related problems

23

amputee peer support meetings were held online

Nearly **£550,000** in state benefits was awarded to patients we helped with expert support through benefit applications and appeals, usually because they were no longer able to work owing to sickness or disability.

HELPING HOSPITAL STAFF



“ You are all brilliant, as is the service, and the massages - out of all the benefits provided to staff - has been the single most valuable thing to me.”

Hospital nurse

The tremendous support the community has shown the charity is, of course, because they want to show their appreciation for the NHS heroes at our three hospitals: the Royal Free, Barnet and Chase Farm.

Well-supported staff are better able to care for patients and again our volunteering team are key to this support, as are staff at our Recreation Club, our massage team and the support hub.

Places our volunteers supported hospital staff:

- a pop-up protective clothing factory in the Old Town Hall Hampstead which made 50,000 theatre gowns for hospital staff
- vaccination centres at all our hospitals
- the Free@theFree shop which

ran for eight weeks during the first wave of the pandemic, supplying food and other essentials to staff so they wouldn't have to join a supermarket queue after a long shift. This took in and distributed goods donated by the community estimated to be worth £272,000 and we calculate that there were nearly 53,000 visits to the shop by hospital staff.

- Incident room at Barnet Hospital, helping to co-ordinate responses

Hands-on support

Although the complementary team was furloughed for much of the year, the team was able to establish a way of operating safely and start seeing hospital staff in July, between then and November

offering more than 2,000 massages. These were greatly appreciated by staff coping with the stress of a huge workload.

As the year progressed, the priority was to get the team back to full strength and to resume a full service for staff as well as patients. Next year the plan is to extend the range of services and to create dedicated bases for the therapists at our three hospitals.

Supporting patients, helping staff

At the Royal Free Hospital, referrals to the support hub (see p 15) came from many areas including the Ian Charleson Day Centre and the pain management, renal and cardiology services.

“ THE PRIORITY WAS TO GET THE TEAM BACK TO FULL STRENGTH AND TO RESUME A FULL SERVICE.”



50,000

theatre gowns for hospital staff



53,000

food shop visits by hospital staff





Home from home

Junior doctor Raoudha Ben Othman has described how new accommodation created by the Royal Free Charity made her feel supported while working in Barnet Hospital's A&E.

Away from her family in Tunisia, she felt daunted in her hunt for accommodation until she heard about Graseby House, a former student accommodation block near the hospital, which the charity has transformed into accommodation for 63 clinical staff and offices for 100 administration staff.

Each resident has their own room and bathroom and shares

kitchen and laundry facilities. "It was very important to me to have my own space and bathroom," said Dr Ben Othman. "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."



Marsden Lecture 2020

We were delighted to welcome the man leading Google's hunt for digital solutions to some of the world's toughest health problems when he gave the Marsden Lecture.

Dr David Feinberg, leader of Google Health, talked about the role of health technology and innovations in delivering better care on to audiences on Zoom and YouTube.

The annual event is named after William Marsden who founded the Royal Free Hospital in 1828 after finding a girl dying on the steps of a Holborn church and being unable to get hospital care for her.



Matt Smith, our musician

Matt has been back on the wards at the Royal Free and Barnet hospitals three times a week, energising and entertaining patients and staff.

Some of the feedback includes a comment from a doctor who said:

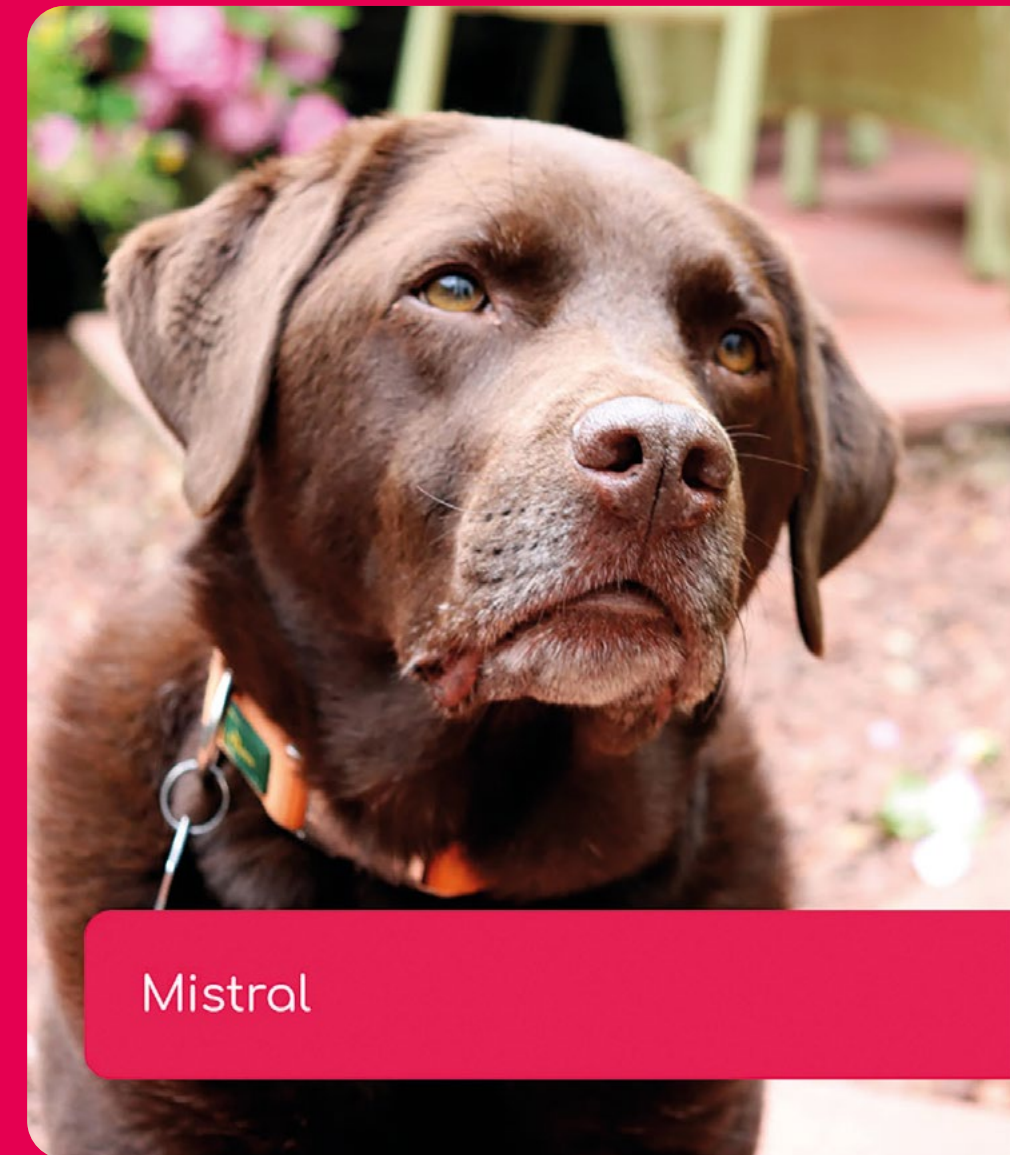
"That's the first time that patient has smiled in two weeks" and from a patient: "That's the best thing that's happened to me since I got here."

For Matt, the highlights include playing for a child receiving chemotherapy and performing for a blind toddler who started smiling when he played. "I've played happy birthday for a 103-year-old, put in a regular appearance at paediatrics and have often played for one of our Royal Free volunteers during her time as an in-patient. Her extraordinary spirit is an inspiration!" he said.

Mistral, one of our pet therapy dogs

Mistral is one of our pet therapy dogs, who are back in action, cheering the staff of the hospitals.

The nine-year-old dog is owned by Mary Cooper who said: "She loves being the centre of attention, but she instinctively knows that she needs to tone down her bounciness when she's visiting." She's a great morale boost for the staff. "I think they really need her right now," said Mary.



Mistral

A NEW ERA IN IMMUNOLOGY RESEARCH



We completed our exciting new home for the scientists at the UCL Institute of Immunity and Transplantation (IIT) – one of the largest patient-focused immunology centres in Europe – despite many practical challenges posed by the pandemic.

The £60 million Pears Building is an ultra-modern research facility which will allow researchers and clinicians to work more closely with patients to develop

treatments and cures for some of the most devastating diseases of the immune system.

Created after a ground-breaking collaboration between the Royal Free Charity, UCL and the Royal Free London NHS Foundation Trust, the building will not only bring the theory and implementation of research much closer together but will also allow the public easy access to the latest discoveries in immunology.

The Pears Building has a light-filled interior with dramatic acoustic panelling and bespoke timber meeting room “pods”. These and other spaces in the building will maximise the opportunities for interaction between users of the building, including researchers and their clinical colleagues in the neighbouring Royal Free Hospital, and with the surrounding community.

“ In the Pears Building we have a world class laboratory research facility and a beautiful space designed to facilitate a unique partnership between scientist and clinician,” said Professor Hans Stauss, director of the IIT. “This will enable us to convert discoveries made in the laboratory into cures and treatments more quickly.”

Jon Spiers, chief executive of the charity, said: “This important new facility was made possible by the generosity of a number of visionary philanthropists, including the Pears Foundation, who have supported the project from the outset.”

The building will house up to 200 researchers looking for cures and new treatments for global health problems including type 1 diabetes, cancer and organ rejection after transplantation, in the most up-to-date laboratories.

Local people will be welcomed into a community café and invited to face-to-face updates with researchers, who will maximise opportunities for patients to take part in clinical trials. Those taking part in research will be offered accommodation on the top floors of the building, many with stunning views across Hampstead Heath.

The building also has offices for the Royal Free Charity and a 71-space car park for patients and visitors.

Charity-funded research into COVID-19

As part of the charity's response

to COVID-19, we awarded one of our largest grants to RFL researchers – for £250,000 – for 12 projects in clinical and laboratory research as well as staff and patient experience. Three are highlighted below.

During the early days of the pandemic many patients in intensive care units were put in a prone position to aid their breathing and it is now estimated that up to 1% will go on to suffer visual loss after “proning”.

Anne Marie Preston, ophthalmology research portfolio manager and colleagues will identify risk factors and the potential for preventing this side effect, perhaps by changing the position of the head. Working in partnership with Fosters Architects, they have developed a proning board with pressure sensors to monitor pressure within the eye and the results of

using it could change the care of these patients.

Michelle Anderson, senior research midwife, and Rezan Abdul-Kadir, consultant obstetrician, are investigating the psychological and pathological impact of COVID-19 on pregnancy and birth and hope to improve the care of mothers and babies who develop the disease.

The need to monitor the psychological effects on patients admitted with COVID-19 is the subject of a study by **Joanna Dobbin**, academic clinical fellow in primary care and population health, who is leading a study using the NHS-approved Feel Good app for the treatment of anxiety and depression. It is anticipated this study will lead to a reduction in patients' anxiety and have a positive benefit on patients' wellbeing.



FUNDRAISING FOR HEROES

We can support patients, hospital staff and important research only because of the generosity of our donors and community fundraisers. Overall we raised £6.4 million, including a staggering £2.2 million in response to our COVID emergency appeal. Elsewhere in the report we have described how we quickly pressed this

into service where it was most urgently needed.

2,500 more donors

A restructuring of our fundraising team and some significant new appointments meant we were able to recruit about 2,500 new donors during the year. We were very sad when a cost efficiency review

led to the closure of our retail operation but we made good progress in creating distinct new functions within the fundraising team focusing on high value fundraising, individual giving and community fundraising.

The pandemic meant that many of our regular sources of income were not available, the

“AS WE MOVE INTO THE NEXT PHASE OF OUR RESPONSE, WE ARE KEEN TO SHARE THE LESSONS WE HAVE LEARNED, ALONGSIDE OUR ACHIEVEMENTS.”



most obvious being events and volunteer collections.

Untapped potential

Looking ahead, we are confident that there is much untapped funding but we will need to focus on some key objectives to fulfil our fundraising potential. These include:

- developing a robust fundraising infrastructure
- ensuring better engagement with existing and potential supporters, allowing us to raise income more consistently and reliably in future.
- raising awareness of our need to increase donations that can be applied across the full range of our activities and

services rather than being restricted to specific projects and causes – so-called “unrestricted funds”

As we move into the next phase of our response, we are keen to share the lessons we have learned, alongside our achievements. The past year has:

- reaffirmed the importance of working in partnership with our hospital colleagues to identify the areas where donor investment can add greatest value, and to be quick and agile in our response.
- highlighted the benefit of co-creating services with affected staff to meet particular needs as effectively as possible.

- underscored the importance of raising unrestricted funding to enable a flexible response to uncertainty and crisis.

Of course, supporting our hospital colleagues with the challenges posed by the pandemic will continue to be a priority. As the year ended, we were finalising plans for an appeal for funds to help restore and improve future services.

We are grateful for the huge generosity shown by our donors and supporters and will ensure that the results of our new appeal continue to make a big difference to our hospital colleagues.

FUNDRAISING POLICY

Our approach to fundraising rests on positive supporter engagement in order to enable us to attract, steward and maintain support, while respecting the wishes of our supporters. To help us achieve this, we store 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, adheres to its code of practice and to Charity Commission guidelines. Trustees provide guidance and oversee our fundraising practices. They are aware of the Charity Commission’s fundraising principles:

1. Planning effectively
2. Supervising our fundraisers
3. Protecting our charity’s reputation, money and other assets
4. Ensuring compliance with the laws, regulations and recognised standards that apply to our fundraising
5. Being open and accountable.

During the course of the 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 has 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, for which there is guidance for the public on our website and we have an internal process to follow. There have been no complaints or any recorded failure to comply with fundraising standards in the past financial year. We are compliant with General Data Protection Regulation. We gain consent from our supporters when required and inform them of their rights and how we look after their personal data.

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



2,500

NEW DONORS
DURING THE YEAR

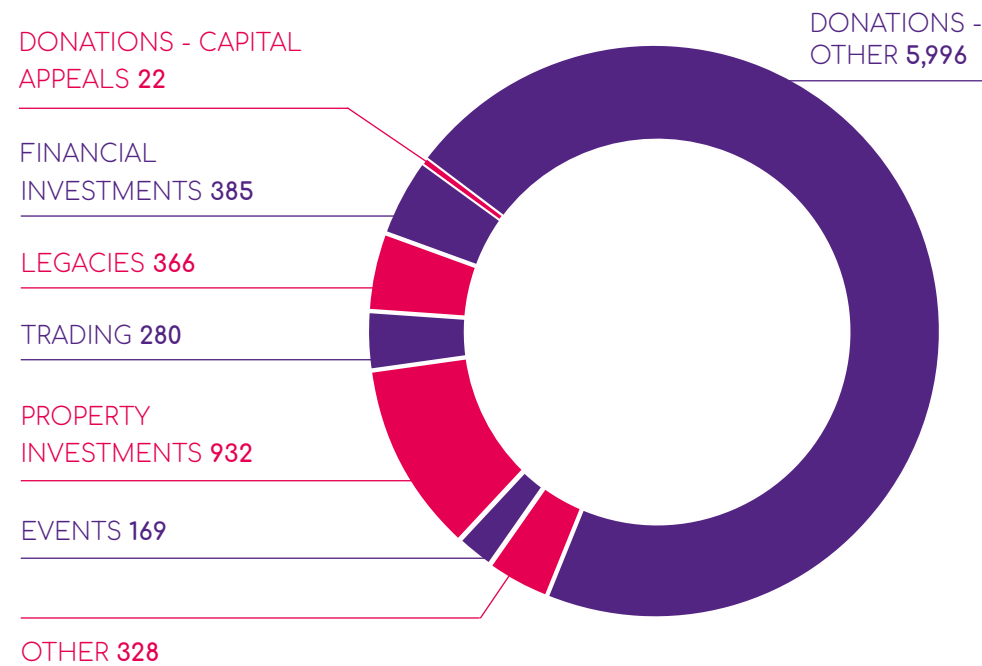


ROYAL FREE
CHARITY

OUR INCOME

Income for the year totalled £8.5 million. This is split between donations, legacies, financial and property investments, trading and event activities.

BREAKDOWN OF TOTAL INCOME (£000)
£8.5m total income
10.5% decrease on 2019/20



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

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

EVENTS
Many supporters of the charity participate in, or organise, events

such as the London Marathon and the Vitality London Half Marathon to raise money for the charity.

FINANCIAL INVESTMENTS
Investment income generated from quoted investments and cash holdings.

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

OTHER
Income generated from, amongst other things, training courses run by various departments in the Royal Free to further the

charitable activities within the department concerned.

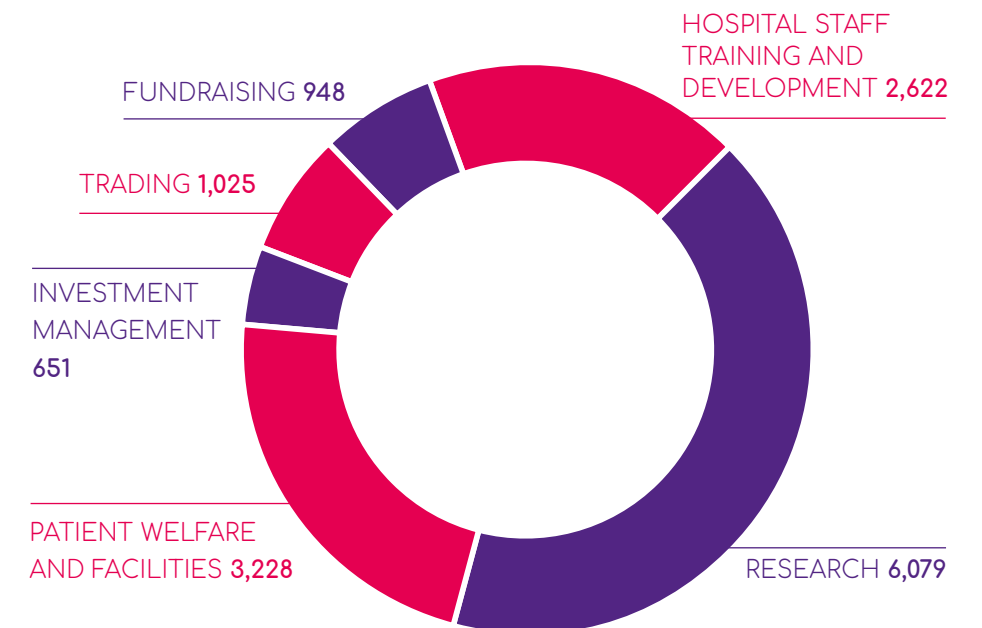
PROPERTY INVESTMENTS
This predominately relates to the net disposal proceeds on investment properties when they have been sold and the rental income generated from properties held for investment purposes.

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.

OUR EXPENDITURE

Total expenditure for the year was £14.5 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.

BREAKDOWN OF TOTAL EXPENDITURE (£000)
£14.5m total expenditure
83.5% increase on 2019/20



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

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

MEDICAL EQUIPMENT
There was no expenditure on medical equipment in 2020/21.

PATIENT WELFARE AND FACILITIES
This expenditure relates to grants to improve patient welfare and facilities and the costs of volunteer services, our

support hub service and our massage team, all of whom provide services which are much appreciated by patients at our three hospitals.

RESEARCH
These grants support life-saving and life-changing medical research at our hospitals including the salaries of researchers, research equipment and associated research costs.

STAFF TRAINING AND DEVELOPMENT
Many donations are given to benefit NHS trust staff, and these are often used either to enable

staff to attend training courses or to provide additional facilities for staff, including 'Fit at the Free' – a programme aimed at enhancing staff wellbeing.

TRADING
These are the costs of the charity's retail trading operations, which were wound up during the year, and the operating costs of the Recreation Club, which provides fitness and wellbeing services.

FINANCIAL COMMENTARY

A primary focus of the charity in 2020/21 continued to be construction of the charity's flagship building project, the Pears Building, which began in March 2018. The £60m project, a partnership between UCL, the charity and the Royal Free London NHS Foundation Trust, was managed through RFC Developments Limited, a subsidiary company of the charity. The development programme, originally planned for completion in September 2020, achieved completion in June 2021 and now houses the prestigious UCL Institute of Immunity and Transplantation (IIT), patient accommodation and a café to be run by the charity via an outsourcing arrangement, a car park run by the trust and the charity's main office. During 2020/21, the charity spent £11m on the construction costs of the project, of which £9m was in excess of the donation received in the year from the Pears Foundation.

The total annual income of the group was £8.5m (2019/20: £9.5m), while the operating income excluding investment income was £7.2m (2019/20: £7.8m). A successful COVID-19 fundraising appeal during the year which raised £2.2m and a one-off government grant of £0.3m are included in the total income from donations and legacies of £6.4m (2019/20: £6.4m). However, the charity returned a lower income on its trading activities of £0.6m (2019-20:£0.9m), as a result of the permanent closure of charity shops and some temporary closures of the Recreation Club due to government lockdown measures.

Income from investments of £1.3m (2019/20: £1.7m) reflects a reduction in dividend income from the charity's financial investment portfolio, which was switched from a higher risk equity investment to a lower risk bond investment to mitigate risk in the equity market due to COVID-19.

There was a £7.1m gain on investments in the year (2019/20: £3.2m loss), represented by a £2m realised and unrealised gain on financial investments following an improvement in the financial markets, £1.6m gain on disposal of an investment property and £3.5m gain on valuation of a mixed motive investment property.

The charity holds Graseby House as a mixed investment property, with an office space rental income stream and keyworker short-lease accommodation. A major refurbishment of the property took place in 2019/20 and the property came into operation in February 2020, with a cost value of £10.2m. However, due to the pandemic, the building was not operational for a full annual cycle and there were periods when it was not possible to let it as residential accommodation. At the turn of financial year 2021/22, and lifting of COVID-19 related restrictions, the property became available for operating at capacity. A Red Book valuation exercise was carried out using a discounted cash flow based upon the income stream receivable from the property using PodPlan, which is a sector specific valuation toolkit, using a 5% voids level. The property was valued at £13.8m as at 31 March 2021, based upon a

fully explicit discounted cash flow model over a 45-year period. This valuation generated an unrealised gain of £3.5m in the year.

During the year, the charity disposed of the remaining part of its investment in the Gray's Inn Road site of the Royal National Throat Nose and Ear Hospital (RNTNEH) generating a gain on disposal of £1.6m. The disposal was made to support funding for the Pears Building project as well as to improve the charity's free reserves position. Following disposal of the RNTNEH, a grant to the trust of £0.7m has been accrued and will be paid in the following year for use in patient welfare and facilities.

Expenditure on charitable activities for the year was £11.9m (2019/20: £6.3m). A key reason for the increase was a grant of £3.9m (33% of total charitable expenditure) provided to UCL to fund the purchase of basic and specialised research equipment to be used at the IIT within the Pears Building. There was also a one-off grant to the trust of £0.7m following disposal of an investment property discussed above. The income generated from the successful COVID-19 appeal helped the charity to award further grants to the trust, particularly £0.3m and £0.9m grants for COVID-19 research and staff health and wellbeing support respectively.

The charity continued to award grants and provide its own services for 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

FINANCIAL COMMENTARY (CONT.)

objectives are included in earlier sections of the annual report.

2020/21 was an enormously challenging year for the charity's subsidiary, RFC Recreation Club Ltd. Along with the rest of the country, the club faced huge disruption and uncertainty due to lockdowns and numerous changes to the country's tier system. The club was open, on and off, with limited gym facilities only for around four months during the year. Despite these challenges, and supported by the charity and the trust, the team at the club reinvented its offer, becoming a vital support to the trust and our local community during the first two waves of the pandemic. That included but was not limited to: 1) offering its sports hall to be used as a base for the "Free at the Free" shop where trust staff could collect free grocery items donated to the charity or purchased using charitable funds 2) offering studio space to the charity's complementary therapy services team to give free massages to staff and 3) in collaboration with the local GP network, North Central London CCG and the Royal Free and UCLH trusts, the club became one of the bases for the national vaccine rollout programme. This brought in regular income to offset the club's costs and loss of income from December 2020 to March 2021. Understandably, with a very limited income stream due to various closures, the club had a very difficult financial year which resulted in a negligible deficit of £58k (2019/20: £6k deficit).

RESERVES

The charity's reserves are to provide funding for financial commitments and a contingency against unforeseen circumstances. The trustees review the reserves levels regularly 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 and therefore their funds must be utilised for the charitable objects of the merged charity. In addition, the charity's capital appeal is restricted because of its nature and materiality. Restricted funds at the year-end were £38.1m - see note 11.3.
 - 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 Barnet, Chase Farm and the Royal Free hospitals. Unrestricted, designated funds at the year-end were £17.9m - see note 11.1.
 - Unrestricted, general funds are generated when no stipulation is made by the donor. However, these funds must be expended in line with the charity's objects, which is the legal responsibility of the trustees. Unrestricted, general funds at the year-end were £37.2m - see note 11.1.

The calculation of free reserves is a combination of the general funds adjusted for fixed assets, investment properties and future commitments for capital projects, and compared against the

minimum reserves requirement as per the policy. Free reserves provide funds that can be drawn upon and applied at the discretion of the charity to maintain its operations. A target level and minimum level of unrestricted free reserves have been established in a reserves policy, to ensure the charity has adequate funds to operate, taking account of any unforeseen circumstances.

The free reserves at the year-end were a negative £4m (2019/20: negative £5.1m [restated]) - see note 11.2. This improvement was primarily due to the disposal of an investment property valued at £1.3m on the balance sheet. This position of negative free reserves is considered to be temporary due to a combination of future predicted growth in unrestricted voluntary income and careful management of restricted and designated funds. The charity's finances will also benefit from unrestricted income derived from its investment holdings in the medium term. Under the new strategy, the charity will be putting in a concerted effort to build up its free reserves. This will enable the charity to return to a position of positive free reserves in the 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. Based on 2020/21 net operating costs of £4.6m, these equate to £2.3m and £1.5m respectively (see note 4). 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.

RISK (Risk Log Ref) Risk Definition		STEPS TAKEN TO MITIGATE RISK
F4	Reducing unrestricted free reserves leading to increase in the unrestricted free reserves deficit.	<ul style="list-style-type: none">• Taken legal and professional advice in relation to commercial arrangements and contracts.• Ensure board of trustees and its sub-committees are regularly updated on financial performance.• 2021-22 budget reworked and 2021-25 plan developed with focus on generating unrestricted funds.• Review fundraising policy and recovery of overheads.
O2	Fundraising function fails to meet its financial targets and deliver satisfactory returns.	<ul style="list-style-type: none">• Focused fundraising strategy and diversified income portfolio.• Development of impactful case for support.• Recruitment and retention of high-quality team.• Development and monitoring of fundraising KPIs.
O8	Post practical completion operational issues in the Pears Building.	<ul style="list-style-type: none">• Regular meetings with contractors and advisers to resolve and monitor defects.• Regular contact with management team of the contractor(s).• Working with experts to negotiate with the key stakeholders of the Pears Building to minimise charity exposure and to manage the service charges equitably.• Monthly mobilisation meetings and reports from the property management contractor.
G6	Insufficient focus on equality, diversity and inclusion (EDI) at trustee level or within the charity.	<ul style="list-style-type: none">• Trustee skills and diversity audit carried out in Dec 20/Jan 21.• Responsibility for overseeing board EDI held by nominations and governance committee.• Developing EDI policy and staff training on EDI.• Network with other NHS charities re their EDI initiatives.

RISKS AND RISK MANAGEMENT (CONT.)

RISK (Risk Log Ref) Risk Definition		STEPS TAKEN TO MITIGATE RISK
E1	COVID-19 and its adverse impact	<ul style="list-style-type: none">• Government guidance followed to risk assess workplace and staff as a part of return to office work.• Finance and customer relationship management systems are on secure, cloud-based platforms, including SharePoint, Microsoft 365 and videoconferencing technology, to enable remote working.• Service delivery adapted to work from home as needed.• Contact maintained with key trust colleagues.• Office prepared as 'COVID-secure' following trust guidance.• Weekly review by senior leadership team.
E2, E3	Adverse publicity & Reputational damage	<ul style="list-style-type: none">• Rolling programme of communications across all channels.• Evidence reported back to the wider public of the positive impact the charity is having.• Proactive management of press and engagement with local opinion-formers, including targeted communications with those impacted and the media.• Regular meetings between trust and charity communications teams.• Complaints procedures updated.
R1	Data protection (DP) compliance breach	<ul style="list-style-type: none">• Review, development and implementation of a full suite of DP policies and procedures completed.• DP expert provider appointed.• Mandatory DP training rolled out and completed by all staff. New staff to complete within six weeks of starting.• Annual review of DP policies and procedures and refresher training for all staff.
R2	Health & safety (H&S) regulatory non-compliance	<ul style="list-style-type: none">• Senior leadership team and departmental H&S leads identified and trained.• H&S review of Pears Building and Recreation Club facilities completed.• Update and further develop H&S policies, processes and reporting.• Provide mandatory training for staff.• Develop and implement a crisis management plan.
R3	Safeguarding	<ul style="list-style-type: none">• Senior leadership team lead for safeguarding identified• Mandatory training completed by all staff and by new staff within six weeks of starting. Annual refresher training for all staff.• Volunteers in regulated activity are disclosure and barring service (DBS) checked and vetted. All volunteers complete basic safeguarding training at point of induction and refreshed along with DBS every three years.• Update and develop policies, processes and reporting in respect to safeguarding.

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”.	to presume that the charity will continue in business
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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:	The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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) select suitable accounting policies and apply them consistently	(a) there is no relevant audit information of which the company’s auditor is unaware: and
(b) comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements	(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.
(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	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.
(d) make judgements and estimates that are reasonable and prudent	
(e) prepare the financial statements on a going-concern basis unless it is inappropriate	

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 NHS Foundation Trust (RFL), but also and more generally the promotion of health and medical research, particularly within the catchment area of the foundation trust.

TRUSTEES

Following the reconstitution of the charity, new trustees are appointed by the trustee board after open competition. Several trustees who were previously trustees of the former NHS charity are now trustees of the incorporated charity; in addition, the RFL has the right to appoint and remove one trustee. Currently this is Dr Chris Streather, group chief medical director at the RFL.

The chair of the trustees aims for new and existing trustees to be fully briefed on the key issues facing the Royal Free Charity, including Charity Commission information on trustee.

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONT.)

responsibilities, aspects of charity law pertinent to the Royal Free Charity and timely copies of reports, accounts and other key documents. Board members declare all relevant interests in other bodies, especially bodies closely connected with the RFL.

The trustees and their five sub-committees – finance, asset management, fundraising, marketing and communications, grants and nominations and governance committees - 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 trustees, following a comparison of their posts with similar positions in the charity sector generally.

REFERENCE AND ADMINISTRATIVE DETAIL

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 and 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, to:
- (a) 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) 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
 - (c) 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 dated 4 February 2016.

COMPANY NUMBER

09987907 in England and Wales

CHARITY NUMBER

1165672 in England and Wales

REGISTERED OFFICE

Royal Free Charity
Pears Building
London
NW3 2PP

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 2021 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 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK)

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

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 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 international standards on auditing (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

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

- 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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due

to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific

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

appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

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.

Moore Kingston Smith LLP

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: 4 January 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

		Year ended 31 March 2021			Year ended 31 March 2020		
	Note	Unrestricted funds £000	Restricted funds £000	Total 2020/21 £000	Unrestricted funds £000	Restricted funds £000	Total 2019/20 £000
Income and endowments:							
Donations and legacies	2	6,302	82	6,384	4,357	2,053	6,409
Charitable activities		27	-	27	220	-	220
Other trading activities		280	-	280	900	-	900
Investments	8.3	1,292	25	1,317	1,610	123	1,733
Other							
Events		164	4	169	230	3	232
Other Income		301	-	301	-	-	-
Total income:		8,366	112	8,478	7,317	2,178	9,496
Expenditure:							
Raising funds	4						
Fundraising expenditure		948	-	948	499	-	499
Trading expenditure		1,025	-	1,025	1,020	-	1,020
Investment/property management		651	-	651	49	-	49
Charitable activities	3	7,740	4,191	11,930	6,143	206	6,348
Total expenditure		10,364	4,191	14,554	7,711	206	7,916
Net gains/(losses) on investments	8.5	6,690	400	7,090	(3,016)	(199)	(3,215)
Net income/(expenditure)		4,692	(3,679)	1,014	(3,409)	1,774	(1,635)
Transfer between funds	11	-	-	-	47	(47)	-
Net movement in funds		4,692	(3,679)	1,014	(3,362)	1,727	(1,635)
Reconciliation of funds:							
Total funds brought forward		50,464	41,776	92,240	53,826	40,049	93,875
Total funds carried forward		55,156	38,097	93,254	50,464	41,776	92,240

The notes on pages 41 to 53 form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET

		Group March 2021 £000	Charity March 2021 £000	Group March 2020 £000	Charity March 2020 £000
Fixed assets					
Tangible assets	6	410	391	483	451
Asset under construction	6	58,583	61,346	47,398	49,630
Investments	8	30,541	30,680	27,707	27,846
Total fixed assets		89,534	92,417	75,588	77,926
Current assets					
Debtors	9	4,114	5,484	8,107	9,596
Short-term deposits		-	-	5,005	5,005
Cash at bank and in hand		12,393	11,091	10,773	9,141
Total current assets		16,507	16,576	23,885	23,742
Creditors falling due within one year	10.1	(12,787)	(12,915)	(7,233)	(7,195)
Net current assets		3,721	3,660	16,651	16,547
Total net assets		93,254	96,077	92,240	94,474
Funds of the charity					
Income funds					
Unrestricted	11.1	55,157	57,980	50,464	52,698
Restricted	11.3	38,097	38,097	41,776	41,776
Total funds		93,254	96,077	92,240	94,474

The notes on pages 41 to 53 form part of these accounts.

As permitted by section 408 of the Companies Act 2006, the parent charity's gross income and results have not been included in the financial statements. The net income of the charity for the year was £1,603,000 (2019/20: net expenditure of £518,000).

Chair Judy Dewinter

Trustee Treasurer Nina Robinson

Date 21 December 2021
Company registration no: 09987907

CONSOLIDATED CASH FLOW STATEMENT

Cash inflow/(outflow) from operating activities	2020/21	2019/20	
	£000	£000	
Net cash provided by/(used in) operating activities	5,114	11,238	
Cash flows from investing activities			
Investment income and interest received	1,317	1,733	
Proceeds from disposal of fixed asset investments	2,708	3,440	
Acquisition of fixed asset investments	(1,299)	(7,525)	
Acquisition of tangible fixed assets by charity	(39)	(2,956)	
Acquisiton by subsidiary companies of:			
Tangible fixed assets	0	(1)	
Asset under construction	(11,185)	(23,526)	
Net cash flow from investing activities	(8,499)	(28,836)	
Cash flow from financing activities			
Repayment of loan	-	-	
Increase/(decrease) in cash and cash equivalents	(3,385)	(17,598)	
Cash and cash equivalents at beginning of period	15,778	33,376	
Cash and cash equivalents at end of period	12,393	15,778	
Reconciliation of net income/(expenditure) to cash flow from operating activities			
	2020/21	2019/20	
	£000	£000	
Net income/(expenditure) including endowments	1,014	(1,635)	
Adjustments:			
Depreciation charges	13	66	
Net (gains)/losses on investments	(4,243)	3,269	
Investment income	(1,317)	(1,733)	
Loss on disposal of tangible fixed assets by charity	100	0	
Decrease in debtors	3,993	11,668	
Increase/(decrease) in creditors	5,554	(398)	
Net cash provided by/(used in) operating activities	5,114	11,238	
Analysis of net cash			
	01 April 2020	Cashflows	31 March 2021
	£000	£000	£000
Short-term deposits	5,005	(5,005)	-
Cash at bank and in hand	10,773	1,620	12,393
	15,778	(3,385)	12,393

The notes on pages 41 to 53 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

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 £1,000.

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

Works of art are valued in the balance sheet at £317,020 (£317,020 in 2020), a figure which the trustees believe fairly reflects their value.

Investment properties are valued in the balance sheet at £1,401,000 (£2,753,000 in 2020), a figure which the trustees believe fairly reflects their value. Mixed motive investment represents a property valued in the balance sheet at £13,770,000 (2019/20: £10,204,000), a figure which the trustees believe fairly reflects its 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 pre-payments, deferred income and balances with HMRC under statute, all other debtor and creditor balances, as shown in notes 10 and 11, are considered to be basic financial instruments under FRS 102.

CONSOLIDATION

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

CASH AND CASH EQUIVALENTS

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

FUND STRUCTURE

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

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

INCOME

All income is included in full in the statement of financial activities as soon as the following three factors can be met:

- (a) entitlement - arises when a particular resource is receivable or the charity's right becomes legally enforceable.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

- (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.

GOVERNMENT GRANTS

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the charity recognises the associated costs for which the grant is intended to compensate. This includes £215,542 of government assistance under the coronavirus job retention scheme relating to staff who were furloughed due to COVID-19.

GIFTS IN KIND

Gifts in kind are recognised as income and expenditure in the year the gifts are received by the charity. The amount at which gifts in kind are recognised is either the value of the cost to the donor or the fair value determined by the charity. The gifts are then directed to the relevant department or ward at the trust. Total value of

gifts in kind for 2020/21 was £272k.

EXPENDITURE

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

ALLOCATION OF OVERHEAD AND SUPPORT COSTS

Overhead costs have been divided into the categories shown in note 4, and apportioned between those categories (raising funds, and charitable expenditure), on the basis of their relevance to each category. In 2020/21, as in 2019/20, 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 2019/20 by Cluttons, chartered surveyors. A second property has been valued in the year by Montagu Evans, chartered surveyors. 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:

ASSET TYPE	CAPITALISATION THRESHOLD	DEPRECIATION
Computer equipment	£2,500 individually or exceeding £5,000 in aggregate	3 years
Computer systems development	£25,000 in aggregate	5 years
Software (purchased or developed)	£25,000	5 years or expected life, if shorter
Computer development	£2,500 individually or exceeding £5,000 in aggregate	5 years
Recreation equipment	£1,000 individually or exceeding £1,000 in aggregate	5 years
Shop EPOS system	£5,000	5 years
Shop fit-outs	£5,000	Lease term
Furniture and fittings	£2,500 individually or exceeding £5,000 in aggregate	5 years
Asset under construction	Cost	Not depreciated
Works of art	Market value	Not depreciated

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

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, 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. Practical completion of the building was achieved in June 2021.

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. The NHS Pension Scheme is a multi employer defined benefit scheme but under SORP 28.11, this is accounted for in these financial statements as if it were a defined contribution scheme.

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 2021 (CONT.)

2. Donations and legacies	Unrestricted funds £000	Restricted funds £000	Total 2020/21 £000	Unrestricted funds £000	Restricted funds £000	Total 2019/20 £000
Donations - capital appeal	-	22	22	-	2,003	2,003
Donations - others	5,977	19	5,996	3,070	37	3,107
Legacies	324	42	366	1,287	13	1,299
Total	6,302	82	6,384	4,357	2,053	6,409

3. Charitable expenditure	Grants £000	Activities undertaken directly £000	Support costs £000	Total 2020/21 £000	Grants £000	Activities undertaken directly £000	Support costs £000	Total 2019/20 £000
Patient welfare and facilities	972	1,729	527	3,228	84	1,291	505	1,880
Staff training and development	1,044	1,150	428	2,622	299	956	461	1,716
Research	3,980	1,106	992	6,079	431	1,224	608	2,263
Medical equipment	-	-	-	0	-	358	131	490
Total	5,996	3,986	1,948	11,930	814	3,829	1,705	6,348

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

4. Analysis of support costs by activity

	Governance £000	Raising funds £000	Charitable activities £000	Total 2020/21 £000	Governance £000	Raising funds £000	Charitable activities £000	Total 2019/20 £000
Salaries - charity	161	535	869	1,564	149	386	483	1,018
Salaries - trading subsidiary	-	243	-	243	-	284	-	284
Investment/property management	-	651	-	651	-	49	173	222
Other trading subsidiary costs	-	140	-	140	-	237	-	237
Charity trading costs	-	642	-	642	-	499	-	499
Statutory auditor's remuneration	18	-	-	18	17	-	-	17
Legal and other professional fees	263	135	-	398	185	-	-	185
Event and marketing costs	-	3	3	7	-	21	2	22
Consultancy/recruitment services	114	-	272	386	131	16	224	371
Publicity materials	-	162	-	162	-	35	-	35
Capital appeal costs	-	-	87	87	-	-	223	223
Others	14	113	147	274	36	41	83	161
Total support costs	570	2,624	1,378	4,571	518	1,569	1,187	3,274
Governance costs reallocated	(570)	-	570	-	(518)	-	518	-
Total support costs	-	2,624	1,948	4,571	-	1,569	1,705	3,274

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 2020/21, this charge was £157,000 (2019/20: £171,000).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

4.1 Analysis of staff costs	Charity £000	Subsidiary £000	Total 2020/21 £000	Charity £000	Subsidiary £000	Total 2019/20 £000
Salaries and wages	2,325	210	2,535	1,847	253	2,100
Social security costs	213	19	232	167	20	187
Other pension costs	114	12	126	120	11	131
Total	2,652	241	2,893	2,134	284	2,418

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

The number of such employees of the charity were:

	2020/21	2019/20
£60,001-£70,000	4	1
£70,001-£80,000	1	-
£80,001-£90,000	1	1
£90,001-£100,000	2	1
£120,001-£130,000	-	1

Pension contributions were made for these employees as follows:

	£000	£000
£60,001-£70,000	16	6
£70,001-£80,000	2	-
£80,001-£90,000	8	8
£90,001-£100,000	8	4
£120,001-£130,000	-	21

There was an average monthly number of 61 staff in 2020/21 (2019/20: 63). RFC Recreation Club Ltd had an average number of 9 staff (2019/20: 11), and RFC Developments Ltd did not employ any staff.

The key management personnel during the year were Christopher Burghes (chief executive - until May 2020), Alison Kira (director of grants and services), Sharron Grant (director of people - from May 2020), Paul Stein (executive director of fundraising and communications), Barry Aspland (director of finance), Richard Scarth (director of operations and then deputy chief executive - until January 2021), Jenny Todd (assistant director of services), Michael Ridgewell (chief operating officer - from July 2020), Jon Spiers (chief executive officer - from September 2020) and Robin Meltzer (director of engagement and communications - from July 2020). The total salary cost of the key management personnel (including social security and employer pension costs) was £833,000 (2019/20: £479,000). The increase is mainly due to addition of a number of new roles to the senior leadership team during 2020/21.

During the year, the charity made a total termination payment of £134,000 (2019/20: none) due to redundancies mainly following the adverse impact of the pandemic which led to permanent closure of all charity shops and the reduction of voluntary services in hospital premises.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

5. Analysis of net assets between funds

Group	Unrestricted funds £000	Restricted funds £000	Total 2020/21 £000	Unrestricted funds £000	Restricted funds £000	Total 2019/20 £000
Fixed assets	24,927	34,065	58,993	47,881	-	47,881
Investment	28,454	2,086	30,541	26,038	1,669	27,707
Current assets	10,288	6,220	16,507	(16,466)	40,351	23,885
Liabilities	(8,513)	(4,274)	(12,787)	(6,989)	(244)	(7,233)
	55,157	38,097	93,254	50,464	41,776	92,240

Charity	Unrestricted Funds £000	Restricted Funds £000	Total 2020/21 £000	Unrestricted Funds £000	Restricted Funds £000	Total 2019/20 £000
Intangible fixed assets	-	-	0	9	-	9
Tangible fixed assets	27,671	34,065	61,737	50,072	-	50,072
Investments	28,594	2,086	30,680	26,177	1,669	27,846
Current assets	10,356	6,220	16,576	(16,609)	40,351	23,742
Short-term liabilities	(8,641)	(4,274)	(12,915)	(6,951)	(244)	(7,195)
Long-term liabilities	-	-	-	-	-	-
	57,980	38,097	96,077	52,698	41,776	94,474

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

6.1 Fixed assets - group

	Recreational equipment	Shop system	Shop fit - out	Furniture & fixtures	Artworks	Asset under construction	Computer equipment	Properties	Total
Cost	£000	£000	£000	£000	£000	£000	£000	£000	£000
Brought forward at 1 April 2020	85	19	198	34	317	47,398	11	-	48,062
Additions	-	-	-	-	-	11,185	39	-	11,224
Disposals	-	(19)	(198)	-	-	-	(11)	-	(228)
Carried forward at 31 March 2021	85	0	0	34	317	58,583	39	0	59,058

Accumulated depreciation									
Brought forward at 1 April 2020	52	10	107	-	-	-	11	-	181
Charge for the year	13	-	-	-	-	-	-	-	13
Depreciation on disposals	-	(10)	(107)	-	-	-	(11)	-	(128)
Carried forward at 31 March 2021	65	0	0	0	0	0	0	0	66
Net book value at 1 April 2020	33	9	91	34	317	47,398	-	-	47,881
Net book value at 31 March 2021	20	-	-	34	317	58,583	39	-	58,993

6.2 Fixed assets - group

	Shop system	Shop fit - out	Furniture & fixtures	Artworks	Asset under construction	Computer equipment	Properties	Total
Cost	£000	£000	£000	£000	£000	£000	£000	£000
Brought forward at 1 April 2020	19	198	34	317	49,630	11	-	50,209
Additions	-	-	-	-	11,716	39	-	11,755
Disposals	(19)	(198)	-	-	-	(11)	-	(228)
Carried forward at 31 March 2021	0	0	34	317	61,346	39	0	61,736

Accumulated depreciation								
Brought forward at 1 April 2020	10	107	-	-	-	11	-	128
Disposals	(10)	(107)	-	-	-	(11)	-	(128)
Charge for the year	-	-	-	-	-	-	-	-
Carried forward at 31 March 2021	0	0	0	0	0	0	0	0
Net book value at 1 April 2020	9	91	34	317	49,630	-	-	50,081
Net book value at 31 March 2021	-	-	34	317	61,346	39	0	61,737

7 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	Shares held class	%	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 Overage Ltd (previously called: RFC Properties (CF Holdings) Ltd)	Ordinary	100	Company dormant and not yet trading

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

7 Subsidiary companies (continued)

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

	Year ended 31 March 2021		Year ended 31 March 2020	
	RFC Recreation Club Ltd	RFC Developments Club Ltd	RFC Recreation Club Ltd	RFC Developments Club Ltd
	£000	£000	£000	£000
Turnover	319	11,661	510	24,543
Expenditure	(377)	(11,257)	(516)	(23,561)
Result of the year	(58)	404	(6)	982
Total assets	251	4,335	253	5,943
Total liabilities	(172)	(4,335)	(116)	(5,943)
Net funds at the end of the year	79	-	137	-

The charity's other subsidiary companies (see note 15) did not trade during 2020/21

8 Analysis of investment portfolio	Group 2020/21	Charity 2020/21	Group 2019/20	Charity 2019/20
	£000	£000	£000	£000
Market value as at 1 April	27,707	27,846	16,687	16,826
Less: disposals at carrying value	(2,708)	(2,708)	(3,440)	(3,440)
Add: acquisitions at cost	1,299	1,299	7,525	7,525
Transfer from fixed assets	-	-	10,204	10,204
Net gain/(loss) on revaluation	4,243	4,243	(3,269)	(3,269)
Market value as at 31 March	30,541	30,680	27,707	27,846

8.1 Market value at 31 March	Held In UK	Held Overseas	2020/21 Total	Held In UK	Held Overseas	2019/20 Total
	£000	£000	£000	£000	£000	£000
Investment properties	1,401	-	1,401	2,753	-	2,753
Mixed motive investment (see note 8.2)	13,770	-	13,770	10,204	-	10,204
Investments listed on the London Stock Exchange	-	39	39	-	39	39
Investments in common investment funds	15,238	-	15,238	14,486	-	14,486
Cash held within the investment portfolio	93	-	93	226	-	226
Total investments - group	30,502	39	30,541	27,668	39	27,707
Investments in subsidiary companies	139	-	139	139	-	139
Total investments - charity	30,641	39	30,680	27,807	39	27,846

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

8.2 Mixed motive investment

	Group 2020/21	Charity 2020/21	Group 2019/20	Charity 2019/20
	£000	£000	£000	£000
Market value as at 1 April	10,204	10,204	-	-
Add: acquisitions at cost	45	45	-	-
Add: gain on revaluation	3,521	3,521	-	-
Transfer from fixed assets	-	-	10,204	10,204
Market value as at 31 March	13,770	13,770	10,204	10,204

Mixed motive investments relate to a property used to help to fullfil the charity's charitable objectives as well as generating investment income. A "red book" valuation of of that property, using a sector specific valuation toolkit (PodPlan), resulted in a value of £13.8m and an unrealised gain of £3.5m over its previous book value of £10.2m.

8.3 Analysis of investment income	Held In UK	Held Overseas	2020/21 Total	Held In UK	Held Overseas	2019/20 Total
	£000	£000	£000	£000	£000	£000
Investment properties	307	-	307	683	-	683
Mixed motive investment	625	-	625	73	-	73
Investments in common investment funds	369	-	369	819	-	819
Cash held outside the investment portfolio	16	-	16	158	-	158
Total investment income	1,317	-	1,317	1,733	-	1,733

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

8.4 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 2021	Value 2020
		£000	£000
M&G	Charifund	-	9,221
	Charibond	7,233	-
Cazenove	Majedie Asset Management UK Equity	171	533
	Charity Equity Value Fund	283	336
	Findlay Park American Fund	223	515
	UBS ETF - MSCI World Socially	1,228	397
	Trojan Ethical Fund	426	446
	BlackRock iShares Developed World	658	-

8.5 Gains/losses on investments

The 2020/21 net gain of £3.6m include £0.7m unrealised gain on investment in common investment funds and £1.6m gain on disposal of remaining part of the charity's investment property on the Gray's Inn Road site of the Royal National Throat Nose and Ear Hospital.

The 2019/20 net losses of £3.2m include £3.6m unrealised loss on investment in common investment funds.

9 Analysis of debtors	Group 2021	Charity 2021	Group 2020	Charity 2020
	£000	£000	£000	£000
Pre-payments	5	5	45	45
Due from subsidiary undertakings:				
RFC Developments Ltd	-	1,462	-	2,049
RFC Recreation Club Ltd	-	134	-	20
Other debtors	4,109	3,883	8,062	7,482
Total debtors	4,114	5,484	8,107	9,596

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 2022/23.

Other debtors include £60,000 (2019/20: £6.1 million) relating to the development project. It is due for receipt in 2021/22, and as at 31 March 2021, there was none due after more than one year. All other debtors fall due within one year.

10 Analysis of creditors

10.1 Creditors falling due within one year	Group 2021	Charity 2021	Group 2020	Charity 2020
	£000	£000	£000	£000
Grant and other accruals	7,248	7,248	2,196	2,196
Due to subsidiary undertaking - RFC Developments Ltd	-	3,039	-	3,972
Other creditors	5,539	2,629	5,037	1,027
Total creditors falling due within one year	12,787	12,915	7,233	7,195

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

11 Analysis of material funds

11.1 Unrestricted funds	2020/21 £000	Restated 2019/20 £000
Designated funds:		
Friends Fund - transferred from the formerly separate charity,	580	564
Friends of the Royal Free Hospital		
Departmental funds - Royal Free Hospital*		
Clinical Biochemistry	2,672	2,872
HIV/AIDS	1,435	1,461
Others**	13,250	11,926
Total designated funds**	17,937	16,823
Other general funds (undesignated)**	37,220	33,641
Total unrestricted funds	55,157	50,464

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

**In 2019/20, a classification error was made which resulted in understatement of designated funds and overstatement of general funds by £2.2m. However, the error did not affect total value of unrestricted funds. Accordingly, the 2019/20 figures for designated funds and general funds are now restated.

11.2 Free reserves	2020/21 £000	Restated 2019/20 £000
General funds	37,220	33,641
Less: total fixed assets	(58,993)	(47,881)
Add back: fixed assets covered by restricted funds	34,065	35,641
Less: investment properties	(1,401)	(2,753)
Less: mixed motive investment	(13,770)	(10,204)
Less: Pears Building commitments	(1,119)	(13,343)
Less: balance on COVID-19 appeal fund, included in general funds	-	(251)
Free reserves	(3,997)	(5,150)

11.3 Restricted funds

Restricted Funds 2020/21	Opening balance £000	Income £000	Expenditure £000	Transfers £000	Gains (loss) £000	Closing balance £000
Capital appeal	37,895	24	(3,854)	-	-	34,065
Peter Costin Memorial	604	-	(15)	-	-	589
St Peter's Trust	489	63	(266)	-	-	287
Dresden Assistance	450	-	(27)	-	-	422
Kitty Cookson Memorial	114	-	(1)	-	-	113
J F Moorhead	1,650	25	(22)	-	400	2,052
Dr Janet Owens Fellowship	574	-	(5)	-	-	569
Total restricted funds	41,776	112	(4,191)	-	400	38,097

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

11.3 Restricted funds (contd)						
Restricted Funds 2019/20	Opening balance	Income	Expenditure	Transfers	Gains	Closing balance
	£000	£000	£000	£000	£000	£000
Capital Appeal	35,880	2,005	-	10	-	37,895
Beckett Legacy	17	-	(17)	-	-	0
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)	-	0
Total restricted funds	40,049	2,178	(205)	(47)	(199)	41,776

11.4 Details of restricted funds

Capital Appeal	To fund the building of the UCL 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

12 Contingent liabilities

The construction of the Pears Building is complete and the charity is in early-stage discussions with the contractor for outstanding works and defects in the final settlement for works. At this stage, it is not possible to quantify the settlement amount or the timescale for completion of remedial work.

There were no other contingent liabilities at either 31 March 2021 or 31 March 2020.

13 Post balance sheet events

The construction of the Pears Building completed with a practical completion date of 1 June 2021.

14 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 2020/21 or 2019/20.

No trustees were reimbursed any expenses in 2020/21 or 2019/20.

14 Related party interests

Caroline Clarke (resigned 31/3/19, reappointed 24/6/20), Judy Dewinter, and Akta Raja respectively group chief executive, lead governor (retired) 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), Richard Scarth (resigned 16/3/21), Kadir Mohammed, Alison Kira (appointed16/3/21), and Jennifer Todd (appointed 16/3/21), respectively trustee, deputy chief executive, finance manager, director of grants and services and assistant director of services of the charity, are directors. In 2020/21, RFC Recreation Club Ltd reimbursed the charity £151,956 in respect of staff salaries (2019/20: £241,046). There was £134,376 due to the charity at 31 March 2021 (31 March 2020: £20,092).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021 (CONT.)

The charity paid RFC Recreation Club Ltd £10,079 (209/20: £2,480) in respect of the use of facilities. None of this was outstanding at 31 March 2021. The charity didn't award a grant in 2020/21 (2019/20: £12,000). The charity was also charged £77,854 by the club for use of its space for the Free at the Free project during the pandemic which involved provision of free food and drink to staff at the Royal Free Hospital. In 2019/20, the charity was charged £14,968 by the club representing cost share on the wellbeing centre but there was none in 2020/21 following closure of the centre.
RFC Developments Ltd (company no 8729267) - Jonathan Spiers (appointed 18/9/20), Richard Scarth (resigned 20/1/21), and five trustees of the charity, Caroline Clarke, Chris Streather, Russell Gilbert, Judy Dewinter and Alistair Summers (appointed 23/3/21), are directors. In 2020/21, 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 £11,661,265 (2019/20: £24,543,264), and £3,038,534 (2019/20: £3,971,534) was due to RFC Developments Ltd at 31 March 2021.

Loan of £1 million from the charity to RFC Developments Ltd (see note 10) - RFC Developments Ltd was charged interest of £61,000 (2019/20: £67,500), none of which was outstanding at 31 March 2021 (31 March 2020: none).

Provision of administrative services by the charity to RFC Developments Ltd - RFC Developments Ltd was charged £60,000 (2019/20: £60,000), none of which was outstanding at 31 March 2021 (31 March 2020: none).

During the year RFC Developments Ltd made a gift aid distribution to the charity of £404,316 (2019/20: £981,715).

15 Related party interests (cont)

The following three subsidiary companies did not trade in 2020/21:

RFC Enterprises Ltd (company no 8729268)

RFC Properties Ltd (company no 10609331)

RFC Overage Ltd (previously called: RFC Properties (CF Holdings) Ltd) (company no 10699295)

16 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:

	2020/21 £000	2019/20 £000
Due in less than one year	25	120
Due in 1-2 years	22	105
Due in 2-5 years	0	48

17 Members' liability

The charitable company is limited by guarantee, not having 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 of the charitable company on winding up, such amounts as may be required not exceeding £1.

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OUR SUPPORTERS

THANK YOU

We are immensely grateful to everyone who has supported us during such a challenging year for our local hospitals. Our supporters have been there for staff and patients across the Royal Free London when they needed it most. Our special thanks to:

- Antony Youselli & John Youselli
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- Kennedy Leigh Charitable Trust
- Marcus Margulies
- Maurice Wohl Charitable Foundation
- Michael and Melanie Sherwood Foundation
- Monday Charitable Trust
- NHS Charities Together
- Pears Foundation
- In memory of the late Rita & Bernard Brodie
- R.S. Hoffman
- Robert McNeal and James Kinsella Family Fund
- Sarit Shah
- The BissDavies Trust
- The Charles Wolfson Charitable Trust
- The Fraenkel Charitable Trust
- The Gerald and Gail Ronson Family Foundation
- The Leus Family Foundation

- The Lions Club of Enfield
- The Royal Free Hospital Kidney Patients Association : Nii Plange, Chair RFHKPA, David Myers BEM, Life-President RFHKPA, & RFHKPA trustees
- The Tufton Charitable Trust
- Union Bancaire Privée, UBP SA

Our sincere thanks also go to those who contributed so much to support our frontline heroes during the COVID crisis, including:

- Feed the Frontline, under the leadership of Amanda Rudman & Kon Asimacopoulos
- Unilever



ROYAL FREE CHARITY

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