

King Edward VII's Hospital

Annual Report and Financial Statements

31st March 2024



KING EDWARD VII's HOSPITAL

Marylebone London

Charity Registration Number 208944

Patron: His Majesty King Charles III President: His Royal Highness The Duke of Kent KG GCMG GCVO CD ADC(P)

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Introduction

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King Edward VII's Hospital (Sister Agnes) has a unique heritage dating back 125 years. It is an independent charitable Hospital with a proud history of Royal Patronage, located within London's Harley Street medical district. The Hospital enjoys an international reputation for offering the highest standards of care.

The Hospital offers truly personalised medical care that combines the world-leading expertise our patients demand with the impeccable standards of nursing care they deserve. Our compassionate culture creates a peaceful, private and supportive environment, returning patients to everyday life with as little disruption as possible.

We thrive on a spirit of philanthropy, with generous donations keeping us at the forefront of medical care and allowing us to provide the very best service to our patients. Our charitable purpose is to provide the highest levels of subsidised care to veterans of the Armed Forces.

Brief history of King Edward VII's Hospital

Our history dates back to 1899, when sisters Agnes and Fanny Keyser devoted themselves and their home to caring for sick and wounded officers returning from the Second Boer War. Under Sister Agnes' steadfast leadership, their Keyser home – 17 Grosvenor Crescent, Belgravia, London – continued as a Hospital for officers after the war, setting the blueprint for our institution's high standards of personalised care.

Thanks to the hard work of the sisters, King Edward VII became its first patron, and it received generous support from members of the public. It moved to its current location in 1948 and still remains the Hospital of choice for anyone seeking the best private medical treatment in London.



Sister Agnes Keyser

These beginnings established the traditions for which we are recognised:

- **Exceptional nursing care**
- **A commitment to the services** – including spouses
- **A spirit of charity and giving** – underpinned by our network of 2,000 friends
- **Friends and charitable subsidies and grants**
- **Our Royal patronage** – from King Edward VII in 1901 to King Charles III



Our Philosophy of Care today is to:

- Provide personalised, patient-centred care with respect, dignity and empathy in a kind and compassionate environment.
- Listen and enable people to give their own views and opinions about their care, valuing the importance of their perspective.
- Work in partnership with patients' families and carers to provide kindness and care that exceeds expectations.
- Respect all religious and cultural beliefs through championing inclusion, diversity and individual choice.
- Ensure the highest standards of good governance throughout the Hospital.
- Promote a culture of openness and transparency.
- Maintain the highest quality of care at all times. We maintain these standards through continual monitoring of patient experience and outcomes through ongoing learning.
- Provide services that meet the needs of people that require additional support.
- To empower our teams and encourage safe collaborative working.





Chairman's statement

Foremost, we are thrilled to announce that His Majesty King Charles III has graciously accepted to be the Patron of our Hospital. His Majesty's decision to continue the tradition of royal patronage, which has been a part of our Hospital since 1903, is a significant milestone. His support for our charitable mission of providing healthcare to current and former members of the Armed Forces and their spouses through our Centre for Veteran's Health, as well as supporting us in our role as a leading independent Hospital, is deeply appreciated by our teams.

We continue to be deeply grateful to His Royal Highness The Duke of Kent, who has been the Hospital's president since 1975 and continues to actively support our work.

This has been a challenging year for the Hospital financially, with competition in the London private healthcare market tightening. We have done extensive work to strengthen our unique care environment and continue to shape our offering to leverage this. In May 2024, we commissioned a comprehensive programme of transformation with clear objectives.

- We are placing the Hospital on a path to success both financially and operationally. We focus our staff on the future, ensuring the drive towards excellence is embedded in our ethos and daily behaviour. Given the continually changing healthcare environment, this is a journey, not a destination.
- We have already wholly re-engineered our revenue and collections engine.
- We overlaid improved metrics and key performance indicators (KPIs) to measure the quality of care and financial performance more effectively.
- New professionals at executive and clinical executive levels were appointed with proven track records of success in other organisations.
- We have redoubled our efforts to partner with our consultant groups and address their needs so they can efficiently address their patients' needs.
- We have reorganised our reporting structures to mirror clinical and patient needs.

Our current efforts are not just about overcoming challenges but also about shaping our future direction.

To support our ambition to be the leading private Hospital in the UK, in 2021 we commenced our digital transformation journey and invested significantly in our IT and digital infrastructure. This has provided a strong platform from which to expand our digital services and provide digital transformation for all our patients, clinical staff and operational teams. We experienced a significant security incident in

November 2023 which was managed well. The impact could have been much worse had we not already started our digital transformation.

You will note from the clinical and operational achievements sections, the successful fruition of initiatives which support our objectives and track along with innovative developments in the healthcare sector. These achievements place the Hospital in good stead amongst its competitors, with the aim of being the leading private Hospital in the UK and to support an increased number of veterans through our charitable work. The transformation initiatives are key to achieving this ambition.

The report outlines the changes in the Executive Team which have naturally occurred during the transformation phase as we look forward to a refresh of the Hospital's future.

During the year, the Board of Trustees resolved to dispose of the Charterhouse Building (56-60 Weymouth Street). This facility has seen mixed use over the years, including serving as a hostel for Hospital staff and running limited clinical services. In recent years, it became surplus to requirements, and the sale was completed in July 2024.

Our subsidiary company, LUS@KEVII Ltd formed between the Hospital and the London Urology Specialists Group, has completed its first year of trading and has shown that this form of physician engagement model delivers growth in activity and consultant commitment. We will roll out this model more widely and expect to develop further subsidiary companies during 2024-25 with other groups.

We are positively looking forward to the future while we redefine our vision, always keeping in mind that our core strengths are care, quality and compassion.

Sir Richard Sykes FRS FMedSci HonFREng
Trustee and Chair of the Board



Trustee's annual report

The Trustees are pleased to present their report, together with the financial statements of the Charity, for the year ending 31 March 2024.

The annual report and financial statements have been prepared in accordance with the accounting policies set out on pages 39 to 67 of the attached financial statements and comply with applicable law and the requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Trustees confirm that they have complied with section 17 of the Charities Act 2011 to have due regard to the Charity Commission's guidance (both general and supplementary in relation to public benefit).

When setting the objectives and planning the work of the Charity for the year, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Hospital and of the income and expenditure of the Hospital for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102);
- give judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Hospital will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Hospital and enable them to ensure that the accounts comply with the Charities Act 2011, applicable

Charity (Accounts and Reports) Regulations and the provisions of the Hospital's Royal Charter. They are also responsible for safeguarding the assets of the Hospital and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Hospital and financial information included on the Hospital's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

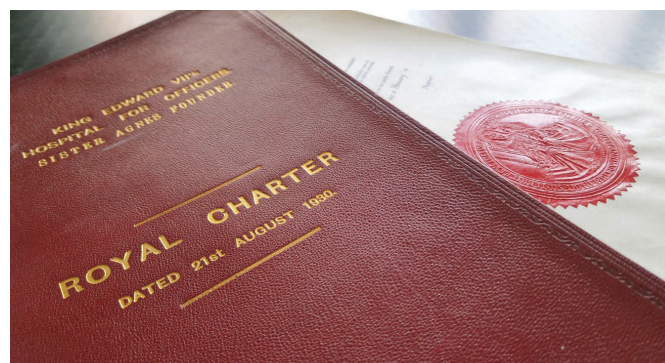
The Trustees and Advisory Board members do not receive a salary, and Executive salaries are reviewed annually, in line with the Hospital-wide review.

Constitution

King Edward VII's Hospital (Sister Agnes) is a registered Charity (No. 208944) founded in 1899 and constituted by Royal Charter. The Hospital is constituted to operate as an acute Hospital where serving and retired officers of the Services and their spouses / civil partners can be treated at preferential rates. The Hospital also treats members of the public regardless of any connection with the Services.

It has an Advisory Board which confirms the appointment of the Board of Trustees who has legal responsibility and accountability for the leadership and governance of the Hospital. The Trustees and Executive Team are considered to be key management personnel.

With the support of the Privy Council and the Charity Commission, both the range of beneficiaries and the governance of the Hospital have been updated from time to time to meet changing circumstances. The most recent change to the Royal Charter was in 2017. Hospital Standing Financial Instructions alongside the Royal Charter regulate the way in which the proceedings and business of the Hospital are conducted, ensuring high standards of corporate and personal conduct. The full complement of governance documents includes the Scheme of Reserved and Delegated Powers and the Scheme of Delegated Financial Authority.



Advisory Board

The Advisory Board provides support, advice and guidance to the Board of Trustees and Executive Team, particularly in relation to the development, effectiveness and success of the charitable and the independent healthcare provider element of the organisation. Advisory Board members are elected upon the recommendation of the Nominations Committee and ratification by the Board of Trustees.

The Board of Trustees

Trustees are recruited and elected to the Board by the Advisory Board upon the recommendation of the Board of Trustees, in line with the Hospital's Governing Document (Royal Charter) and best practice. During the process, consideration is given to their experience, the skills required, the contribution they will bring, and the Hospital's Equality, Diversity and Inclusion Policy. Each Trustee is provided with a copy of the booklet produced by the Charity Commission explaining the duties and responsibilities of a Trustee. Upon election and on an annual basis, the Trustees undergo a Fit and Proper Persons Test to comply with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014: Regulation 5 Fit and Proper Persons: Directors, as well as the Finance Act 2010.

Upon election the Advisory Board members and Trustees have a formal briefing and induction with the Chair of the Board of Trustees, the Chief Executive Officer and members of the Executive Team, as well as a tour of the Hospital, providing an opportunity to meet and talk to staff.

The Board of Trustees' responsibilities are detailed in the Scheme of Reserved and Delegated Powers. Meetings of the Board of Trustees are held quarterly and attended by the Executive Team who provide information, data and assurance on their areas of responsibility in the organisation.

The following persons were in place during the financial year and at the point of signing this annual report:

Board of Trustees



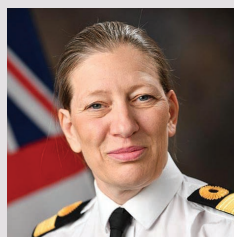
Sir Richard Sykes FRS
FMedSci HonFREng
(Chairman)



Mr Paul Biddle FCA



Ms Fiona Driscoll MA



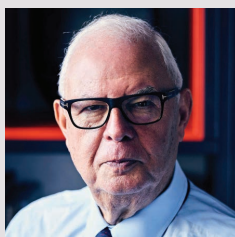
Commodore Alison
Hofman RRC KHNS MA
MSc FCIPD QARNNS
(from November 2024)



Rt Hon Professor the
Lord Kakkar KG KBE PC
FRCS FMedSci



Professor Roger Kirby
MA MD FRCS (Urol)



Sir Stuart Lipton



The Hon. Mrs Virginia
Lovell JP, DL (until
November 2023)



Ms Madelaine McTernan
CB (from October 2024)



Mrs Aline Miller (from
October 2024)



Mrs Alison Parkhouse
(née Dean) (until
November 2024)



Professor Dame Lesley
Regan DBE (until
February 2024)



Mr Sanjay Shah BA
(Hons) FCA

Advisory Board



Sir Richard Sykes FRS
FMedSci HonFREng
(Chairman)



Dr Martin CM Bricknell
CB OStJ



Mr Andrew Graham



Professor Dame Lesley
Regan DBE (from March
2024)



Mrs Alison Parkhouse
(nee Dean) (from
November 2024)

The Executive Team



Mr Kenneth Anderson,
Chief Executive Officer
(from July 2024), formerly
Transformation Director
from May 2024



Professor Justin Vale,
Chief Executive Officer
(until July 2024)



Ms Siân Allen, Medical
Director (from July
2023)



Mrs Agnes Patel,
Director of Finance
(from June 2024)



Mr Neil King, Director
of HR and L&D



Ms Sarah Colebrook,
Chief Nursing Officer
(from September 2024)



Mr James Rous, Director
of Veterans' Affairs
& Philanthropy (from
October 2024)



Mrs Rebecca Sumner,
Director of Operations
(until December 2024)



Mr Alex Le Vey, Director
of Consultant Services &
Strategy (until December
2024)



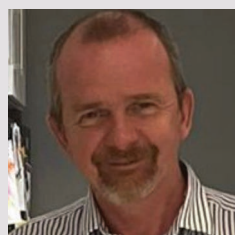
Mr Owen Brady, Interim
Chief Information
Officer (until August
2024)



Mr Emmett Steed-
Mundin, Director of
Nursing (until June
2024)



Ms Fiona Barber, Chief
Financial Officer (until
June 2024)



Mr Eamon Malone,
Director of Estates and
Major Projects (until
September 2023)

Objectives

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Vision and mission

The Hospital's vision is "to be the leading private Hospital in the UK and to support an increased number of veterans through our charitable work". In doing so, its mission is "to consistently deliver the highest standards of personalised, patient-centred care, in a safe and kind environment, through our exceptional and empowered teams. We will do this whilst continuing to deliver our charitable works within the veteran community."

In addition, the Hospital is proud to welcome international patients, providing world-leading medical expertise and impeccable standards of care.

The transformation initiatives outlined in the Chairman's report signpost the re-shaping of our future direction and the journey to redefining our vision for the next 120 years, always keeping in mind that our core strengths are care, quality and compassion.

Values

The Hospital's five core values strive to build the ethos to uphold its vision and mission.

- **Professionalism** – We encourage our teams to be the best they can and meet the highest standards.
- **Quality** – We will provide excellence in everything we do.
- **Respect** – We will respect other people's views to ensure an open inclusive working environment.
- **Safety** – We are committed to providing a safe environment for our patients and colleagues.
- **Teamwork** – We work as a team so we achieve more together by being collaborative, fair and open.



Primary objectives supported by strategic objectives

The objectives of the Hospital are:

- to operate an acute Hospital;
- to provide the highest standards of patient care; and
- to provide treatment at preferential rates to Service patients, serving or retired, and their spouses.

Activities to achieve the objectives

Our five-year strategy outlines our **strategic objectives** which support the **primary objectives**:

- To ensure the future sustainability of the business.
- To ensure the organisation delivers safe, outstanding, patient-centred care as measured by performance metrics and patient feedback.
- To ensure the organisation achieves, maintains and evidences compliance with regulatory requirements.
- To secure the funding to continue redevelopment of the main Hospital site, through fundraising or partnerships.
- To significantly increase the number of veterans we support.
- To complete the digital transformation programme, thus creating a safe and secure informatics environment which enhances the working-lives of our staff.
- To cultivate an exceptional workplace environment at King Edward VII's Hospital, positioning us as the employer of choice within the private healthcare market.



Primary Objective: To operate an acute Hospital

The Hospital offers patients a wide range of treatments across both medical and surgical specialties, along with critical care facilities, and has four operating theatres and 56 inpatient rooms all with en-suite bathrooms. Its critical care facilities enable the Hospital to carry out highly complex procedures and treat patients with complex needs. The Hospital provides a wide range of elective and non-elective services for inpatient and day case care supported by a range of activities, including:

- acute services;
- surgical cancer treatment;
- genetics testing;
- diagnostic and screening services;
- doctors' consultation services;
- long-term condition services;
- rehabilitation services; and
- Veterans' Pain Management Centre.

The Hospital has a specialty focus on Women's Health, Urology, Musculoskeletal and Digestive Health. These formed the four pillars of the Hospital's strategy developed in 2018, and since that time, extensive work has taken place to develop them including a focus on Multidisciplinary Teams (MDT) working and attracting new work (via targeted marketing and the on-boarding of new high quality consultants).

In 2023, the Hospital engaged an expert in branding to understand how King Edward VII's Hospital is perceived both internally and externally, and what makes us unique. Amongst the rich information this generated, there were three golden threads: compassion, trust and integrity. These are great foundations on which to build a sustainable future for the Hospital, using the state-of-the-art out-patient and imaging facilities opened in 2022, thanks to the generous donations from some key benefactors over the last few years.

Retaining and attracting leading consultants, raising the profile of the Hospital and establishing strong relationships with key customer groups are critical to the Hospital's growth plan. Equally important is attracting those patients who are new to private healthcare and need signposting as to how to access private healthcare services easily and efficiently. For them, knowing that we can be trusted to provide safe, compassionate, high-quality patient-centred care at an affordable price is crucial.

The following actions continue the growth cycle, aligning with our vision and objectives:

- **Enhancing Self-Pay Market Share:** Employ targeted marketing strategies coupled with high-quality data assets to refine our market positioning, bolstered by an accessible contact centre, ensuring seam-less service delivery to patients.
- **Optimising Private Medical (PMI) Insurer Referrals:** Tailor our services to better align with the specific needs of PMIs, particularly focusing on their corporate clientele, thus ensuring maximum alignment and satisfaction.
- **Establishing Direct Corporate Relationships:** Forge direct relationships with corporate entities, offering tailored and responsive support, thereby enhancing our reputation for client-centricity.
- **Attracting and Retaining Top Consultants:** Cultivate a supportive environment that fosters loyalty and commitment among leading consultants, aligned with the core values of King Edward VII's Hospital.
- **Expanding General Practitioner Referrals:** Strengthen and diversify our base of General Practitioner referrals through strategic initiatives aimed at increasing engagement and collaboration.
- **Enhancing Patient Engagement:** Implement a comprehensive approach to patient engagement throughout the patient journey, emphasising personalised support to enhance patient satisfaction and build greater loyalty.
- **Cultivating Strategic Partnerships:** Foster mutually beneficial partnerships with consultant users and external providers, leveraging subsidiaries, joint ventures and alliances to drive increased activity and loyalty.
- **Developing Value-Aligned Partnerships:** Strategically align with external providers sharing our organisational values, cultivating partnerships to enhance activity levels and reinforce our commitment to quality care.
- **Embedding Governance Excellence:** Institutionalise sustainable and high-quality governance practices across all levels of the organisation, ensuring compliance, transparency and integrity.
- **Optimising Patient Acuity Management:** Proactively manage patient acuity levels, leveraging our critical care capability to its fullest potential while ensuring optimal patient outcomes and resource utilisation.
- **Strategic Pricing and Cost Management:** Employ robust pricing strategies and cost management techniques to inform decision-making, maintaining operational efficiency while safeguarding profitability.
- **Promoting Clinical Excellence:** Publicise and highlight our clinical outcomes and patient experience scores, reinforcing our commitment to excellence and transparency in healthcare delivery.
- **Investing in Talent Development:** Continuously invest in the professional development and growth of our staff, fostering a culture of learning and innovation to uphold our position as an employer of choice in the healthcare market.
- **Fostering Workforce Diversity and Wellbeing:** Prioritise diversity and inclusion initiatives alongside comprehensive wellbeing programmes to support employee health and satisfaction, driving productivity and retention.



Primary objective: To provide the highest standards of patient care

We remain committed to personalised, patient-centred care, effective multi-disciplinary team working and the highest standards of governance, with quality and safety as our “north star”. Our workforce are our greatest strength, and recruitment, retention and personal development of staff remain key areas of focus to ensure they are equipped to deliver personalised care.

As patients become more informed and have an increased desire to be active in decision making, there is an opportunity to build on our existing engagement directly with patients by:

- Developing initiatives such as annual wellness schemes and membership programmes.
- Building our self-pay and international proposition based on transparent fixed pricing, financing options and ease of access.
- Delivering consistent gold standard customer service.
- Ensuring outstanding patient experience.

The Hospital continues with its Quality Transformation Programme, embedding continuous quality improvement (QI) methodology and projects across the Hospital.

Primary objective: To provide treatment at preferential rates to Service patients, serving or retired, and their spouses

We are proud to offer all members of the Armed Forces community, as well as their spouses, partners and widows, the highest quality of care at our Centre for Veterans’ Health. We continue to build partnerships with other charities in the veterans’ sector, and third-party referrers (such as GPs), to reach as many veterans as possible. To further support these efforts in October 2024 the Hospital applied to be a part of the NHS framework of private providers. We will use the government’s Choice Agenda and corresponding law which allows patients to pick a private provider on the framework. This will significantly extend our reach to veterans on long NHS waiting lists and not burden our grant programme, as care will be paid for by the NHS.

Over the course of the financial year the Hospital raised £5,813,551. Donations and grants were received specifically as outlined below:

Donation area	Donation amount
Unrestricted donations	£256,270
Legacies	£272,711
Thompson Family Charitable Trust	£3,614,970
Centre for Veterans’ Health	£342,040
Next Chapter Capital Appeal	£1,327,560

Traditionally we have relied on our Friends, and a small number of committed charitable trusts and foundations to support the Centre for Veterans’ Health but have extended the reach towards charitable trusts and foundations, to unlock the additional funds required to support our growth ambitions.

The Centre for Veterans’ Health currently has three core pillars of activity:

- The Pain Management Programme (PMP) – our free, award-winning programme has also been recognised by the Care Quality Commission (CQC) as an outstanding practice. It exists to help veterans manage acute and chronic pain, helping them get back to living their lives to the fullest.
- Military grants for free surgical care – the Centre for Veterans’ Health means-tested grants programme provides 100% grants to uninsured Service or ex-Service Personnel, (including reserves). This enables them to access the Hospital completely free of charge.
- 20% discount on Hospital fees – all Service or ex-Service Personnel (including reserves), without medical insurance are entitled to a 20% discount on their Hospital bill. This is regardless of rank or length of service. It also extends to their spouses/civil partners and includes widowers and widows.

Fundraising

The Hospital’s fundraising team is comprised of experienced professional fundraisers who engage with new prospects and supporters of the Hospital to ensure that funding is secured for our capital programmes and the Centre for Veterans’ Health. The Hospital pursues a varied portfolio of voluntary income through individual regular giving (Friends of the Hospital), large donations from major donors, legacies, and grants from charitable trusts and foundations.

Legacies have, and continue to, account for a significant proportion of our voluntary income, and are applied to the day-to-day capital expenditure needed to maintain the Hospital estate and our equipment.

The fundraising team continue their prospect research to identify potential donors for this essential “business as usual” capital expenditure, as well as for more major capital projects identified by the Hospital that fall outside of day-to-day capital expenditure.



Strategic report



Financial overview

Total Income increased year-on-year by 8% to £47.36m (2023: £43.90m), of which £1.71m was restricted funds (2023: £3.46m). This was driven by an increase in patient related income by 6% to £39.81m (2023: £37.59m), particularly from outpatient services and day-case services. There was also a significant increase in donations and legacies income by 12% to £5.81m (2023: £5.02m).

Clinical achievements

The annual report is our opportunity to highlight clinical achievements delivered over the past year and some of these are highlighted below.

The Joint School

The Joint School is now in its second year. This initiative, commenced in early 2023, meets the requirements of the national Getting It Right First Time programme, which was established originally to drive quality and efficiencies in orthopaedic surgery. It includes a bespoke one-to-one information-giving session to educate patients about their upcoming hip, knee or spine surgery, and is included as part of their package of care. The average number of patients seen is now 43 per month and additional staff have been approved to support with the increased workload. Feedback has shown that patients appreciate the quality of information provided, with 94% highly recommending it to family and friends. Some respondents have indicated that they would be willing to pay for it, if it was not provided as part of the package of care, as it adds so much value. One patient fed back as follows:

“This was not provided when I had my other knee done at a different Hospital. Having experienced joint school this time, it made my overall experience much more comfortable”.

The service has been a hit with consultants who bring patients to the Hospital, as it provides an extra point of contact for patients to ask questions/be reassured, ensuring a smoother discharge process, as any required equipment and services are all arranged prior to admission.



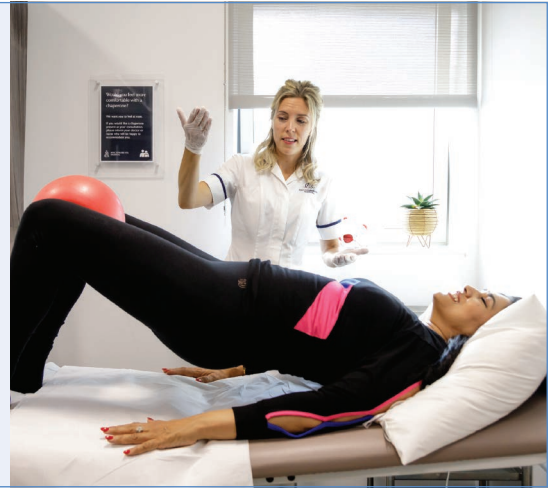
Aviva Knees and Hips Network Service

The Hospital was awarded the Aviva Knees and Hips Network Service. This is a significant achievement, as King Edward VII's Hospital is the only provider in Central London from November 2024. This is a concentrated network of providers where Aviva directs their members to the Hospital. The contract is for a four-year period.



Prehabilitation Service

One of the high points has been the launch of our prehabilitation service, which is led by Dr Ganar Srittharan, Consultant Surgical Physician and Geriatrician and Perioperative Medicine Service Lead, and Clinical Director for General Medicine. The purpose of prehabilitation is to get patients undergoing surgery to become the fittest version of themselves, which has been proven to improve post-operative outcomes. The service is available to any patient undergoing major surgery for benign or cancerous conditions.



Critical care

The Critical Care Outreach Team (CCOT) has demonstrated significant progress and achievements in enhancing patient care and strengthening multidisciplinary collaboration across the Hospital. The enhanced presence of the outreach team has fostered closer collaboration and improved communication, which has ultimately led to better patient outcomes and a more cohesive healthcare environment, helping bridge the gap between critical and ward level care. Additionally, the CCOT has provided significant clinical support to ward teams through sharing its specialised critical care knowledge, hence upskilling Hospital staff, translating into improved patient care. This approach has empowered staff to manage complex clinical tasks with greater competence, promoting a culture of continuous learning and skill-sharing across departments. One of the core functions of the CCOT remains the timely assessment and management of deteriorating patients or those with complex medical needs in the wards. The team has been instrumental in providing swift intervention for patients who would otherwise risk further clinical deterioration. In line with the Guidance for the Provision of Intensive Care Services (GPICS), the CCOT consistently reviews all the critical care step downs. This process helps ensure that patients transitioning from critical care to the wards continue to receive appropriate monitoring and support. The outreach team's vigilant follow-ups have prevented early readmissions to the critical care unit, maintaining a smoother trajectory for patients and positively impacting their overall experience.



Perioperative Medicine Service

In February 2024 we launched the Perioperative Medicine Service (POMS), a new weekend medical on-call rota covering inpatients Friday to Sunday. The service provides formal on-call medical consultant coverage to support with any arising perioperative medical issues. The request for medical review is documented in the patient notes and a call is made to the on-call physician by either the admitting Consultant, Clinical Nurse Specialist (CNS) or Resident Doctor. The patient is informed of the referral for the physician review, as this will constitute a new clinical consultation. The team consists of Dr Ganan Sritharan, Dr Sushen Bhattacharyya, Consultant Physician & Geriatrician and Dr Shane Roche, Consultant Physician & Geriatrician.



Focal therapy for prostate cancer

During 2023-24, we have put our unrivalled expertise in focal therapy for prostate cancer in the independent sector to further good use with NHS lists on Saturdays to help reduce the NHS waiting list for this high-demand procedure.



Climate study

Over October-November 2024, we started to recruit our patients to the Climate Study which is investigating different types of MRI for the detection of possible prostate cancer.



Monitoring Mismatch Repair

In Digestive Health we have pushed access to MMR screening. This is a genetic profiling test of colorectal tumours, which can diagnose Lynch syndrome. Lynch syndrome is a genetic predisposition to colorectal and some gynaecological cancers, and in our recent audit we offered this test to 100% of eligible patients.



Transoral incisionless fundoplication (TIF)

We have also started to offer the TIF procedure (transoral incisionless fundoplication), which is another advanced endoscopic procedure, used to treat gastro-oesophageal reflux. Our niche in endoscopy is in performing these advanced procedures at the cutting edge of minimally invasive surgery.

RefluxStop™ implantation

In July 2024, Nick Boyle, Upper Gastrointestinal (GI) surgeon at the Hospital, published results of an observational study in Nature.com (scientific reports). This was a prospective collaborative study with the academic department of surgery at the Medical University of Vienna. It studied patients with refractory gastro-oesophageal reflux disease (GORD) who had failed medical treatment and tested positive for severe ineffective oesophageal motility (IEM) precluding standard surgery. They underwent RefluxStop™ implantation at King Edward VII's Hospital and in Vienna. Nick Boyle introduced this novel surgical procedure for GORD to the UK at King Edward VII's Hospital. The study concluded that the RefluxStop™ device implantation is safe and effective in the short term follow up for patients with GORD and IEM, but that further studies and longer follow-ups were necessary to prove long-lasting positive effects.



Bariatric surgery

In July 2024, the Hospital partnered with Tonic Weight Loss to provide bariatric surgery at the Hospital, bringing together a team of leading bariatric surgery specialists.

Endoscopic Sleeve Gastroplasty

On the benign side of Digestive Health, we have performed our first Endoscopic Sleeve Gastroplasty (ESG) this year. This is an endoscopic procedure for obesity, which has the potential to minimise morbidity, and a multicentre randomised-controlled trial published in the Lancet in 2022 (the MERIT study) showed this to be a safe and effective intervention in patients with class 1 or 2 obesity.



Menopause service

In Womens' Health, we have launched a menopause service which is delivered by Dr Rebecca Hayes, who is a British Menopause Society recognised specialist offering a full range of holistic care.



New procedures committee

During the year, the New Procedures Committee was established so that new techniques/operations proposed for the Hospital could be discussed in an appropriate forum. An example is approving a new procedure in breast surgery, which allowed Mr Paul Thiruchelvam, Breast Surgeon, to perform operations to preserve nipple sensation following mastectomies for cancer. We are the only centre in the UK to have undertaken this to date.



KEVII Direct

In July 2024 we launched KEVII Direct. This is a dedicated referral service for GPs and referrers, offering an exceptional service and swift referrals for appointments, diagnostics tests, acute medical admissions and answering any enquiries regarding availability and our services.



Operational achievements and challenges

Imaging and Diagnostics

During the course of 2023-24, we made extensive upgrades to our imaging platforms, including specialist software for our state-of-the-art CT scanner which permits calcium scoring. This is a specialist scan which grades calcification of the coronary arteries and can inform the need for intervention. We have upgraded our 3T MRI scanner to use advanced Artificial Intelligence algorithms to speed up and enhance the quality of scans, meaning we can scan more patients daily to an even higher standard.

In summer 2023, we launched a new RIS-PACS system to improve ordering of and access to scans. This is a web-based programme, which improved our resilience when we experienced a security incident in November 2023 and meant that we were able to maintain activity safely throughout the incident. The incident expedited the migration of many of our clinical and administrative systems from being server-based to cloud-based, including CompuCare, our patient administration system. This means that they are now evergreen and constantly updated as new threats emerge.



Pathology supplier

One of the key successes in 2023 was the transfer of our pathology supplier in August 2024. This transition led to significant improvements in KPIs, particularly in turnaround times for results, as well as enhancements in our billing processes.



Integrated Health Solutions

In September 2024, Integrated Health Solutions (IHS) joined our organisation as part of our long-term strategy for procuring clinical consumables, consignment stock and loan kits. IHS will also play a vital role in supporting the standardisation of product lines.

Electrical upgrade

By December 2024, we completed the enabling works for the Hospital's electrical upgrade. This included the installation of a new substation at Emmanuel Kaye House (EKH) and the upgrade of the busbars, significantly improving our infrastructure. Busbars are conductors that collect and distribute electric power from incoming to outgoing feeders.

The Capital programme

Looking ahead to 2024-25, the capital programme includes amongst other priorities, allocation for replacing clinical equipment reaching the end of its life, ward renovations and ventilation system works.



Patient care and experience



The Hospital has significantly advanced its patient safety protocols by fully integrating the Patient Safety Incident Response Framework (PSIRF). This framework enables the Hospital to establish and sustain robust systems and processes for effectively responding to patient safety incidents, fostering a culture of continuous learning and improvement. The Hospital's PSIRF is now fully operational, further enhancing its commitment to patient safety.

Additionally, the recruitment of a Patient Safety Partner (PSP) has strengthened the organisation's governance and management framework, ensuring that patient safety remains at the forefront of all Hospital strategy. The Hospital is also a national private healthcare leader in recruiting a PSP within the Hospital's safety structure.

In partnership with Vantage technologies, the Hospital developed a digital web-based platform for managing the Hospital's clinical audit program, streamlining processes and improving data accessibility and audit efficiency. The new system supports clinicians in collecting audit data whilst mobile via iPads, receives automated audit compliance feedback and allows clinicians to take improvement actions via an inbuilt action plan process.

A dynamic 15-step clinical service assessment has been established and incorporated into the Hospital's quality improvement programme (see table on the following page). The services assessments are undertaken by an in-house team with blended experience and skills which also includes a patient representative. The assessment allows for the continuous improvement of our services from a patient experience perspective.

Following patient feedback, a patient food quality improvement project was undertaken to improve food variety, patient choice and menu design. These changes led to increased and sustained improved patient food satisfaction scores.



A new, comprehensive, patient-friendly Hospital guide has been introduced that simplifies the admission process by consolidating all necessary information into one streamlined document. Also, patients attending our outpatient department are now clearly informed of potential additional costs by incorporation of a detailed list of possible extra charges into the patient letters sent prior to appointments.



Quality Improvement Programme

	Quality improvement	Driver for improvement	Impact
1	Postal MRSA swabs can now be sent to patients who live away from the Hospital	Patients could not attend for MRSA screening	MRSA screening can be completed even for those patients who live too far away to attend for a swab
1	New handbook of procedures for the House Keeping Team who do not have access to computers while working	Staff could not access procedures easily	Positive feedback from the team who can access all the information they need to carry out their job in one place. Specifically, it has been very useful for new starters.
2	Outpatient letters are sent ahead of appointments to inform patients of the cost of treatments	Complaints	Reduction in complaints regarding cost of treatments.
3	New gowns introduced in imaging	Patient feedback	Gowns provide greater dignity for the patients and are available in larger sizes.
4	Introduced dignity shorts for patients having CT Pneumocolon	Patient feedback	Patient's privacy and dignity is protected during the procedure.
5	All new nursing staff to complete e-learning on site in the first week with IT support and PC access	E-learning not completed in allocated time at home	100% of new starters completed their mandatory e-learning within the first week.
6	New Patient Guide created	Complaints regarding the number of documents sent	Incorporating information from several sources reducing the number of single documents sent out to patients and reduction in complaints.
7	Review and updating of the Theatre Safety Checklist	National Guidance	Changes meet new national requirements and set out the checks more clearly.
8	Protected outpatient appointments to allow more patients instant access	Patient feedback	Appointments can be made available to patients at short notice.
9	Urology patients identified at least two weeks in advance to ensure urine samples are obtained	Urine infections not identified early enough ahead of surgery	Patients are now identified early from the booking forms and asked to attend for a urine test two weeks in advance of surgery reducing the risk of cancellation.
10	Introduce new system of written request slips and processes for patients going to theatre	Delays and issues with patients going to theatre	Patients are clearly identified and the theatre they are attending clarified and documented.

Patient feedback

The Hospital supports the use of patient feedback surveys, available in both paper and electronic formats, to thoroughly assess the quality of care and overall patient experience. These surveys offer patients a direct platform to share their experiences and provide valuable insights that help us continuously improve our services. Below are some examples of the positive feedback we've received from our patients.

A beautiful hospital where staff were friendly and helpful. I felt I was very well looked after

5 star experience

If you need a treatment for any illness this hospital is the best hospital to be treated at professionally kindly and facilities are very good

Small, but perfectly formed. King Edward VII's Hospital reminds me of a well-run ship: there is a place for everything and everything is in its place

Received best care from start to finish

Very comfortable experience. Great hospital environment

The quality of the care that I received both before and after the operation were excellent the nurses were caring, had time, understood my needs fully and perhaps most important what kind and friendly. The food that were served in the hospital was absolutely fantastic

It was a flawless experience

Our staff



Our workforce stands as our most valuable asset, serving as the cornerstone of our continued success. We are dedicated to identifying and retaining top talent, ensuring a diverse and skilled workforce. Investment in their ongoing development is paramount to our organisational growth.

In line with our commitment to employee experience, we are advancing our HR practices. Our approach integrates performance management and developmental tools. By embracing new strategies, we will empower our employees to contribute effectively towards achieving our vision and strategic goals.

- **Inclusive Culture Initiatives:** Implement specific initiatives to foster diversity and inclusion within the workplace, including employee resource groups, diversity training and equitable policies and practices.
- **Comprehensive Wellbeing Programmes:** Further develop our wellbeing programme addressing mental health support, stress management, physical wellness and work-life balance initiatives.
- **Professional Development Opportunities:** Expand opportunities for career growth and skills development through apprenticeships, training, certification programs, mentorship and educational support.
- **Employee Recognition and Rewards:** Refine our employee reward and recognition programme to acknowledge outstanding performance, contributions and achievements.
- **Communication and Transparency:** Continue to foster open communication and transparency within the organisation, encouraging feedback and involving employees in decision-making processes.
- **Health and Safety Measures:** Prioritise the health and safety of employees by implementing rigorous health and safety protocols and providing necessary resources and training.
- **Flexible Benefits Packages:** Offer flexible benefits packages tailored to meet diverse employee needs, including healthcare coverage, retirement plans, paid time off and other perks.
- **Employee Feedback Mechanisms:** Continue to develop formal channels for collecting and acting upon employee feedback to continuously improve the employee and patient experience.

3. STRATEGIC REPORT

In May 2024 as part of the transformation phase, staff engagement sessions with groups of staff were arranged, and they continue to take place. These sessions have proved to be an excellent mechanism to engage staff in change and a platform for staff to share their suggestions and work together on new solutions. The feedback from staff has been that they are impressed with the transformation team's efforts and progress, which people are starting to see and notice. The sessions have yielded some excellent ideas, many of which have the potential to generate additional revenue for the organisation. This approach has helped employees feel more involved, encourages a sense of ownership and uses their ideas to support the organisation's growth.

Freedom to Speak Up

As well as encouraging our staff to share ideas or raise concerns via their line manager, we also have an active Freedom to Speak Up programme (FTSU). This is supported by a Lead Guardian, one further Guardian and four Champions, increased to six in 2024-25. During the year 2023-24, a total of 68 issues were raised via this programme, which is a 38% increase on 2022-23. This is consistent with the national trend reported by the National Guardian's Office, with healthcare staff using the Freedom to Speak Up as a route to raise concerns more frequently. Higher rates suggest that staff feel safe to raise issues and is seen as a good indicator of an open culture. The Hospital has done a great deal of work on fostering an open and transparent culture during 2023-24, with the launch of regular "town hall" meetings for all staff, delivered in a hybrid format, and more regular mailings and newsletters delivered via the all-staff Connect email.



Digital transformation

The Hospital is committed to providing the highest standards of patient care. To support this aim, we are continuing to invest in our digital journey: delivering excellent patient care using excellent digital services which are safe, secure and performant.

After the security incident in November 2023, we moved a substantial part of our digital application infra-structure to cloud based services. These services include migrating our Microsoft systems to the Microsoft Tenant including our email system, Exchange, our security, and management of all our edge computing. As well as moving our key Microsoft business tools to the cloud we have also moved two key systems to a Software as a Service (SaaS), including Compucare (our patient administration system (PAS)) and Biotronics/OpenRad (our PACS and RIS system).

In the medium term, these cloud technologies will allow us to deliver operational and clinical services with agility and in response to clinical and operational demand. It will allow us to re-imagine what is possible and be better placed to reach out to the wider health space in the London area and beyond. Finally, this will improve IT service delivery, ensuring security patches and application updates are applied automatically under an “evergreen” regime. Cloud-based technologies will support business continuity, disaster recover.

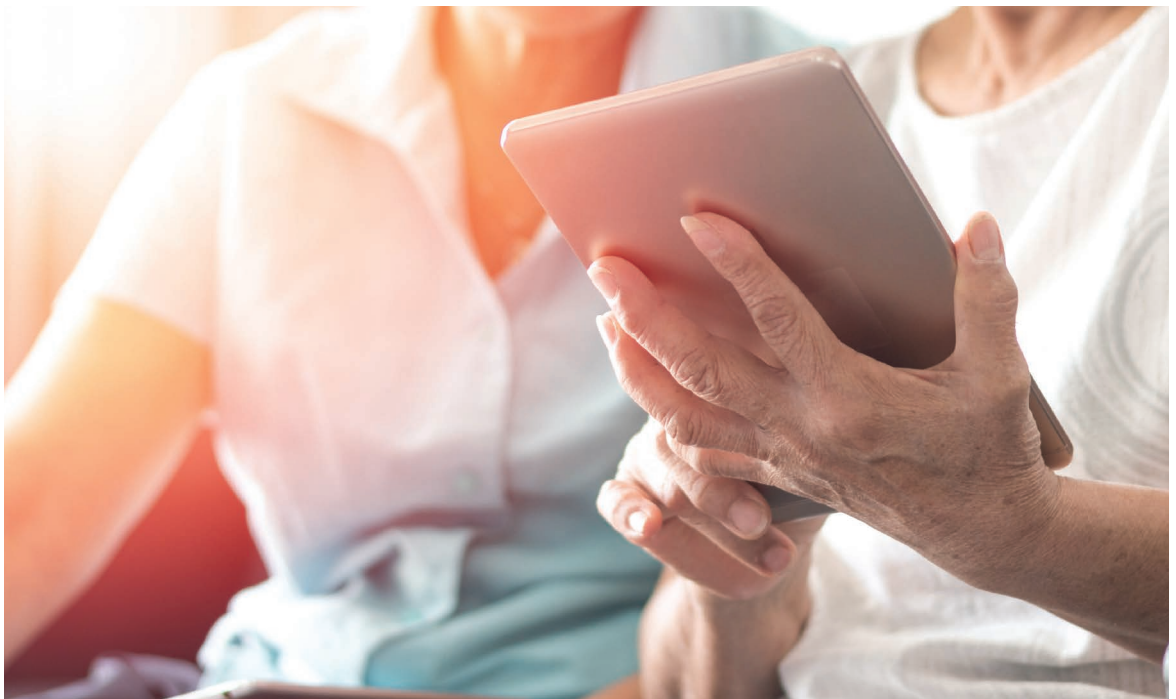
It will provide consistent performance, and help support our green agenda while ensuring maximum uptime for our systems.

The Hospital’s digital vision will support these key elements:

Patients

Further introduction of patient and clinical portals to facilitate:

- Patient-centred services enabling them to manage their own health;
- Personalised patient care around preferences and needs;
- Improved patient registration and data quality;
- Adoption of digital tools, such as “wearables” that provide real time data to clinicians; and enabling patients and carers to access, update and communicate with the clinical teams; and
- Real time location tracking (RTLS).





Clinicians

- Real time access to integrated patient information at point of care;
- Paper lite environment, where information is available through an electronic patient/health record, orders are created and managed electronically, and communications are made and recorded electronically;
- The patient record is easily accessible, easy to use and supports their work; historic data is scanned and archived;
- Improved clinical pathways can be developed and easily deployed;
- eObservations (eOBS);
- eOrdering; and
- Computerised provider order entry (CPOE).

Operations

- Support clinical colleagues to develop improved clinical pathways and systems;
- Improve operational processes via new technologies, such as artificial intelligence, natural language processing and robotic process automation;
- Deliver improved agility to provide new services, both within the Hospital and with external partners;
- Improve consistency and effectiveness of service delivery, both clinically and operationally; and
- Deliver real time information and business intelligence to operational teams to enable speedy and informed decision making.

Staff

- Support staff in their day-to-day duties, communicating and collaborating across all departments and specialties;
- Enable staff to make use of modern technologies to access systems and information securely and safely in a consistent, efficient manner; and
- Staff's use of modern tools to access, update and manage information about themselves.

IT

- Create a modern, business-focused IT department delivering services to support our overall strategy and business imperatives;
- Strategically deploy cloud first solutions to enable better connectivity, accessibility, security and capacity;
- Enable delivery of projects and programmes to time and budget; and
- Proactively manage information governance and cyber security, using the best tools we are able to deploy, ensuring that all Hospital data and patient information is managed to the highest standards.

The Digital Transformation Programme has already delivered a stronger IT infrastructure and has put in place strong foundations for King Edward VII's Hospital going forward. We are following IT best practice to deliver IT service, IT governance and IT programmes, ensuring consistent, cost-effective delivery for our patients, clinical teams and staff.

Engagement with stakeholders

The Trustees take seriously their duty to promote the success of the Charity, taking into consideration the interests of key stakeholders, the long-term impact of decisions, the impact on the environment and community which are included in this annual report.

Engagement with key stakeholders includes patient satisfaction surveys; patient forums, such as patient experience and patient engagement; staff and patient representation at the Board Quality and Safety Committee, the annual employee survey; Freedom to Speak Up function reporting from ward to Board; the Executive Board; regular staff and consultant communications; the Medical Advisory Committee; relationship meetings with consultants, GPs, donors, veterans and associated organisations, embassies, private medical insurers, landlords, financiers, NHS Trusts, suppliers and major business customers; and membership of the Independent Healthcare Providers Network.

Further examples of engagement include:

The Quality and Safety Board Committee membership includes a staff representative who is the Lead Guardian for Freedom to Speak Up and the patient's voice is represented by a patient representative who is also a member of the patient experience group.



The Hospital regularly holds staff Town Hall meetings to allow staff to have a voice and engage in Hospital-wide initiatives, as well as the engagement sessions initiated as part of the Transformation programme and bespoke Focus Groups. Staff and consultants are further informed of business activities via the monthly newsletter and Connect email.

The Chairman, Trustees and members of the Executive Team actively meet with current consultant partners to ensure they are engaged with the Hospital's activities, actively seek potential consultants and pursue new business opportunities. They also actively engage with veterans and associated organisations to serve the Hospital's charitable purpose.

Sustainability



Sustainability for the Hospital is the consideration of environmental, social and governance (ESG) issues along the 'start to end' path of the procurement process, which also includes consideration of ESG in the delivery of our services, as well as incorporating this agenda throughout the business. This is an area of further development for the Hospital.

Over the next few years, the Hospital will be actively enhancing its ESG processes by prioritising suppliers committed to sustainable practices. Through our partnership with Integrated Health Solutions (IHS) we will focus on minimising waste, reducing packaging materials and lowering transport emissions by collaborating with providers dedicated to sustainability initiatives. Our ongoing plans for the refurbishment of the main Hospital estate include reducing carbon-based fuels and the utilisation of low energy consumption engineering and technology.

Plans for the future

The clinical and operational achievements section showcases the Hospital's ability to continue to evolve and adapt to the needs of people. The transformation work launched in response to the Hospital's financial position, has catapulted the Hospital to extend its reach into new areas evident from highlights within this report, which will be included in more detail in next year's annual report. Highlights of the achievements during the three-month period of transformation and since, include:

- The renegotiation of all private medical insurance (PMI) contracts to reflect central London norms of rates;
- New Bariatric service from 9 July 2024;
- Award of the Aviva Knees and Hips Network Service to the Hospital from 29 November 2024;
- Integrated Health Solutions (HIS) Materials Managed Service launched on 2 September 2024;
- KEVII Direct Service for GPs launched in August 2024;
- Attracting the right consultants for the Hospital;
- Building back consultant relationships;
- Building relationships with embassies;
- Working with the NHS where possible to alleviate the pressures on waiting lists;
- Exploring partnerships, joint ventures, subsidiaries;

- Estates, space and equipment optimisation;
- Imaging, Interventional Radiology (IR), Day Surgery Unit (DSU) space utilisation;
- Workforce initiatives; and
- Engaging with donors and supporters.

The thread throughout this annual review of King Edward VII's Hospital is about resetting and redefining the vision for the Hospital. A number of initiatives have been achieved and are underway to make King Edward VII's Hospital a hospital of choice for consultants who want to work and partner with us, for staff who want to join us and develop a career, and for insurers and other services who want to do engage with us on business opportunities.

We are continually grateful to our supporters without whom much of the estate's transformational work over the years could not have taken place. That work continues as we strive to keep up with maintenance and equipment replacement plans and refurbishing wards and areas of the Hospital to make it an attractive and comfortable experience for our patients and users.

The future strategy is being developed and will be an exciting chapter for the Hospital as we define the right strategic pillars.



Governance



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Risk management

The overall responsibility for the identification, assessment and mitigation of major risks for the Hospital lies with the Board of Trustees. This responsibility is discharged through the Chief Executive Officer, the Executive Team and a designated Executive Risk Lead, supported by advice from the Hospital's Head of Governance, Head of Safety and Risk, Health and Safety Advisor, Health and Safety Committee, Microbiologist, Company Secretary and other Hospital Committees, and recommendations from inspection reports.

The Board Assurance Framework led by the Company Secretary working with Executive Leads, identifies the primary risks to the delivery of the strategic objectives.

The Audit, Risk and Assurance Committee reviews

the Board Assurance Framework bi-annually and the Organisational Risk Register on a quarterly basis to satisfy itself that appropriate measures and systems are in place to minimise or eliminate the risks. The Committee's findings are reported to the Board of Trustees.

The three principal risks and uncertainties identified by the Board of Trustees during the financial year 2023-24 related to: financial performance; risk of a funding gap in Hospital redevelopment works; and risk of significant staff turnover or shortage impacting on patient and staff experience and Hospital reputation. For these risks and other risks overseen by the Board of Trustees, comprehensive actions are in place. The work of the transformation programme is expected to have a positive impact on these risks.

Health and safety

Building on our strong foundation of health and safety practices, the Hospital maintains safe processes through stringent monitoring carried out by the Fire Health and Safety Committee which is striving towards excellence through shared learning and continuous re-assessment.

To maintain best practice, we employ stringent monitoring of controls, as well as well-communicated incident learning, which includes external cases as applicable to the healthcare sector. Risk management is multi-fold, with inventory or departmental risk assessments monitored via Fire Health and Safety Committee meetings and a risk register, which is updated monthly, as well as site overarching risk assessments, which capture the overall risk. There continues to be a strong health and safety culture within the Hospital, which we maintain through worker consultation and involvement using various sources of communication. We have external specialist involvement in various aspects, such as fire and water safety.

To address specific areas such as fire safety, staff refresher training sessions for various roles within the fire response team are held monthly. Our processes are now well established, with trained staff in delegated roles throughout our sites and bi-annual fire drills to reinforce the evacuation plans. We continue with progress in creating more comprehensive and standardised risk assessments

for Control of Substances Hazardous to Health (COSHH) management and reinforced mandatory training in all health and safety areas. Water safety management is closely monitored by the Water Safety Group (which is under the advisement of our external Consultant Microbiologists) via bi-monthly meetings, which address any positive water testing results, e.g. Legionella, as well as monitoring adherence to the Written Scheme of Control. The Electricity Safety Group also meets bi-monthly and monitors planned preventative maintenance, installation testing and resulting remedial actions.

Moving and handling training has been slow to achieve compliance, however this is being addressed by a newly trained internal staff member, who delivers monthly sessions. Specific moving and handling risk assessments are carried out for any higher risk tasks identified by Department Managers and are reviewed by the site Moving and Handling Lead.

The health and safety management system is audited both internally by our Fire, Health and Safety Representatives, as well as externally by consultants, and more specifically for fire and water safety by the relevant Authorising Engineer. These audit results show continual improvement through a reduction in number and risk rating of the resulting actions. This demonstrates the Hospital's high commitment to health and safety and our readiness to grow by instigating an unbiased review of our processes.



The Board and Committees

The Advisory Board

The Advisory Board meets annually and as required is chaired by Sir Richard Sykes, Trustee. The work of the Advisory Board in terms of its statutory role and the work required around fundraising and veterans' health has been separated to provide greater clarity and focus. The Hospital previously had a dedicated Trustee-led Board sub-committee for Fundraising and Veterans' Health as reported in 2021. Since then, a new fundraising strategy was approved by the Board of Trustees in which it was agreed to re-consider the governance arrangements for fundraising. In 2022-23 a Centre for Veterans' Health Advisory Board was created to raise the profile of our veterans' work and maximise engagement. The Centre for Veterans' Health Advisory Board met once throughout the year and is chaired by the former Surgeon General of the Armed Forces, Professor Martin Bricknell (also a member of the Advisory Board) and is comprised of individuals who bring complimentary skills to enable the Hospital to deliver sector-leading healthcare and support to as many veterans as possible.

Members:

- Sir Richard Sykes FRS FMedSci HonFREng (Chair)
- Dr Martin CM Bricknell CB OStJ
- Mr Andrew Graham
- Mrs Alison Parkhouse (from November 2024)
- Professor Dame Lesley Regan DBE (from March 2024)

Audit, Risk and Assurance Committee

The Audit, Risk and Assurance Committee advises the Board of Trustees on the appointment of the Auditor. It has delegated responsibility from the Board of Trustees to monitor risk analysis, risk management, corporate governance and all internal-related systems and controls. This Committee is also responsible for taking reasonable steps to ensure that the Charity is complying with all aspects of the law, relevant

regulations and good practice. The composition of this Committee is determined by the Board of Trustees. The Committee met four times during 2023-24 and is chaired by Ms Fiona Driscoll MA, Trustee.

Members

- Ms Fiona Driscoll MA (Chair)
- Mr Paul Biddle FCA
- Ms Madelaine McTernan CB (from November 2024)
- Mr Sanjay Shah BA (Hons) FCA

Finance and Investment Committee

On behalf of the Board of Trustees, the Finance and Investment Committee undertakes the thorough review of financial policy and performance issues and risks, alongside reviewing budgets and business plans. It also has responsibility for the oversight of the Hospital investment portfolio and reserves. At the start of the financial year, the Finance and Investment Committee absorbed the duties of the Property and Projects Committee, and therefore has oversight and management of the key infrastructure development projects at the Hospital, including the estates redevelopment projects. Effective from September 2024, this Committee absorbed the work of the Transformation Committee, the essential work of which was completed at the end of August 2024.

The Committee met 12 times during 2023-24 and is chaired by Mr Paul Biddle FCA, Trustee.

Members

- Mr Paul Biddle FCA (Chair)
- Professor Roger Kirby MA MD FRCS (Urol)
- Sir Stuart Lipton (Chair for Property and Project matters)
- Mrs Alison Parkhouse (née Dean) (until November 2024)
- Mr Sanjay Shah BA (Hons) FCA (from November 2023)

Quality and Safety Committee

The Quality and Safety Committee obtains assurance that safe and high-quality care is being delivered across the Hospital; ensures robust clinical governance arrangements are in place; oversees strategies related to patient engagement; and oversees health and safety. It provides assurance to the Board of Trustees that appropriate arrangements are in place around clinical risk, infection prevention and control, and it provides oversight of employee engagement and the Hospital's Equality, Diversity and Inclusion Policy. The Committee acts in a positive and open manner and is a source of support and advice. The Committee met four times during 2023-24 and, up until February 2024, was chaired by Professor Dame Lesley Regan DBE, Trustee, superseded by Sir Richard Sykes, Trustee and Chairman of the Board.

Members

- Professor Dame Lesley Regan DBE (Chair) (until February 2024)
- Sir Richard Sykes (Chair) (from March 2024 until November 2024)
- Commodore Alison Hofman RRC KHNS MA MSc FCIPD QARNNS (Chair) (from November 2024)
- Rt Hon Professor the Lord Kakkar KG KBE PC FRCS FMedSci
- The Hon. Mrs Virginia Lovell JP, DL (until November 2023)
- Mrs Aline Miller (from November 2024)
- Mrs Alison Parkhouse (née Dean) (from November 2023 to November 2024)

Nominations and Remuneration Committee

The Nominations and Remuneration Committee makes recommendations to the Advisory Board on the process and appointments to the Board of Trustees, and recommendations to the Board of Trustees on the appointment of Advisory Board members. The Committee also makes recommendations to the Board of Trustees on the process and appointment of the Chief Executive and provides oversight on executive team

recruitment and remuneration. The Committee also receives the annual gender pay gap report. The Committee met once during 2023-24 and is chaired by Sir Richard Sykes, Trustee and Chairman of the Board.

Members

- Sir Richard Sykes FRS FMedSci HonFREng (chair)
- Professor Roger Kirby MA MD FRCS (Urol)
- Sir Stuart Lipton

Transformation Committee

The Transformation Committee was established in May 2024. The objective was to improve the overall financial position of the Hospital whilst ensuring best clinical outcomes and experience for all stakeholders. The Committee met fortnightly for a period of three months and was chaired by Sir Richard Sykes, Trustee and Chairman of the Board. With the essential work completed, the duties of this Committee were absorbed by the Finance and Investment Committee from September 2024.

Members

- Sir Richard Sykes FRS FMedSci HonFREng (chair)
- Mr Paul Biddle FCA
- Ms Fiona Driscoll MA
- Mr Sanjay Shah BA (Hons) FCA

Executive Board

The Executive Board meets monthly and its members are the Senior Management Team. Having engaged with the Board in agreeing the strategic direction of the Hospital, its responsibilities are to review performance against, and take action to achieve, the Hospital's business plan and objectives and assess whether the structures and systems in place are working effectively and efficiently. The Executive Board also develops and implements a continuous improvement approach to its operational performance and management. It gathers assurance from across the Hospital through a number of governance processes to ensure appropriate oversight of the risks, appointments and developments at the Hospital. The Executive Board is chaired by the Chief Executive Officer.



Reference and administrative details

Principal Office

King Edward VII's Hospital, 5-10 Beaumont Street, Marylebone, London W1G 6AA

Auditors

Buzzacott LLP, 130 Wood Street, London EC2V 6DL

Bankers

National Westminster Bank PLC, 1 Cavendish Square, London W1A 4NU

Investment Managers

Sarasin & Partners LLP, 100 St Paul's Churchyard, London EC4M 8BU

Solicitors

Bevan Brittan LLP, 2 Fleet Place, London EC4M 7RF

DAC Beachcroft, 100 Fetter Lane, London EC2A 3LH

Macfarlanes LLP, 20 Cursitor Street, London EC4A 1LT

Bates Wells, 10 Queen Street Place, London EC4R 1BE

Financial Performance



Financial review

The consolidated statement of financial activities for the period is set out on page 43 of the financial statements. The consolidated accounts includes the financial results of the subsidiary and shows the minority interests in the group.

The outcome for the year is described fully in the Statement of Financial Activities (page 43).

Total income for the year totalled £47.36m (2023: £43.9m) of which £39.81m (2023: £37.59m) related to income generated from patient charges.

Donations income includes a major donation of £5.81m (2023: £5.02m) of which £1.71m (2023: £3.46m) has been set aside in restricted funds and will be utilised for the Hospital redevelopment.

Expenditure for the year amounted to £53.22m (2023: £52.83m) to give net expenditure before investment gains of £5.86m (2023: net expenditure before investment losses of £8.93m).

The financial statements include the impact on the assets and liabilities in respect to the Hospital's exposure to its defined benefit pension scheme. The position of the defined benefit pension scheme as at 31 March 2024 was a net asset of £1.84m (2023: net asset of £2.05m), however an adjustment has been made to cap the value of the asset at £nil (2023: £nil) in accordance with FRS 102.

The total investment portfolio decreased by £1.57m in the year (2023: decrease of £4.29m) after accounting for the impact of disposals. The revaluation of the investment portfolio resulted in an increase in funds of £0.02m (2023: decrease in funds of £0.64m).

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored, and that appropriate management information is prepared and reviewed regularly by the Senior Management Team, the Finance and Investment Committee, the Audit, Risk and Assurance Committee and the Board of Trustees.

Reserves Policy

The Trustees continue to ensure that there are sufficient free reserves to provide some assurance against interruption to its charitable activities. The reserves at last year was £4.2 million and as at November 2024 £5.1m. These reserves are in place to ensure that the organisation is in a position to:

- provide adequate resources to fund exceptional costs and maintenance expenditure required in relation to the Hospital estate and to fund essential new medical equipment and technology in circumstances where there may be insufficient funds generated in the year.

- identify and enable new sources of income and/or reduce operating expenses in the event of an unexpected downturn in patient revenues;

The Hospital's free reserves (i.e. the General Funds) as of 31 March 2024 were in a deficit position of £0.27m (2023: surplus position of £4.12m).

Going concern

The Board of Trustees has approved the production of these financial statements on the basis of going concern. The Board of Trustees assessed the current and forward operational and financial plans and funding arrangements for the Hospital in respect of a period of at least one year from the date of approval of these financial statements to provide assurance of this basis of production. There continues to be strong support for the Hospital through our donors. This is in addition to the reserves that the Hospital carries to support the forward funding and development of the Hospital. The Hospital continues to nurture commercial partnerships with aligned organisations to extend services and deliver cost improvement opportunities.

Investment policy

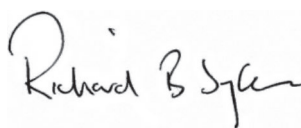
The Hospital's investment portfolio is managed on the Hospital's behalf by Sarasin, a third-party investment management firm. The investment strategy is agreed with Sarasin and the performance of the fund, its composition and the appropriateness of the investment strategy is reviewed at intervals with Sarasin by the Finance and Investment Committee. The composition of the portfolio between short, medium and long-term funds is reflective of the forward forecast of funding requirements of the Hospital.

The balance of the investment fund as at 31 March 2024 was £4.45m and it benefitted from an income of £0.1m in the year (2023: £6.02 million with £0.2m income).

Appointment of Auditors

The re-appointment of Buzzacott LLP as the Charity's auditor was agreed at the meeting of the Board of Trustees on 29 November 2023.

We are most grateful for the support of our Patron, HM The King, Her Late Majesty Queen Elizabeth II, our President, The Duke of Kent, the "Friends" of the Hospital, individual donors and many loyal Trusts and Foundations.



Sir Richard Sykes FRS FMedSci HonFREng
Trustee and Chairman of the Board, 27 November 2024

Independent auditor's report

Independent auditor's report to the trustees of King Edward VII's Hospital

Opinion

We have audited the accounts of King Edward VII's Hospital (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the group and parent charity statement of financial activities, balance sheets, statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2024 and of their incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts 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, including the annual report and accounts, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the course of the audit or other-wise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the accounts themselves. 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.



Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity accounts are not in agreement with the accounting records; 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we obtained an understanding of the legal and regulatory frameworks that are applicable to the Hospital and determined that the most significant frameworks which are directly relevant to specific assertions in the accounts are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102)), the Charities Act 2011, those that relate to data protection (General Data Protection Regulation) and health and safety, and the regulatory framework for Hospitals (the Health and Social Act 2008 regulated by the Care Quality Commission); and

5. FINANCIAL PERFORMANCE

- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Hospital's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested and reviewed journal entries to identify unusual transactions;
- tested the authorisation of expenditure, ensuring expenditure was approved in line with the Hospital's financial procedures;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and

regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditors responsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 21 January 2025

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



Consolidated Financial Statements

Consolidated Statement of financial activities year ending 31 March 2024

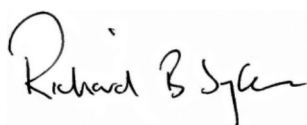
	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Income from:							
Donations and legacies	1	4,100	1,714	5,814	1,563	3,460	5,023
Investment income and interest receivable	2	115	-	115	246	-	246
Charitable activities							
Patient charges	3	39,811	-	39,811	37,589	-	37,589
Other income	3	1,620	-	1,620	1,044	-	1,044
Total income		45,646	1,714	47,360	40,442	3,460	43,902
Expenditure on:							
Raising funds	4	(828)	-	(828)	(772)	-	(772)
Charitable activities							
Provision of patient services	5	(51,785)	(454)	(52,239)	(51,711)	(188)	(51,899)
Grants	7	-	(154)	(154)	-	(159)	(159)
Total expenditure		(52,613)	(608)	(53,220)	(52,483)	(347)	(52,830)
Net (expenditure) income before gains and losses on investments		(6,966)	1,106	(5,860)	(12,041)	3,113	(8,928)
Net investment gains (losses) on listed investments	11	19	-	19	(644)	-	(644)
Net (expenditure) income		(6,947)	1,106	(5,841)	(12,685)	3,113	(9,572)
Other recognised gains and losses							
Actuarial losses on defined benefit pension scheme	14	(362)	-	(362)	(250)	-	(250)
Transfers between funds	17	3,460	(3,460)	-	2,689	(2,689)	-
Net movement in funds		(3,849)	(2,354)	(6,203)	(10,246)	424	(9,822)
Surplus attributable to non-controlling interest		300	-	300	52	-	52
Deficit attributable to the Group		(4,149)	(2,354)	(6,503)	(10,298)	424	(9,874)
Reconciliation of funds:							
Balances at 1 April		36,286	7,634	43,920	46,584	7,210	53,794
Balances at 31 March		32,137	5,280	37,417	36,286	7,634	43,920

All the Hospital's activities reflected in the above two financial years were derived from continuing operations.
All recognised gains and losses are included in the above statement.

Balance sheet (Group) 31 March 2024

Balance sheet - Group	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	10		33,704		34,360
Investments	11		4,450		6,017
			38,154		40,377
Current assets					
Stocks		1,347		1,632	
Debtors	12	12,780		7,588	
Cash at bank and in hand		1,278		3,372	
		15,405		12,592	
Creditors: amounts falling due within one year	13	(12,000)		(6,717)	
Net current assets			3,405		5,875
Creditors: amounts falling due > 1 year	13a		(3,296)		(1,733)
Total net assets excluding pension liability			38,263		44,519
Pension asset/(liability)	14		-		-
Total assets employed			38,263		44,519
The funds of the charity					
Unrestricted funds					
Designated funds	15	-		-	
Fixed assets fund	16	32,409		32,167	
General funds (free reserves)		(273)		4,119	
			32,136		36,286
Restricted funds	17				
Capital campaign fund		3,105		6,565	
Other restricted funds		2,175		1,069	
			5,280		7,634
Total funds			37,416		43,920
Non-controlling interest			847		599
Total equity			38,263		44,519

Approved by the Board of Trustees on 27 November 2024 and signed on its behalf by:



Chairman of the Board



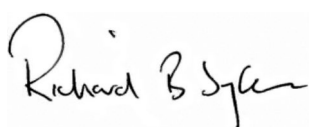
Chief Executive



Balance sheet (Charity only) 31 March 2024

Balance sheet - Charity only	Notes	2024 £'000	2024 £'000	2023 £'000	2023 £'000
Fixed assets					
Tangible assets	10		33,704		34,360
Investments	11		4,450		6,017
Investment in subsidiary			1,880		1,879
			40,034		42,256
Current assets					
Stocks		1,347		1,632	
Debtors	12	12,780		7,588	
Cash at bank and in hand		1,278		3,372	
		15,405		12,592	
Creditors: amounts falling due within one year	13	(14,607)		(9,516)	
Net current assets			798		3,098
Creditors: amounts falling due > 1 year	13a		(3,296)		(1,733)
Total net assets excluding pension liability			37,536		43,621
Pension asset/(liability)	14		-		-
Total assets employed			37,526		43,621
The funds of the charity					
Unrestricted funds					
Designated funds	15	-		-	
Fixed assets fund	16	32,409		32,167	
General funds (free reserves)		(153)		3,820	
			32,256		35,987
Restricted funds	17				
Capital campaign fund		3,105		6,565	
Other restricted funds		2,175		1,069	
			5,280		7,634
Total funds			37,416		43,621
Non-controlling interest			-		-
Total equity			37,536		43,621

Approved by the Board of Trustees on 27 November 2024 and signed on its behalf by:



Chairman of the Board



Chief Executive



Consolidated cashflow statement 31 March 2024

	Notes	2024 £'000	2023 £'000
Net cash provided by (used in) operating activities	A	(64)	(2,380)
Net cash (used in) provided by investing activities	B	(2,289)	192
Net cash (used in) financing activities	C	(457)	-
(Decrease) in cash and cash equivalents		(2,810)	(2,188)
Cash and cash equivalents at 1 April		4,123	6,311
Cash and cash equivalents at 31 March		1,313	4,123

Notes to the statement of cash flows for the year ended 31 March 2024

A Reconciliation of net (expenditure) to net cash provided by (used in) operating activities

	2024 £'000	2023 £'000
Net (expenditure) income per statement of financial activities	(5,842)	(9,572)
Adjustments:		
Investment (gains) / losses	(19)	644
Defined benefit pension scheme adjustment	362	250
Depreciation charge	3,611	3,654
Other income	-	203
Investment income receivable	(115)	(246)
Increase / (Decrease) in stocks	285	(50)
(Increase) / Decrease in debtors	(5,192)	987
Increase in creditors	6,846	1,750
Net cash provided by (used in) operating activities	(64)	(2,380)

B Net cash (used in) provided by investing activities

	2024 £'000	2023 £'000
Payments to acquire tangible fixed assets	(3,460)	(5,100)
Receipts from disposals of investments	1,700	3,900
Movement in cash held as investments	(716)	729
Movement on revaluation of investments	72	425
Investment income received	115	238
	(2,289)	192



Consolidated cashflow statement 31 March 2024

C Net cash used in investing activities

	2024	2023
	£'000	£'000
Payments to meet finance lease obligations	(457)	-

D Analysis of cash and cash equivalents

	2024	2023
	£'000	£'000
Cash at bank and in hand	1,278	3,372
Cash held by investment managers	35	751
Total	1,313	4,123

E Analysis of changes in net debt

	At 1 April	Cashflows	Finance leases	At 31 March
	£'000	£'000	£'000	£'000
Cash at bank	3,372	(2,094)	-	1,278
Cash held by investment managers	751	(716)	-	35
Finance lease obligations	(2,532)	(457)	1,695	(1,294)
Total	1,591	(3,267)	1,695	19

Principal accounting policies 31 March 2024

In the view of the Board of Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the Charity's financial statement.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2024.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and area of judgement

Preparation of the financial statements requires the Board of Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- estimating the useful economic life of tangible fixed assets for the purposes of calculating the depreciation charge;
- estimating the recoverability of debtors and determining any necessary provision for bad or doubtful debts;
- estimating any provision needed against slow moving or obsolete stock;
- estimating the value of income in respect to unbilled patients at the year-end date;
- estimating accrued expenditure;
- assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme.

Assessment of going concern

The Board of Trustees has assessed whether the use of the going concern assumption is appropriate in preparing these

financial statements. The Board of Trustees has made this assessment in respect of a period of at least one year from the date of approval of these financial statements.

The Board of Trustees has assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Board of Trustees has made this assessment in respect of a period of at least one year from the date of approval of these financial statements.

There are significant pledged donations and other forms of funding to support the planned redevelopments in 2024-25, and in addition to this, the Hospital has put in place and is exploring further commercial partnership arrangements and opportunities.

The Board of Trustees has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Hospital to continue as a going concern. The Board of Trustees is of the opinion that the Hospital will have sufficient resources to meet its liabilities as they fall due.

Scope of the financial statements

The financial statements include the net assets and transactions of a linked charity, The Charity of Alexander Michael Levy which is held as a restricted fund (see note 17).

Exemptions under FRS 102

The Hospital has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the institution in its separate financial statements and has taken advantage of the exemption within FRS 102 Section 33 to not disclose transactions with subsidiary.

Income recognition

Income is recognised in the period in which the Charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises donations, legacies, investment income, interest receivable and income from patient services provided as part of the operation of an independent acute Hospital.

Donations are recognised when the Charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for when the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102, volunteer time



is not recognised. Legacies are included in the statement of financial activities when the Charity is entitled to the legacy, the executors have established that there are sufficient surplus assets in the estate to pay the legacy, and any conditions attached to the legacy are within the control of the Charity.

Entitlement is taken as the earlier of the date on which: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, but the criteria for income recognition have not been met, the legacy is treated as a contingent asset and disclosed if material. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the Charity.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the bank.

Income generated from patient services in the operation of an independent acute Hospital is capitalised to the extent that it is probable that the economic benefits will flow to the Charity and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Expenditure recognition

Liabilities are capitalised as expenditure as soon as there is a legal or constructive obligation committing the Charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and inclusive of irrecoverable VAT. Expenditure comprises direct costs and indirect administrative costs. All expenses, including indirect costs, are allocated to the applicable expenditure headings of raising funds, the provision of patient services and grants payable, as appropriate. Indirect or administrative costs represent indirect charitable expenditure. In order to carry out the primary purposes of the Charity, it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Indirect costs and governance costs are allocated in the main to the cost of providing patient services with a small amount of administrative expenditure allocated to raising funds. Such allocation is made on a pro rata basis.

Grants are made following a review of the details of each particular case and comprise single payments. Grants and donations are included in the statement of financial activities when approved for payment. Provision is made for grants and donations approved but unpaid at the period end.

All expenditure is stated inclusive of any irrecoverable VAT.

Tangible fixed assets

All assets costing more than £1,000 and having an estimated useful life of not less than two years are capitalised and depreciated.

Hospital properties and other tangible fixed assets are stated at cost less accumulated depreciation. Assets under construction are stated at cost and depreciated only once they become available for use.

Depreciation of equipment is calculated on a straight-line basis at rates between 15% and 25% per annum and estimated to write-off the cost of those assets over their estimated useful lives.

Depreciation is not provided on leasehold properties (excluding the new King Edward VII's Medical Centre) until the remaining period of the lease is less than eighty years. Thereafter depreciation is provided on a straight-line basis designed to write off the cost of structures over the remaining period of the lease.

The new King Edward VII's Medical Centre has a 30-year lease period and the components of construction, equipment and IT-related costs are depreciated in line with each class of asset. Building construction is depreciated over 25 years and other components such as equipment, fixtures and fittings and IT are depreciated between 10% and 25% per annum based on initial cost.

Expenditure on plant, fixtures and internal works within the buildings is depreciated at rates of between 4% and 10% per annum based on cost.

Investments

Listed investments are valued at market value as at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

The Charity does not acquire put options, derivatives, or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value if acquired after the first day of the financial year. Unrealised gains and losses are

Principal accounting policies 31 March 2024

calculated as the difference between the fair value at the year end and their carrying value at that date.

Realised and unrealised investment gains (or losses) are credited (or debited) in the statement of financial activities in the year in which they arise.

Stocks

Stocks comprising pharmaceutical supplies and Hospital consumables are stated at the lower of cost and net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Charity anticipates it will pay to settle the debt.

Pension costs

The Hospital operates a defined benefit pension scheme for eligible employees, which was closed to new entrants in October 2000. The assets of the scheme are held and managed separately from those of the Hospital. Pension scheme assets are measured at fair value at each balance sheet date under FRS 102. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset (capped at £nil) or liability on the balance sheet. Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Fund structure

The unrestricted general funds comprise the monies which may be used towards meeting the charitable objectives of the Charity; for use at the discretion of the Board of Trustees.

The pension reserve represents the FRS 102 pension asset (capped at £nil) or liability on the Hospital's defined benefit pension scheme as calculated by the scheme's actuaries as at the balance sheet date.

The fixed assets fund represents the net book value of the Hospital's tangible fixed assets, excluding those assets financed by restricted funds.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Trustees.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value except for investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet at an appropriated year-end exchange rate.

Funds held as custodian trustee on behalf of others

The Charity trust holds certain funds as a custodian trustee for third parties. These funds are not owned by trust and are managed on behalf of others, often to meet specific needs as directed by the fund's stakeholders. As of 31 March 2024, the balance of these funds is £37.42m (2023: £43.92m), and these are maintained separately from the trust's own funds.

These custodial funds may include patient monies, legacies, or other restricted funds intended for specific purposes as defined by donors, patients, or legal requirement. They are recorded as assets within the trust's accounts but are offset by a corresponding liability, ensuring no impact on the trust's operational financial statements.



Notes to the financial statements 31 March 2024

1 Donations and legacies

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Legacies	273	-	273
Other donations			
Individuals	202	54	256
Thompson Family Charitable Trust	3,615	-	3,615
The Next Chapter Capital Appeal	-	1,328	1,328
Grant giving organisations	10	332	342
Total funds	4,100	1,714	5,814

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Legacies	814	311	1,125
Other donations			
Individuals	425	26	451
Thompson Family Charitable Trust	-	2,814	2,814
Grant giving organisations	324	309	633
Total funds	1,563	3,460	5,023

2 Investment income and interest receivable

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
<u>Income from listed investments:</u>			
Sarasin Charity Authorised Investment Fund	115	-	115
Bank interest	-	-	-
Total funds	115	-	115

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
<u>Income from listed investments:</u>			
Sarasin Charity Authorised Investment Fund	238	-	238
Bank interest	8	-	8
Total funds	246	-	246

Notes to the financial statements 31 March 2024

2a LUS@KEVII Limited

The Hospital owns 77.5% of the share capital of its subsidiary, LUS @ KEVII Limited, which was incorporated in England and Wales (company registration number 14242426), limited by guaranteed. Its principal activity is providing for the services of consultant urologists and certain management services to the patients at KEVII.

Separately audited accounts for the company are filed with the Registrar of Companies. The share capital of LUS@KEVII Ltd has a nominal value of £1.

A summary of its results is shown below:

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Turnover	8,530	-	8,530
Operating expenses	(6,246)	-	(6,246)
Other administrative expenses	(951)	-	(951)
Profit for the year	1,333	-	1,333
Reserves brought forward	233		233
Reserves carried forward	1,566	-	1,566

Represented by:

Current assets	12,849	-	12,849
Current liabilities	(8,857)	-	(8,857)
Net assets	3,992	-	3,992

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Turnover	1,893	-	1,893
Operating expenses	(835)	-	(835)
Other administrative expenses	(819)	-	(819)
Audit Fee	(6)	-	(6)
Profit for the year	233	-	233
Reserves brought forward	-	-	-
Reserves carried forward	233	-	233

Represented by:

Fixed Assets	1,880	-	1,880
Current assets	2,439	-	2,439
Current liabilities	(1,660)	-	(1,660)
Net assets	2,659	-	2,659



Notes to the financial statements 31 March 2024

3 Income from charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Patient charges	39,811	-	39,811
Other income	1,620	-	1,620
Total funds	41,431	-	41,431

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Patient charges	37,589	-	37,589
Other income	1,044	-	1,044
Total funds	38,633	-	38,633

All income from charitable activities is unrestricted. Patient fees are stated net of the subsidies made to ex-service and serving military personnel or veterans in line with the Hospital's charitable objective. The benefit to this group of patients amounted to £32,000 for 40 patients (2023: £96,389 for 63 patients).

Other income includes consultant room revenue of £996,000 (2023: £964,000).

4 Raising funds

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Staff costs (note 6)	296	-	296
Other direct costs	383	-	383
Investment management fee rebate	(1)	-	(1)
Total direct costs	678	-	678
Allocated indirect costs (note 5)	150	-	150
Total funds	828	-	828

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Staff costs (note 6)	287	-	287
Other direct costs	324	-	324
Investment management fee rebate	(16)	-	(16)
Total direct costs	595	-	595
Allocated indirect costs (note 5)	177	-	177
Total funds	772	-	772

Notes to the financial statements 31 March 2024

5 Provision of patient services

Expenditure on the provision of patient services comprises expenses relating wholly or mainly to the delivery of medical and nursing care; it includes the costs of doctors, nurses and support staff, premises costs, supplies and bought services as follows:

	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Surgical and pharmaceutical supplies	14,657	-	14,657
Provisions and domestic supplies	992	-	992
Staff costs (note 6)	17,964	-	17,964
Agency staff	1,864	-	1,864
Repairs, renewals and maintenance	2,067	-	2,067
Accommodation and administration expenses	11,081	376	11,457
Pain Management Programme	-	78	78
Depreciation and amortisation	3,611	-	3,611
Corporation tax - LUS @ KEVII Ltd	61	-	61
	52,297	454	52,751
Costs allocated to raising funds (note 4)	(150)	-	(150)
Defined benefit pension scheme FRS 102 adjustment (note 14)	(362)	-	(362)
Total funds	51,785	454	52,239

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
Surgical and pharmaceutical supplies	14,764	-	14,764
Provisions and domestic supplies	929	-	929
Staff costs (note 6)	17,291	-	17,291
Agency staff	2,681	-	2,681
Repairs, renewals and maintenance	2,210	-	2,210
Accommodation and administration expenses	10,545	-	10,545
Pain Management Programme	-	188	188
Depreciation and amortisation	3,659	-	3,659
Corporation tax - Joint Venture	59	-	59
	52,138	188	52,326
Costs allocated to raising funds (note 4)	(177)	-	(177)
Defined benefit pension scheme FRS 102 adjustment (note 14)	(250)	-	(250)
Total funds	51,711	188	51,899

Restricted fund depreciation represents depreciation on assets financed by specific donations.

Included within administration expenses is auditor's remuneration of £30,600 (2023: £41,850) in respect of the audit of the statutory financial statements and fees payable to the auditor for other services including the audit of the pension scheme of £10,800 (2023: £8,900).



Notes to the financial statements 31 March 2024

6 Staff costs

	2024 £'000	2023 £'000
Staff costs, excluding the costs of agency staff, comprise:		
Wages and salaries	15,854	15,217
Social security costs	1,670	1,637
Pension costs – defined benefit scheme (note 14)	247	256
Pension costs – group personal pension plans (note 14)	273	255
Pension costs – defined contribution pension plan (note 14)	215	213
	18,260	17,578
These costs are allocated as follows:		
Provision of patient services (note 5)	17,964	17,291
Expenditure on raising funds (note 4)	296	287
	18,260	17,578

Staff costs include restructuring costs of £19,119 in respect of 6 people (2023: £202,494, 12 people). Salary costs include a holiday pay accrual Nil (2023: £50,523) which represents annual leave carried forward for up to five days, as permitted in the HR policy.

	2024 No. of staff	2023 No. of staff
The average number of full and part time permanent staff is split as follows:		
Clinical	179	189
Service support	120	127
Administration	72	83
	371	399

	2024 No. of staff	2023 No. of staff
The number of employees whose emoluments exceeded £60,000 including taxable benefits but excluding employer's pension and national insurance contributions was as follows:		
£60,001 - £70,000	23	15
£70,001 - £80,000	9	7
£80,001 - £90,000	4	8
£90,000 - £100,000	5	1
£100,001 - £110,000	3	2
£110,001 - £120,000	3	3
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£150,001 - £160,000	1	1
£160,001 - £170,000	2	-
	51	38

No member of the Board of Trustees received remuneration for their services during either year or expenses reimbursed.

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the Board of Trustees and the Executive Committee detailed on page 8, 9 and 10 of this Annual Report and Financial Statements. The total remuneration (including taxable benefits and employer's pension and national insurance contributions) of the key management personnel for the year was £1,096,017 (2023: £1,232,780).



Notes to the financial statements 31 March 2024

7 Grants payable

	2024 £'000	2023 £'000
Outstanding commitments at 1 April	9	9
Awarded during the year	154	159
Paid during the year	(154)	(159)
Outstanding commitments at 31 March	9	9

Grants paid £154,340 during the year (2023: £159,028) represent amounts paid to ex-service and serving military personnel or veterans inpatients and outpatients during the period to assist with Hospital fees. Grants are made from a restricted fund of the charity (note 17).

Liabilities for grants represent the unpaid balance on grants awarded by the charity as at the balance sheet date. They relate to current activities funded by the charity to which it is firmly committed.

8 Indemnity insurance

During the period the Hospital renewed insurance to protect it from loss arising from any wrongful or dishonest act of any member of the Board of Trustees, officer or employee and to indemnify any member of the Board of Trustees, officer or employee against the consequence of any wrongful act on their part. The total cover provided by such insurance was £5 million (2023: £5 million) and the total premium paid in respect of such insurance was £11,200 (2023: £11,200).

9 Taxation

King Edward VII's Hospital is a registered charity and therefore is not liable to income tax or corporation tax on income or gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

The joint venture subsidiary LUS@KEVII is subject to corporation tax on profits and the charge levied for 2023-24 is £331,000 (2023: £59,000).

The Hospital is not able to reclaim all VAT suffered on expenditure due to the partial exemption rules. Irrecoverable VAT is included as part of the appropriate expenditure category.

The linked charity, The Charity of Alexander Michael Levy, is also not liable to income tax, corporation tax or capital gains tax on income or gains derived from its charitable activities.



Notes to the financial statements 31 March 2024

10 Tangible fixed assets

Group and charity	Assets under construction £'000	Long leasehold buildings £'000	Equipment fixtures and fittings £'000	2024 Total £'000
Cost				
As at 1 April 2023	4,547	28,435	31,986	64,968
Additions during the year	2,499	-	961	3,460
Disposals	-	-	(32)	(32)
Capital write-offs	(8)	-	(497)	(505)
As at 31 March 2024	7,038	28,435	32,418	67,891
Accumulated depreciation				
As at 1 April 2023	-	13,080	17,528	30,608
Charge for the year	-	821	2,790	3,611
On disposals	-	-	(32)	(32)
As at 31 March 2024	-	13,901	20,286	34,187
Net book values				
As at 31 March 2024	7,038	14,534	12,132	33,704
As at 31 March 2023	4,547	15,355	14,458	34,360

The Hospital holds property under long leasehold interest. In accordance with the Hospital's accounting policy, these assets are stated at cost less accumulated depreciation. At 31 March 2024, the net book value of the Hospital's long leasehold properties was £8.09m. This excludes the King Edward Medical Centre which is held under a 30-year lease. The leasehold property located at 56-60 Weymouth Street, London W1 would have been disposal at price consideration of £4.46m on 3rd July 2024.

The properties were formally valued with professional assistance as at 1 August 2021 by a registered valuer at Chalkhouse Chartered Surveyors in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards. The long leasehold interests were valued at a sum of £82.35m. This valuation has not been reflected in these financial statements as the Hospital's accounting policy is for tangible fixed assets to be held at cost and depreciated over their useful lives.

Notes to the financial statements 31 March 2024

11 Charity Authorised Investment Funds

	2024 Group £'000	2024 Charity £'000	2023 Group £'000	2023 Charity £'000
Balance as at 1 April	6,017	6,017	10,307	10,307
Income earned (Note 2)	115	115	238	238
Realised gains in year	1,399	1,399	1,380	1,380
Unrealised (losses) in year	(1,380)	(1,380)	(2,024)	(2,024)
Investment management fee rebate (Note 4)	(1)	(1)	16	16
Cash withdrawals	(1,700)	(1,700)	(3,900)	(3,900)
Balance as at 31 March	4,450	4,450	6,017	6,017

Investments are managed on the Hospital's behalf by Sarasin, with performance and composition reviewed regularly by Trustees.

Listed investments held at 31 March 2024 comprised the following:

	2024 Group £'000	2024 Charity £'000	2023 Group £'000	2023 Charity £'000
Charity authorised investment funds	-	-	4,728	4,728
Diversified money market fund	4,415	4,415	538	538
	4,415	4,415	5,266	5,266
Cash held for reinvestment	35	35	751	751
Total funds	4,450	4,450	6,017	6,017

The charity authorised investment funds hold assets in the UK and overseas.

At 31 March 2024, the following individual holdings were deemed material in comparison with the market value of the listed portfolio held at that date:

	Book cost £'000	Market value £'000	Percentage of total portfolio 2024 %
ICS-Sterling Liquidity Fund - ACC (Short term portfolio)	4,328	4,416	99%
Sarasin Endowments Fund Class A Inc (Long term portfolio)	-	-	0%
Sarasin Income and Reserves Class A Acc (Medium term portfolio)	33	33	1%
	4,361	4,449	100%

	Book cost £'000	Market value £'000	Percentage of total portfolio 2024 %
Sarasin Endowments Fund Class A Inc (Long term portfolio)	3,202	4,717	78.4%
ICS-Sterling Liquidity Fund - ACC (Short term portfolio)	1,283	1,289	21.4%
Sarasin Income and Reserves Class A Acc (Medium term portfolio)	65	11	0.2%
	4,550	6,017	100%



Notes to the financial statements 31 March 2024

12 Debtors

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Patient charges receivable	6,831	6,831	5,998	5,998
Accrued income	3,717	3,717	258	258
Prepayments	2,033	2,033	1,273	1,273
Other debtors	199	199	59	81
	12,780	12,780	7,588	7,610

13 Creditors: amounts falling due within one year

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Expense creditors	4,376	4,376	2,143	2,143
Accruals	5,153	5,153	3,070	3,070
Payments on account	442	442	483	483
Other creditors	1,613	1,495	561	563
Amounts due to related parties	-	2,725	-	2,797
Finance lease	416	416	460	460
	12,000	14,607	6,717	9,516

13a Creditors: amounts falling > 1 year

	Group 2024 £'000	Charity 2024 £'000	Group 2023 £'000	Charity 2023 £'000
Expense creditors	2,417	2,417	-	-
Finance lease	879	879	1,733	1,733
	3,296	3,296	1,733	1,733

The finance lease relates to the purchase of the major imaging equipment in the King Edward VII's Hospital Medical Centre.

Notes to the financial statements 31 March 2024

14 Pension commitments - Group

Throughout both 2024 and 2023, King Edward VII's Hospital operated an auto-enrolment pension scheme, a group personal pension plan and a defined benefit pension scheme. Details of the schemes are as follows:

	NOW	Aviva	Clerical Medical
	£'000	£'000	£'000
Employer contributions made in the year ended 31 March 2024	215	273	247
	%	%	%
Employer minimum contribution	3.0	6.0	25.4
Employee minimum contribution	5.0	4.0	8.0
	No. of staff	No. of staff	No. of staff
Active employee members of scheme as at 31 March 2024	241	74	4

Auto-enrolment pension scheme

Our main pension scheme is a defined contribution pension scheme operated by NOW pensions. Employer contributions payable for all schemes during the prior period were £215,000.

Group personal pension plan

Employees have the option of joining the Aviva group personal pension plan. Employer contributions payable during the prior period were £273,000.

Defined benefit pension scheme

The assets are held separately from those of the Hospital by Clerical Medical Investment Group Limited. The pension cost relating to the scheme is assessed in accordance with the advice of a qualified actuary using the attained age method.

The scheme was closed to new members with effect from 1 October 2000.

The latest triennial actuarial valuation of this scheme carried out by Mr Tom McDougall, a fellow of the Institute of Actuaries, was as at 1 October 2019. At the date of valuation, the scheme assets had a market value of £7.1m and the actuarial value of those assets represented 95% of the benefits that had accrued to members, after accounting for expected future increases in earnings.

The funding basis assumptions made by the actuary were agreed by the Board of Trustees and Pension Trustees. The assumptions having the most significant effect on the results of the valuation are that the investment return would be 2.0% per annum before retirement and that salaries will increase at a rate 1.7% per annum compound.

The deficit following the triennial valuation was £987,000. A recovery plan was agreed by the Board of Trustees which required annual recovery contributions of £218,004 for 3 years 8 months from 1 October 2020 to 30 May 2024. This equates to an additional £18,167 per month.



Notes to the financial statements 31 March 2024

14 Pension commitments - Group (continued)

Defined benefit pension scheme(continued)

The normal contributions for the year to 31 March 2024 were £247,000 (2023: £256,000). The contributions made by the employer in the period to 31 March 2024 were at the rate of 25.4% (2023: 26.4%) of pensionable salaries less members contributions.

Members' contributions in the period were 8% of pensionable salary for members who wished to retain a normal retirement age of 65 or 10% for members who wished to retain a normal retirement age of 60 years. Death in service insurance premiums were payable in addition by the employer.

The following information required by FRS 102 is based upon the full actuarial valuation of the scheme updated to 31 March 2024 by the Hospital Pension Fund Managers, Mercers.

Under FRS 102 the fair value of the assets and the deficit in the scheme is as shown below:

	2024 £'000	2023 £'000
Fair value of scheme assets	15,467	16,528
Present value of scheme liabilities	(13,630)	(14,479)
Surplus in the scheme	1,837	2,049
Net pension asset	1,837	2,049

Under FRS 102, the net pension asset is capped at nil value on the balance sheet as any surplus disclosed may not be recoverable.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Assets at 31 March 2024 £'000	Proportion at 31 March 2024 %	Assets at 31 March 2023 £'000	Proportion at 31 March 2023 %
Equities (including property)	3,628	24%	3,396	21%
Bonds	1,846	12%	1,561	9%
Insured pensions	9,512	61%	10,850	66%
Cash	481	3%	721	4%
Total	15,467	100%	16,528	100%

The major assumptions used by the actuary (in normal terms) were:

	2024 %	2023 %
Consumer Price Inflation (CPI)	2.50%	2.50%
Salary escalations	3.50%	3.50%
Pension increases:		
RPI subject to a maximum of 4%	2.80%	2.70%
RPI subject to a maximum of 5%	3.00%	3.00%
RPI subject to a maximum of 7%	3.20%	3.20%
Discount rate (pre and post retirement)	4.90%	4.90%

Notes to the financial statements 31 March 2024

14 Pension commitments - Group (continued)

Defined benefit pension scheme(continued)

Assuming retirement at age 65, the life expectancies in years are as follows:

	At 31 March 2024 Years	At 31 March 2024 Years
For a male aged 65 now	21.7	22.1
At 65 for a male member aged 45 now	23.3	23.8
For a female aged 65 now	24.4	24.1
At 65 for a female member aged 45 now	26.2	25.9

“FRS 102 specifies the projected unit method for the current service cost. The scheme is closed to new entrants, so the average age and hence the current service cost is likely to rise.

The scheme has a number of purchased annuities in respect of past retirements. To the extent that these fully match the associated liabilities they have been excluded from both the assets and the liabilities at each accounting date.”

	2024 £'000	2023 £'000
Analysis of amount charged to statement of financial activities		
Current service cost (excluding insured death-in-service benefits)	9	28
Operating charge	9	28
Analysis of net return on pension scheme		
Interest income on pension scheme assets	797	523
Interest cost on scheme liabilities	(691)	(510)
Net finance income (charge)	106	13
Other recognised gains and losses		
Asset return less interest income	(1,350)	(2,409)
Experience gains/(losses) on benefit obligations	760	(813)
Effect of assumptions changes on benefit obligation	16	4,645
Actuarial (losses) / gain	(574)	1,423
Reconciliation of actuarial gain on defined benefit pension scheme		
Actuarial (losses) / gain	(574)	1,423
Net defined benefit liability / (asset)	212	(1,673)
Actuarial (losses) gains on defined benefit pension scheme per SOFA	(362)	(250)



Notes to the financial statements 31 March 2024

14 Pension commitments - Group (continued)

Defined benefit pension scheme(continued)

The movement in the deficit during the period is as follows (unless otherwise specified, the figures calculated are based on the assumptions as at the beginning of the period):

	2024 £'000	2023 £'000
Surplus (deficit) in scheme at 1 April	2,049	376
Movement in period:		
Current service cost	(9)	(28)
Contributions	247	265
Net finance income (charge)	106	13
Actuarial losses/ (gain)	(574)	1,423
Surplus in scheme at 31 March	1,819	2,049

Reconciliation of opening and closing balances of the present value of the scheme liabilities:

	2024 £'000	2023 £'000
Scheme liabilities at 1 April	14,479	18,597
Interest cost	691	510
Current service cost	9	28
Contributions by plan participants	8	10
Actuarial (gain)	(776)	(3,832)
Benefits paid	(781)	(834)
Scheme liabilities at 31 March	13,630	14,479

Reconciliation of opening and closing balances of the fair value of the scheme assets:

	2024 £'000	2023 £'000
Fair value of scheme assets at 1 April	16,528	18,973
Interest income	797	523
Asset (losses)	(1,332)	(2,409)
Contributions by employer	247	265
Contributions by plan participants	8	10
Benefits paid	(781)	(834)
Fair value of plan assets at 31 March	15,467	16,528

Notes to the financial statements 31 March 2024

15 Designated funds

The income funds of the charity included a designated fund which had been set aside out of unrestricted funds by the Trustees for the Hospital development project. At 31 March 2023, the designated funds have been transferred to general funds.

16 Fixed assets fund

Group	At 31 1 April 2023 £'000	Movement in year £'000	As at 31 March 2024 £'000
Fixed asset fund	32,167	242	32,409
Charity only	At 31 1 April 2023 £'000	Movement in year £'000	As at 31 March 2024 £'000
Fixed asset fund	31,735	432	32,167

The fixed assets fund represents the net book value of the Hospital's tangible fixed assets, excluding those represented by restricted funds. The tangible fixed assets are separated from the Hospital's general funds in recognition of the fact that the assets are used in the day-to-day work of the Hospital and are not, therefore, able to be realised in order to meet future contingencies or expenditure.

17 Restricted funds

Group	As at 1 April 2023 £'000	Income £'000	Expenditure £'000	Capital expenditure £'000	Transfers £'000	As at 31 March 2024 £'000
Capital Campaign fund	6,565	-	-	(3,460)	-	3,105
Next Chapter Appeal fund	11	1,328	-	-	-	1,339
Freemasons fund	8	-	-	-	-	8
Sister Agnes Benevolent fund	377	386	(608)	-	-	155
Alexander Michael Levy fund	673	-	-	-	-	673
	7,634	1,714	(608)	(3,460)	-	5,280
Charity only	As at 1 April 2023 £'000	Income £'000	Expenditure £'000	Capital expenditure £'000	Transfers £'000	As at 31 March 2024 £'000
Capital Campaign fund	6,565	-	-	(3,460)	-	3,105
Next Chapter Appeal fund	11	1,328	-	-	-	1,339
Freemasons fund	8	-	-	-	-	8
Sister Agnes Benevolent fund	377	386	(608)	-	-	155
Alexander Michael Levy fund	673	-	-	-	-	673
	7,634	1,714	(608)	(3,460)	-	5,280



Notes to the financial statements 31 March 2024

17 Restricted funds (continued)

Group	As at 1 April 2022 £'000	Income £'000	Expenditure £'000	Capital expenditure £'000	Transfers £'000	As at 31 March 2023 £'000
120th Anniversary Appeal Fund	6,324	-	-	-	(6,324)	-
Capital Campaign Fund	(184)	3,114	-	(2,689)	6,324	6,565
Next Chapter Appeal Fund	-	11	-	-	-	11
Freemasons Fund	8	-	-	-	-	8
Sister Agnes Benevolent Fund	389	335	(347)	-	-	377
Alexander Michael Levy Fund	673	-	-	-	-	673
	7,210	3,460	(347)	(2,689)	-	7,634

The 120th Anniversary Appeal Fund launched by the Board of Trustees in 2017 represents a fund for the three-year development of the Hospital, comprising the main Hospital, The King Edward VII Medical Centre and diagnostic facilities. The balance of funds have been transferred to The Capital Campaign Fund which supports the Capital Redevelopment Fund that is the main fundraising Appeal for the next four financial years.

The Alexander Michael Levy Fund is a Linked Charity of the Hospital. The Charity of Alexander Michael Levy's constitution was amended in 2017, which extended the charity's objects and removes some restrictions on the beneficiary class, allowing surplus income and accumulated capital to be applied to the general purposes of King Edward VII's Hospital.

In 2019/20, the unrestricted funds of the Linked Charity were transferred to the unrestricted funds of the Hospital. The permanent endowment fund of the Linked Charity continues to be held as a restricted fund of the Hospital at 31 March 2023. Permanent endowment funds of the Linked Charity were £673,000 at 1 April 2022 and at 31 March 2023, which consisted solely of listed investments. There was no income and expenditure in the permanent endowment fund in 2023/24.

Notes to the financial statements 31 March 2024

18 Analysis of net assets between funds

Group	General funds	Designated funds	Pension reserve	Fixed assets fund	Restricted funds	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	33,704	-	33,704
Investments	-	-	-	-	4,450	4,450
Net current assets	2,990	-	-	(416)	830	3,405
Long term liabilities	(2,417)	-	-	(879)	-	(3,296)
	574	-	-	32,409	5,280	38,263

Charity only	General funds	Designated funds	Pension reserve	Fixed assets fund	Restricted funds	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	33,704	-	33,704
Investments	-	-	-	-	4,450	4,450
Investment in LUS@KEVII Ltd	1,880	-	-	-	-	1,880
Net current assets	384	-	-	(416)	830	798
Long term liabilities	(2,417)	-	-	(879)	-	(3,296)
	(153)	-	-	32,409	5,280	37,536

Group	General funds	Designated funds	Pension reserve	Fixed assets fund	Restricted funds	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	34,360	-	34,360
Investments	-	-	-	-	6,017	6,017
Net current assets	4,118	-	-	(460)	1,617	5,275
Long term lease liability	-	-	-	(1,733)	-	(1,733)
	4,118	-	-	32,167	7,634	43,919

Charity only	General funds	Designated funds	Pension reserve	Fixed assets fund	Restricted funds	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	-	34,360	-	34,360
Investments	-	-	-	-	6,017	6,017
Investment in LUS@KEVII Ltd	1,879	-	-	-	-	1,879
Net current assets	1,941	-	-	(460)	1,617	3,098
Long term liabilities	-	-	-	(1,733)	-	(1,733)
	3,820	-	-	32,167	7,634	43,621



Notes to the financial statements 31 March 2024

19 Lease commitments

The Hospital's properties excluding the King Edward VII Medical Centre are held under leases with expiry dates in 2125. The total future rental to which the Hospital is committed as at 31 March 2024 under the terms of the various leases for the five-year period up to the next rent review is £1,509,000 (2023 - £3,019,000).

The King Edward VII Medical Centre is held under a 30-year lease which started at the end of 2021 and which expires in 2051. The annual charge is £1,667,000 and there are rent reviews every five years.

At 31 March 2024, the hospital has no commitments for future operating lease rental payments (2023 - £167,000).

20 Related party transactions

The role of Interim Chief Information Officer has been covered by a director of BCMB Consulting from 1 June 2021 until 21 July 2024. The Hospital paid BCMB Consulting £212,985 for this service and other IT contractors in 2023/24 (2023: £118,328).

There were no other related party transactions.

21 Events after the end of the reporting period

In accordance with the requirements of FRS 102, we report the following significant non-adjusting events that occurred after the reporting period ending 31 March 2024, but prior to the approval of the financial statements:

On 3 July 2024, the Hospital completed the sale of a property (Charterhouse) located at 56-60 Weymouth Street, London W1, for a consideration of £4.46 million. A payment of £3.95m was received on 4 July 2024 as part of this transaction.



Glossary of abbreviations

ABF	Army Benevolent Fund
C2-Ai	Copeland Clinical Ai (clinical analytics company)
CCTV	Video surveillance
CNS	Clinical Nurse Specialist
COSHH	Control of Substances Hazardous to Health
COVID-19	Coronavirus Disease 2019
CPD	Continued Professional Development
CQC	Care Quality Commission
CRM	Customer Relationship Management
CVH	Centre for Veterans' Health
DNA	Did Not Attend
DSU	Day Surgery Unit
ENT	Ear, Nose and Throat
FIT	Feedback for Improving Teamworking
FOH	Front of House
GDPR	General Data Protection Regulation
GP	General Practitioner
HOLEP	Holmium Laser Enucleation of the Prostate
HR	Human Resources
HIFU	High Intensity Focused Ultrasound
ICP	Integrated Care Plan
IT	Information Technology
KEVII	King Edward VII's Hospital
KMC	King Edward VII's Hospital Medical Centre
KPI	Key Performance Indicators
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual
LYMPHA	Lymphatic Microsurgical Preventive Healing Approach
MDT	Multi-Disciplinary Team
MDT-FIT	MDT Feedback for Improving Teamworking

MMR	Monitoring Mismatch Repair
MRI	Magnetic Resonance Imaging
NHS	National Health Service
NICE	National Institute for Health and Care Excellence
OPD	Outpatient
PAS	Patient Administration System
PCR	Polymerase Chain Reaction
PEC	Patient Experience Committee
PECR	Privacy and Electronic Communications Regulations
PHIN	Private Healthcare Information Network
PMI	Private Medical Insurance
PMP	Pain Management Programme
PPC	Pay-Per-Click
PPG	Patient Participation Group
PROMs	Patient Reported Outcome Measures
PSIRF	Patient Safety Incident Response Framework
QEP	Quality, Efficiency, Productivity
QIP	Quality Improvement Programme
QR	Quick Response
SEO	Search Engine Optimisation
SLA	Service Level Agreement
SMS	Short Message Service
SOP	Standard Operating Procedure
SPY-PHI	SPY Portable Handheld Imaging technology
SQL	Structured Query Language
UKHSA	UK Health Security Agency
VIPs	Very Important People
WHO	World Health Organisation
Wi-Fi	Wireless Network







KING EDWARD VII's HOSPITAL

Marylebone London