ANNUAL REPORT AND ACCOUNTS

2019/20

Financial year ended
30 September 2020



Royal Hospital for
Neuro-disability

Our patron
Her Majesty Queen Elizabeth II

President
Leonora, Countess of Lichfield

Vice Presidents
Peter Malpas,
Ruth Maxwell
Shirley Palmer
Alan Sanders
The Mayor of Wandsworth (ex Officio)

Administrative details
Royal Hospital for Neuro-disability
Registered charity number – 205907

Royal Hospital for Neuro-disability (Services) Limited
Company registration number – 04570542 (Non Trading)

Principal address and registered office
Royal Hospital for Neuro-disability
West Hill
Putney
London SW15 3SW

Our Trustees and Executives

Board of Trustees

Des Benjamin – Chairman
Group Chief Executive at SimplyHealth for 13 years and Des Benjamin – Chairman
Group Chief Executive at SimplyHealth for 13 years and President of the Institute of Customer Service.

James Gemmell – Treasurer and Deputy Chairman (Until 23 April 2020)
Formerly a Partner and Chairman of the accountancy firm Horwath Clark Whitehill (now Crowe UK), and European Executive Chairman of Horwath International (now Crowe Global).

Dr David Mitchell – Deputy Chairman
Medical Director and the Responsible Officer for the Hospital of St John and St Elizabeth, David was previously Medical Director at Imperial College Healthcare NHS Trust and Consultant in General and Chest Medicine at St Mary's Hospital London.

Les Broude
Worked at Mars Snackfoods Europe, Barclays Bank and Premier Foods PLC, then became a Non-Executive Director and Audit Committee Chair at Buckinghamshire Healthcare NHS Trust. He is an honorary independent member of the Trust's Charitable Funds Committee. In addition, he is a Non-Executive Director of South Central Ambulance Service NHS Foundation Trust.

Mark Cooke (from 29 January 2020)
A non executive director of ORX Association and Group Head of Operational Risk, Group General Manager of the HSBC Group.

Dominic Fairclough
A partner in the personal injury and clinical negligence team at Russell-Cooke solicitors, whose expertise includes advocacy in Coroners Courts advising on clinical negligence and personal injury claims.

Lynda Hamlyn CBE (from 29 January 2020)
Worked in and possesses extensive NHS and local government experience; she has been the Chief Executive of NHS Blood and Transplant until 2014 and before that, the Chief Executive at a number of NHS organisations.

Terry Hanafin CBE (Until 23 April 2020)
Former Chief Executive of Essex Strategic Health Authority, Croydon Health Authority and the London Borough of Lewisham. He has also served as Director of Public Services Research for the Audit Commission.

Julie Harding – Deputy Chairwoman (from 23 April 2020)
An HR professional working locally and internationally with HSBC before specialising in culture and change management at the Co-operative Bank and more recently, the House of Commons.

The Right Reverend Dr Christopher Herbert
Retired as Bishop of St Albans in 2009; now a respected lecturer in the ethics of end-of-life care, he was a member of the House of Lords Select Committee on Assisted Dying for the Terminally Ill. He is Visiting Professor of Christian Ethics at the University of Surrey.

Anna Marks
A senior partner at Deloitte working with publically listed corporates, and a member of the Deloitte Board and the Board of the CBI.

Hugh Rees (from 29 January 2020) - **Treasurer** (from 23 April 2020)
A non-executive director at Enigma Healthcare based in Singapore and formerly the Chairman and CEO of Wilkinson Healthcare.

Deborah Sanders
Group Chief Nurse at the Royal Free London NHS Foundation Trust and board member of the Royal Free Hospital Nurses' Home of Rest Trust.

Dr Yen Foung Tai
A consultant neurologist and honorary Clinical Senior Lecturer with a clinical and research interest in the treatment of movement disorders and neurodegenerative diseases.

Executive Directors

Paul Allen – Chief Executive

Jane Beaven – Director of Fundraising and Communications

Frances Low – Director of Governance

Michael Marrinan – Medical Director

Emily McWhirter – Director of Nursing (Until 31 August 2020)

Lesley Mill – Director of Service Delivery

Nanda Ratnavel – Director of Finance

Della Warren – Interim Director of Nursing (from 1 September 2020)

Our Board committees

Audit and Risk Committee
Les Broude – Chairman
Mark Cooke (from 29 January 2020)
Terry Hanafin (Until 23 April 2020)
Julie Harding

Board Medical Committee
Dr David Mitchell – Chairman
Dominic Fairclough
Deborah Sanders
Dr Yen Foung Tai

The Executive and senior clinical staff are also members

Chairman's Committee
Des Benjamin – Chairman
James Gemmell – Treasurer and Deputy Chairman David Mitchell – Deputy Chairman
Julie Harding – Deputy Chairwoman
Hugh Rees- Treasurer (from 29 January 2020)

Ethics Committee
Christopher Herbert – Chairman
Des Benjamin
Dominic Fairclough
Laurence Oates
Paul Allen – Chief Executive
Geoff Coyne – Hospital Chaplain
Dr Andrew Hanrahan – RHN consultant nominated by the Chief Executive
Michael Marrinan – Medical Director
Emily McWhirter – Director of Nursing
Della Warren – Director of Nursing (from 1 September 2020)

Finance Committee
James Gemmell – Chairman (Until 23 April 2020)
Hugh Rees – Chairman (from 29 January 2020)
Anna Marks
Stephen Ford (Co-optee)
Debbie Hill (Co-optee) from 26 March 2020

Nominations and Remuneration Committee
Des Benjamin – Chairman
James Gemmell (Until 23 April 2020)
Julie Harding – from 23 April 2020
David Mitchell - from 23 April 2020
Hugh Rees – from 29 January 2020

Patient Safety and Quality Committee
David Mitchell – Chairman
Terry Hanafin (Until April 2020)
Julie Harding
Trudi Kemp
Deborah Sanders
Yen Foung Tai

Research Advisory Committee
Professor Christine Collin (Chairwoman) (Co-optee)
Mark Edwards (Co-optee)
Peter Garrard (Co-optee)
Jolanta Opacka-Juffr (Co-optee)
Mike Smith (Co-optee)

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Chairman's welcome

This year has been remarkable, no really, quite remarkable. Global events, few of which have seemed beneficial, have been battering our way of life like an unrelenting storm that at times seems without end. Every organisation and every management team has been tested for competence, dexterity, resolve and resilience as they have not been tested for many decades.



All staff at the RHN have been called upon to give the very best of themselves for a very long period of time. In many cases they have been asked to do this at some risk which no-one could really quantity for them.

So it is without qualification that I start this year with the thanks of our Board, our patients and their families and our community to you, our team of staff who have been magnificent all year in the face of untold home and workplace challenges.

We all learned a lot about ourselves this year and to be quite honest that was perhaps the best thing that came from 2020.

Events this year have of course been dominated by the Coronavirus global pandemic.

Emerging from China and entering Europe at the end of 2019, what was most alarming about this pandemic was the number of unknowns. We had no idea who it would affect or how seriously they might be affected. We had no means of treatment and we had no idea of whether to shield people from it or to try for herd immunity.

We had insufficient protective equipment for staff across the whole of the UK and Europe and we struggled to convert hospitals over to isolation units to prevent the spread of infection.

The fear was that health services would be overwhelmed and the decision was taken in the majority of countries around the world to close their economy through enforced lockdowns, to try and prevent the loss of life that the virus was causing.

At the RHN we chose to lockdown the hospital on the 9th of March, two weeks before the instruction came from government to do so. We know we have a vulnerable group of patients and residents and we needed to be ahead of the curve.

Even so, we were unable to stop the virus affecting some of our patients and very sadly we lost eighteen patients and two members of staff to the virus.

However, it is precisely because we took such preemptive action that we were clear of the virus in the hospital from the end of April 2020 for 230 days. The sterling work of every member of our hospital team has meant that many people are alive today who may well not have been had it not been for these tremendous efforts.

We divided the hospital into five discrete zones to stop the virus spreading, we introduced 'red runners' to take and fetch items to and from each zone without ever crossing the zone lines. We fought hard to maintain our supplies of personal protective equipment (PPE), on some days being within a few hours of running out.

We instigated home working for all those who did not necessarily have to be in the hospital so that the risk of infection coming into the hospital was reduced. We moved all our teaching programmes and conferences online as groups were not allowed to meet. We also moved our pastoral services online so that people could still particulate in their services of faith.

We ran an initiative asking the public to donate their iPhones and iPads so that our patients could stay in touch with their families. Perhaps the most difficult of all actions we have had to take was to separate families from their loved ones. Initially we had a twelve week period when no visiting was allowed at all. Fortunately after that, a pattern of restricted visits has been established which has maintained our security against the virus and allowed families to reunite with their loved ones. Unfortunately, with the second wave of the virus, restrictions have had to be reintroduced. My thanks to all the families for their incredible patience, we fully appreciate just how difficult this has been for you.

The wider NHS in South West London came together every week to keep everyone informed about the state of play for this area and this was seen as an important new facility that will continue when the virus is behind us.

We battled staff shortages as people fell ill and had to isolate themselves for 14 days, we closed facilities like the staff restaurant and the hydrotherapy pool and we suspended services such as many of the therapeutic treatments, as we could not let people onto the wards.

Many people stepped forward during this time and what is so remarkable about that is that they did it despite the (unknown) risks to themselves and despite the fact that they had their own families to protect.

When we were low on nursing staff our therapists stepped forward for care duties. Our team of domestic, estates, facilities and supplies staff were unflinching in their commitment to keeping the fabric of the hospital functioning.

Our doctors, nurses and healthcare assistants looked after our patients night and day, despite difficult public social restrictions and despite the risks they faced themselves.

All of our on site Putney staff are to be commended for their immense contribution during this time.

But our story does not end there because they would not have succeeded in their endeavours had it not been for our home working teams of IT, Finance, HR, administration and records amongst others, all of whom played their part in keeping the show on the road.

Notably, our IT team have been able to keep everyone communicating effectively by enabling home working for so many people and they have still managed to take major steps forward in the development of our electronic patient record system.

Our schedule of meetings that form the backbone of governance for the RHN has been uninterrupted as our Corporate Office team have reorientated us to an online facility which allows all the important oversight of the hospital to continue.

Our finance team has dealt with particular difficulties around transaction processing, financial reporting, volatile financial markets and rapid forecasting changes that we have faced because of the Coronavirus challenge.

HR have had the unenviable task of undertaking all the people implications of this period of rapid change (in which so much was expected so quickly) and they have not missed a beat.

Everywhere you care to look across the hospital you will have observed the same thing. People thrown into immense turmoil, striving to give of their best and making a huge success of our ability to look after our patients.

I know I keep saying it but they are to be applauded, loudly.

With all of this we did not let the year slide by without a good deal of progress being made across the hospital.

We continued to improve our infrastructure opening the new Andrew Reed ward (a combination of the old Evitt and Cathcart wards). This gives us a striking new 32 bed facility with modern facilities for better patient privacy, easier patient handling, bedside access to oxygen, much improved washing a showering facilities, a properly equipped room for staff and much else besides. This has allowed us to progress with a revamping of the old Andrew Reed ward now known as the Leonora ward after our President Countess Leonora Litchfield. This ward which is adjacent to the Jack Emerson ward will give us on of London's preeminent ventilator units to serve more people in the future.

Thanks to a highly successful campaign by our fundraising team, we have been able to refurbish the main Assembly room and install the magnificent new stained glass windows which have been missing since they were lost in the Second World War. This room is an important facility for the hospital as it hosts everything from church services to patient bowling and dance sessions, the annual Scottish Ceilidh, our bridge tournaments, the sponsors' thank you evening, and many other functions. It lies at the beating heart of the hospital and has been missed as the Coronavirus meant these events were all cancelled.

We have had a number of difficulties and disappointments this year too. Nothing has been more difficult than the loss of our patients and staff to Covid-19. With family visits restricted to end of life circumstances and even arrangements for things like funerals being made so difficult by public restrictions, this has been a very sad time.

We worked hard to prepare ourselves for our CQC inspection which was due shortly, when we experienced a particular patient incident that required swift management handling of some poor quality care by staff. This action was taken immediately and thoroughly and I hasten to add all our patients were made safe with immediate effect. However, this led to a downgrading of our overall rating by the CQC from Good to Requires Improvement.

While we are very disappointed by this result we are resolved to earn our credentials back so that we can once again proudly display the quality of our work to our regulators, our commissioners, the people who place the care of their loved ones in our hands and many others besides. To that end we are working in partnership with the CQC and with NHS England to ensure we make further improvements for the future.

Financially it has been a tough year as well. Our occupancy rates have been lower than expected because of the Coronavirus, fundraising has had a most difficult year and the costs of covering the pandemic have been considerable.

But it is for exactly this reason that we keep our reserves strong and looking ahead, although we see financial challenges for the next couple of years, we also expect to be able to make substantial progress with our strategy of improving the facilities, skills and environment of our Putney site.

As we enter the new financial year with a second wave of the Coronavirus affecting the entire country, we are prepared for what lies ahead, we are more knowledgeable about the challenge of the Coronavirus and we are in sight of the vaccine that will help us live with this virus for a while yet to come.

I am confident we have the people we need to face the future. I am sure we have the skills and the facilities to tackle what might yet affect us and I have never in my life been so proud to work with the group of people I am lucky enough to work beside at our great Royal Hospital for Neuro-disability.

I ask all of you to steel themselves for a difficult winter, knowing that spring will come and we will all be together once again able to enjoy the beauty and joy that is all around us.

As I write this we continue in the midst of the coronavirus Covid-19. The possible implications are reviewed in this report. In such uncertain times I hope that you and your families will stay well and look after yourselves and those near you. The RHN will be doing all it can.

Take care,



Des Benjamin
Chairman

January 2021

Chief Executive's introduction



The last 12 months have been an extraordinary year in which the RHN has faced the most serious global health crisis for a century and has had to deal with a number of issues with its regulator, the CQC, ranging from safeguarding matters, to regulatory action following a short notice inspection, to a comprehensive inspection in which the RHN was rated as "Requires Improvement", overall. At the same time, we have maintained our strategic focus as much as possible.

The Coronavirus (Covid-19) pandemic has of course dominated life at the RHN since late February 2020. We always recognised that our patients and relatives are amongst the most vulnerable and although tragically 18 patients and two members of staff died from Covid-19 during its first wave, I am able to report that the strict infection control measures we introduced during March and April 2020, the peak period for wave 1, meant that from late April, we had no new patient infection in the RHN for more than 230 days.

The impact of the Coronavirus has been widespread. For long periods, relatives have been unable to visit their loved ones at the hospital. Finances have been adversely affected by increased costs and lost income due to reduced bed occupancy. The effect on staff has been enormous. My heartfelt thanks goes to all the staff who have worked on the frontline, in many cases knowing that they were caring for patients with Covid-19. At times this will have created enormous stress, from which staff are recovering as we head into the uncertainty of a second phase of Covid. Others have had to adapt to working from home … when the Government launched its "Stay at Home, Protect the NHS, Save Lives" campaign on 23 March and instructed people not to travel unless essential, a significant number of staff who could work from home, did so.

Collectively the workforce of the RHN is strong and resilient. Despite the stresses I have referred to and the need to adapt to different ways of working such as (at least partially) working from home; and the use of video technology for meetings, the RHN team remains totally committed to patient care, is rigorously examining lessons learned from wave 1, including how staff can be better supported, is as well prepared as it can be for wave 2, and is continuing to focus on longer term strategic improvements to create an even better hospital.

Unfortunately, we have not been able to keep wave 2 at bay indefinitely and during this period of the third national lockdown, it is well documented that a much more transmissible variant has been circulating. In the RHN we have had wave 2 outbreaks on five wards with 33 patients testing positive and 79 staff members. Although our infection control measures (again including complete lockdown of every ward and no visitors) has kept this under reasonable control, sadly four patients and one staff member have died during this wave and the hospital is again closed to admissions.



The RHN team has also had to deal with significant issue in the regulatory area. Bad practice which came to light on Chatsworth ward in October 2019 and for which swift action was taken, was followed by a major incident being declared on Drapers ward (later found not to be substantiated), the suspension of our rating by the CQC and a short notice focussed inspection.

The latter did result in our (then "good") rating being reinstated by the CQC but the imposition of a Section 31 regulatory requirements notice, relating mainly to Chatsworth ward. A comprehensive inspection followed in February 2020 and although this resulted in our overall rating being reduced to "Requires Improvement", it is pleasing to note that there were many positive things highlighted in the CQC final report and no "must do" actions.

Staff are to be thanked for the way they handled the inspection days and the many examples of good and in some cases outstanding practice observed by the inspectors. The period I have described, which preceded the Coronavirus pandemic, was very challenging but again staff have demonstrated their strength and resilience and I consider that the consequential actions we have taken make the RHN a better and safer place for our patients.

Against the backdrop of Covid-19 and the CQC, many other things have been achieved. For the reasons referred to above, we have not achieved our financial targets for the year, but we have delivered a number of other important objectives.

Looking at investment in infrastructure, we have completed the £4.1m refurbishment of Evitt and Cathcart wards, now reopened as a single ward and renamed Andrew Reed ward. This is a state of the art facility following in the footsteps of Drapers ward the previous year. Our ambition to refurbish the remainder of the hospital continues and although delayed by the pandemic, we plan to commence the refurbishment of Wellesley ward in spring 2021. The other successful refurbishment has been that of the Assembly Room, which has been transformed with the installation of stained glass windows, made possible by a very successful charitable appeal.

As far as business growth is concerned, although our near term plans have again been tempered by the Coronavirus, we have just converted 6 beds in the old Andrew Reed ward for patients requiring mechanical ventilation (as with our Jack Emerson centre). This ward, to be renamed Leonora ward in honour of our president, will reopen in November 2020.

Exciting clinical developments have included the extension of intravenous fluid capability from the brain injury service to the whole of the RHN. This has dramatically reduced the extent to which patients have had to be transferred to acute hospitals to receive IV antibiotics to fight infection. We have successfully brought the pharmacy for the brain injury service in house.

We have had a major success in the recruitment of nurses, in particular with our campaign in the Philippines. It has been great to see these new nurses join our team and as a result there has been a dramatic reduction in our use of agency nurses.

The development of staff and individual careers is always important and this year I am delighted that we have been able to make 4 internal promotions to matron, and 2 of our overseas nurses recruited just 3 years ago have been promoted to ward manager level. I do believe that the ability to promote from within is a sign of good health in an organisation.

I cannot complete this review without mentioning the families, relatives of our patients and residents. They have had to face a different stress; that of not being able to enjoy visits with loved ones for long period of time. Thank you for your understanding and patience and rest assured that we will do all we can to safely resume visiting as government guidelines and the development of wave 2 of Covid and beyond, allows.

In what has been a challenging year, there are many people to thank. To all our staff, who have risen to these challenges and given much support. To my chairman and trustees, who have been a great source of support and wise counsel. And especially to the executive team, in which there has been one change with Dr Emily McWhirter leaving and Della Warren joining as Director of Nursing. The team has been a joy to work with, even when distanced by video screens!

While the ramifications of Covid-19 are still developing, they are having a significant effect on our operations, staff and volunteers. As with the nation, the future hope is the impact of vaccination against Covid-19. The RHN is in a good position in this respect because in late December 2020, 145 patients and 470 staff members received their first dose of the Pfizer vaccine. We are optimistic that this will provide the route back to normality in the coming months.

The commitment to our vision and the outcomes we are working on remains undiminished. We will deal with the next wave of Covid, adapt to new ways of working and continue to drive our strategic agenda ensuring that the RHN continues to have a great future.



Paul Allen
Chief Executive

January 2021

Report of the trustees

for the year ending 30 September 2020

The Trustees are pleased to present their annual report, together with the financial statements of the charity for the year ended 30 September 2020.

The financial statements comply with the Charities Act 2011 and the 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) (effective 1 January 2019).

Our purpose

The charity's objects contained in the Royal Charter can be defined as enabling people with profound or complex disabilities, resulting from damage to the brain or other areas of the nervous system, to enjoy an optimal quality of life through enhanced independence.

Public benefit

The Royal Hospital for Neuro-disability's trustees have considered the Charity Commission's published guidance on public benefits requirements under the Charities Act 2011.

The Charity carries out its objects and activities through:

- contracts with NHS England to provide rehabilitation to adults following catastrophic brain injuries
- contracts with Clinical Commissioning Groups and others to provide care to adults who, following brain injury, require continuing specialist and complex care
- fundraising in order to enhance the care and wellbeing of patients and residents, by improving facilities available to them, developing and providing therapies such as occupational art and music therapies, offering recreational and social events, and providing pastoral care to all – whatever their faith or background

Our charity

Founded by Andrew Reed in 1854, the Royal Hospital for Neuro-disability (RHN) is one of the oldest independent hospitals and charities in the UK – today we are a charity hospital and research centre.

Our charitable status enables us to raise funds for a variety of specialist services that complement the NHS-funded care package received by our patients and residents. These services broadly cover our Brain Injury Service and Continuing Care Service, both aimed at improving the quality of life for our patients and residents living with severe neurological disabilities.

As a medical charity, we take great pride in delivering excellent work in the areas of assessment, rehabilitation and specialist care to some of the most disabled adults in the UK, as well as supporting our patients' families.

Fundraising

Our involvement in the charity sector enables us to engage widely with a variety of contacts, including individuals, businesses and Trusts, through which vital funds are raised to support our care of patients and residents.

The voluntary donations we receive come from six channels; Direct Mail, Events, Corporates, Legacies, In-memory giving as well as Trusts and Foundations; and they all provide funding for the range of therapies and services we provide. Some of these include:



aquability



music therapy



occupational art therapy



a variety of on- and off-site recreational activities



specially-adapted wheelchairs and mobility equipment



nurse escorts and transport for patient outings

Donations also go towards training our invaluable volunteers, funding research and specific refurbishment works. Fundraising in 2019/20 was particularly challenging due to the Coronavirus pandemic. Though we saw growth in our income in relation to gift aid, online initiatives and Christmas card sales, five out of six of our income channels were severely impacted. As a result of the pandemic, we achieved 51% of our income target.

In our commitment to deliver best practices in Fundraising, we have renewed our registration with the Fundraising Regulator (FR) and continue to adhere to its code of practice for charitable fundraising in the UK. We have recorded and responded promptly to the one complaint received, submitted an Annual Complaints Returns Report and updated our records to reflect the preferences of our supporters.

As a responsible charity, we take managing our donors' and supporters' personal data very seriously. We ensure data is obtained ethically, lawfully, held securely and only used for the purpose for which it was gathered. In line with GDPR guidelines, our updated online privacy notice (www.rhn.org.uk/help/privacy) gives detailed information about the gathering, handling and use of personal data by the RHN.

All this is done to assure the public, our supporters and those in our care of our respectful, accountable, open and transparent approach to fundraising.

Activity at the RHN in 2019/20

Statistics	2020	2019
Admission to the hospital	198	199
Bed Capacity:		
Brain Injury Service (exc. DTOC)	42	42
Delayed Transfer of care (DToC)	6	5
Continuing Care	188	188
Aggregate bed capacity	236	235
Annual Bed Occupancies:		
Brain Injury Service (exc. DTOC)	39	39
Delayed Transfer of Care	3	3
Continuing Care	168	171
Aggregate bed occupancy	210	213
Patients treated within the BIS	123	123
Percentage occupancy rate BIS inc. DTOC	88%	89%
Percentage occupancy rate BIS excl. DTOC	93%	93%
Percentage occupancy rate CC	89%	91%

The RHN had 198 admissions in 2020 (2019:199). The hospital splits its services into two main categories; The Brain Injury Service and Continuing Care.

The aggregate bed capacity for the RHN in 2020 was 236 (2019:235) of which Brain Injury Service was 48 (2019:47) and Continuing Care 188 (2019:188). The decrease in Continuing Care beds occupancy is as a result of extensive development and refurbishment projects this year. The aggregated bed occupancy for RHN was 210 (2019: 213).

The Brain injury unit has 6 beds available for use outside of the NHSE contract. They can accommodate any delayed transfers of care or provide private patients with rehabilitation.

Excluding Delayed Transfers of Care, the average length of stay in the Brain Injury Service was 17.9 weeks (2019: 17.4 weeks) and percentage occupancy was 93%. (2019: 93%).

The last reconciled annual outcome data for the Brain Injury Service is for the period April 2019 to March 2020

In terms of responsiveness we continue to process referrals in 11 days on average, well within the 14 day target. Our referral to admission period at 37 days is slightly higher when compared to the average of 34 days of other level one providers. This is due to a change in the admission process to accommodate admissions during the Coronavirus pandemic.

The complexity of our patients is recorded on admission and our scores show we continue to take severely impaired patients when compared to other units. Despite this, our unit shows significantly higher cost savings at the point of discharge than comparable units.

Continuing Care Indicators

There were 25 discharges from Continuing Care (2019: 27). The data for discharges only includes home discharges and excludes respite discharges, deaths, discharges to acute hospitals and discharges to other services.

There were 163 unplanned temporary admissions made to acute service (2019: 142) and Continuing Care had a percentage occupancy rate of 89% (2019: 91%). The drop in occupancy was anticipated with redevelopments of wards.

Research and innovation

The Research and education work at the RHN, has been inevitably impacted by the pandemic. The main effect so far has been on impact and dissemination. We stopped all onsite events at the beginning of March 2020.

Our first online event took place at the end of June 2020. We are in the process of migrating our events, training and lectures online. The first events have been very successful; the first online lecture had 230 attendees and online training has seen international as well as national participation. We are developing new online events both internally and externally to share best practice and progress.

During 2019/2020, we hosted:



two conferences



five open lectures



seven training courses

The ongoing PhD students supported by the RHN are progressing well

Our Clinical Lead Speech and Language Therapist gave a successful online open lecture in June and has had her first paper published; Pundole A, Varley R, Beeke S (2020) 'Assessing emergence from prolonged disorder of consciousness: Current opinion and practice in the UK' Neuropsychological Rehabilitation. May 13: 1-25.

Our Principal Clinical Psychologist, was commended by her annual review panel at Glasgow University for "the progress she has made in the most difficult of circumstances". Her study looking at the assessment of mood and psychological wellbeing in people with severe brain injury, received this year, funding from the Frances and Augustus Newman foundation.

We developed new studies

The team on Jack Emerson ward led by Professor Philippe Jolliet is undertaking a descriptive study of tracheotomised ventilator dependent patients in a specialised long term care unit. The second project, building on the first, will explore 'Quality of life in ventilator dependent patients in a specialised long term care unit as perceived by patients, families and caregivers'

Our Dental team published its completed studies:

Prasad R, Daly B, Manley MCG. (2019) Effect of daily manual toothbrushing with 0.2% chlorhexidine gel on pneumonia-associated pathogens in adults living with profound neuro-disability. Access Microbiology. Oct 21;1(10)

Manley MCG, Doshi M. (2020) The importance of oral health and the value of dental care in the process of rehabilitation for people with complex neuro-disability. Disability and Rehabilitation. Sep 15:1-2.

Leisure and Families Service (LaFS)

Between October 2019 and March 2020 when the Coronavirus outbreak approached its peak, the following numbers of residents and patients were seen for Leisure and Families Services.

24 attended aquability sessions
48 received regular massages
94 Patients attended LaFS groups like gardening and moving to music
86 residents attended outings

Unfortunately, due to the Coronavirus pandemic, none of these activities were able to continue after March 2020 and the LaFS team were redeployed as urgent “Red Runners” within the RHN.

We are currently in the process of offering ward based activity groups based on the interests of residents, as well as some massages. The hairdresser has reopened. The plan in 2020/21 is to resume some outings and aquability when it is safe to do so as these were very popular pre-Coronavirus though there is no clear timeline for when this will happen.

Volunteers

The number of active Volunteers as of 1 October 2019 was 53.

The total number of volunteers in the year to 30 September 2020, including 76 new recruits, was 133 (2019: 93)

The current number of active Volunteers is 49 (of whom 21 were recruited during the past 12 months)



Managing our risks

In order to minimise or eliminate risks to the charity during the 2019/2020 financial year, potential risks are and continue to be identified and regularly reviewed by both the Executive team and Trustees.

The RHN identifies its principal risks as quality of care, financial sustainability and data protection matters. One of the top risks in previous years, recruitment and retention of staff, has been considerably mitigated by two successful overseas recruitment campaigns. The Audit and Risk Committee reviews all significant risks quarterly before consideration by the Board.

Quality of care

The RHN has numerous controls to ensure that it implements appropriate standards of safety and care. These include:

- policies and guidance which are regularly reviewed and updated
- processes for disseminating national alerts and guidance
- weekly ward quality audits
- clinical audits which are reviewed by the Clinical Audit Committee
- reporting of incidents on the Datix recording system
- reviews of trends by the Clinical Risk and Incident Committee
- reviews of all patient deaths by the Mortality Review Committee
- appropriate mandatory learning for all levels of staff (including agency staff)

The RHN encourages feedback from patients, residents and visitors, and conducts and learns from the annual Patient and Relative survey.

The RHN as a regulated healthcare provider is required to be subject to periodic inspections by the Care Quality Commission (CQC). A comprehensive inspection conducted in February 2020 resulted in the RHN being awarded a rating of 'Requires Improvement' but with no "must do" actions. Specific steps to strengthen the provision of safe care since CQC enforcement action in November 2019 have been implemented.

These include the increase in the establishment of matrons from 3 to 5; matron leadership provided on site 7 days a week, managing the site and the clinical response service; reviews of ward manager leadership across the RHN; and senior leadership on Chatsworth Ward increased by the appointment of a senior occupational therapist to work alongside the Ward Manager. The RHN continues to work closely with the local authority, NHSE and the CQC, to ensure they are satisfied with our processes.

Risk registers (clinical and medicines) are updated monthly and incorporated in the corporate risk register which is reviewed monthly by the Executive Management team. The RHN has introduced a further level of scrutiny with a six monthly presentation to a wider management team on specific areas of risk.

The RHN's Board Committee with oversight of safety and quality of care and the review of the clinical risk register is the Patient Safety and Quality Committee. The Patient Representative Committee (chaired by a trustee and including representatives from patients and families of all wards) raises concerns which are then acted upon and reported back to the committee.

The Coronavirus and Covid-19

The principal uncertainty currently facing the organisation is the impact of the ongoing global Coronavirus outbreak, from the point of view of the spread of the disease to patients, staff and contractors, and its financial impact. The hospital stayed virus free for a lengthy period during wave 1. Now, in wave 2, building on the knowledge gained from wave 1, we have an ongoing plan which enables the appropriate lockdown and zoning restrictions to be implemented within two hours of an infection being detected. The trustees and executive team continue to monitor the outbreak, including UK Government advice and acknowledge that the organisation faces a period of uncertainty. We are part of the NHS SW London network and receive daily updates and alerts and the latest NHS and government guidance. We have implemented learning points from wave 1 such as the importance of regular staff training in wearing and using PPE. We identified staff wellbeing as a particular risk and it is being addressed through a staff wellbeing and support programme.

While the evolving nature of the situation means it is not possible to accurately quantify the financial impact, the organisation is in a good financial position to help manage this risk. The Coronavirus had had an adverse impact on income and costs in the March to July 2020 period but the NHS has paid or promised to pay all the costs we claimed and the remainder have been covered by a successful Covid-19 fundraising appeal. Steps are being taken, on an ongoing basis, to minimise the impact on the charity's activities and the effect this may have on the organisation's commissioners and beneficiaries. Infrastructure is in place to allow staff to work remotely and our key priority is to ensure, as far as possible, that our full range of services are still available. Occupancy is gradually returning to normal. The impact on fundraising, however, remains severe.

Managing our risks – continued

Recruitment and retention of staff

During this financial year, we are still seeing the benefits of the overseas nurse recruitment campaigns, resulting in large number of nurses coming to work at the RHN throughout November, December 2019 and January, February and March 2020. In addition to Registered Nurse recruitment, Health Care Assistant (HCAs) recruitment continues to be successful. These outcomes have resulted in the RHN being less dependent on agency nurses and HCAs. It is anticipated that more overseas nurses will arrive towards the end of the year and early next year. In the year to October 2020:

- 22 overseas nurses have joined (a total of 44 across financial years)
- Seven newly qualified nurses have completed their student placements and are now permanent staff
- 47 HCAs have been recruited

The Putney Nurse and Healthcare Assistant programmes continue to thrive. By October 2020, ten nurses have completed the nurse programme and 17 HCAs have completed the Healthcare Assistant programme.

During 2019/20, the RHN continued to place great importance on engagement amongst its workforce. As a result of previous engagement sessions held last autumn the following networks were set up with programmes ongoing in 2020.

- The BAME Network is using Black History Month (October 2020) to relaunch and reengage with staff within RHN and raise the profile.
- The LGBTQI+ staff network launched on the 26 June 2020 to coincide with celebrating Pride in RHN. This was a successful launch and further meetings have taken place.

There has also been development with the introduction of the Promoting Awareness of Cultural Experience Group (PACE) that will incorporate the BAME Network, looking at extending inclusivity within the working environment.

We are introducing a mediation service for staff to have direct access for internal mediation at RHN. Training of staff mediators is taking place in November 2020.

World Mental Health Day Awareness Week was promoted on 10 October 2020. Staff were encouraged to reflect on this important day as well as launching mental health first aid training across the RHN.

Work is ongoing with introducing a series of bespoke training videos addressing specific issues that arose from the last two years' Staff Surveys.

The new Learning Management System was introduced on 1 October 20 which gives access to a wide range of training opportunities.

Staff Support

Following a session on staff support held at a Leadership Forum in September, feedback was collated into themes and work has been carried out with a view of identifying and providing support for staff who have suffered or are suffering from work related stress during the Coronavirus pandemic. Actions include:

- Promoting the external Employee Assistance Programme that provides counselling services, including distributing posters, cards, e-screens
- Reviewing feedback from Staff Networks and Trade Unions
- Introduced a ward based reflective group with CEO attendance
- Circulating a short survey to identify levels of stress

Speak Up Guardian

The annual staff survey shows that awareness of how to raise concerns is high. To facilitate the opportunities further for staff to raise issues, we have identified a confidential phone line service, and Protect has been appointed to provide safe and confidential advice to staff in raising concerns. Training will take place throughout 2020/21 for the Speak Up Guardian and for Managers.



Financial sustainability

In order to improve and provide the highest quality of care to patients and residents, the RHN recognises the need to maintain financial stability and to continue to attract donations, legacies and other fundraised income in order to invest in its facilities and equipment.

The RHN recorded a financial deficit for the financial year ending 30 September 2020 despite which year end reserves were satisfactory. Our budget for the financial year ending 30 September 2021 anticipates the residual impact of Covid-19 with a deficit between income and expenditure anticipated but continued satisfactory reserve levels. Further to the budget for the forthcoming financial year, the five year financial plan to the year ending 30 September 2024 approved by trustees sees a return to surpluses in the later years and improving cash balances while the RHN continue to invest in infrastructure.

The RHN's primary sources of funding are NHS England, NHS Clinical Commissioning Groups and Local Authorities. Though NHS bodies receive annual increases with which to pay the RHN for its services, these are not sufficient to meet all the RHN's cost pressures. In order to mitigate such funding shortfalls, the RHN continues to work in partnership with commissioners to negotiate adequate contractual agreements over time spans of greater than a year that help provide financial stability whilst the RHN reduces or defers costs and increases efficiency.

A new uncertainty is that the block contract for rehabilitation services with NHS England is likely to be broken up with effect from April 2021 with responsibility passed to proposed Integrated Care Systems. The RHN aims to fully engage in negotiation with these new commissioners.
The drive to maintain financial sustainability includes investment in technology, equipment and the estate, with which to provide the highest standards of care and generate income. During 2019/20, the RHN further embedded its hospital wide electronic patient records system, completed the refurbishments of Cathcart and Evitt wards to create the single new Andrew Reed ward and expanded ventilated and medical gas capacity on the old Andrew Reed ward to create Leonora ward. Additionally, the Assembly room has been upgraded with stained glass windows installed to create a space for patients, their relatives and staff to use and enjoy.

The RHN has sufficient reserves for the foreseeable future, and has a five year financial plan as part of its corporate strategy. Further disclosures are available within the financial review and note 1.2 of our accounting policies.

The RHN's Committee with oversight of finances is the Finance Committee.



The RHN ordered huge volumes of PPE in 2020 to help protect patients, residents and staff

Financial review

The RHN reported an overall net deficit in funds for the year of (£1.28) million (2019: £1.14 million) comprising the following:

Hospital	2020 £m	2019 £m
Patient Income	40.63	38.59
Patient Expenditure	(42.08)	(39.02)
Surplus / (Deficit) from Hospital Activities	**(1.45)**	**(0.43)**
Voluntary and Other Activities		
Income	2.62	5.58
Donations and Other Fundraising	1.96	2.62
Other Income	**0.40**	**0.47**
Income from Voluntary and Other Activities	**2.36**	**3.09**
Expenditure		
Fundraising Expenditure	(0.96)	(0.87)
Voluntary and Other Expenditure	(1.13)	(0.98)
Expenditure of Voluntary and Other Activities	(2.09)	(1.86)
Surplus from Voluntary and Other Activities	0.27	1.23
Hospital and Charitable activities	(1.18)	0.81
Net Income / (Expenditure) on Pension Scheme	0.00	(0.00)
Net (Losses) / Gains on Investments and Fixed Assets	(0.10)	0.33
Net (Deficit) / Surplus	**(1.28)**	**1.14**

The RHN receives the majority of its income for patient care from NHS England (for Brain Injury Services) and from Clinical Commissioning Groups and some Local Authorities (for Continuing Care). Covid 19 has compromised occupancy levels and adversely affected income for patient care. The Charity has also seen a decrease in donations and legacies of 25%.

Income from donations, legacies and fundraising events is £2.0 million (2019: £2.6 million) analysed as follows.

Donations, legacies and fundraising received for charitable expenditure during the year ended 30 September 2020

	30 September 2020		30 September 2019	
	£'000	£'000	£'000	£'000
Unrestricted		1,251		1,241
Restricted				
(1) Additional therapies and services	260		149	
(2) Purchase of specialist equipment	32		168	
(3) Research and education	105		100	
(4) Specific redevelopment and refurbishment of hospital buildings	149		958	
(5) Covid crisis response	161			
		707		1,375
		1,958		**2,616**

The RHN's fundraising activities are overseen by the Fundraising Regulator (FR) whose responsibilities include ensuring the charity records all complaints, completes an Annual Complaints Returns Report and displays the FR logo. These convey our commitment to complying with legislation as well as building trust with supporters of the charity.

Expenditure on charitable activities

The RHN was very successful in recruiting nurses from overseas during 2018/19 and these staff commenced their employment with the hospital during 2019/20. Furthermore, additional overseas nurses were recruited in 2019/20 who also commenced their employment during the year. Together, this has meant a significant reduction on reliance on agency staff and associated commission premiums notwithstanding the challenges posed by Covid-19.

The RHN continues to demonstrate its commitment to its staff through paying competitively, ensuring nobody is paid below the London Living Wage; and by providing staff development opportunities.

The RHN incurred significant revenue and some capital costs preparing for and combatting the coronavirus. In the main, these have been recouped from the NHS.

Investments	30 September 2020 £ million	30 September 2019 £ million
Net gains/(losses) during the year	**(0.10)**	**0.33**

The RHN invests funds surplus to working capital requirements in a portfolio managed by Cazenove Capital Management, Schroder & Co Ltd's charity division. They place investments based on asset allocation ranges previously agreed by the RHN's Finance Committee, who review the Charity's investments during the course of the financial year. Investment income during the year was £0.40 million (2019: £0.47 million). The overall performance is largely a reflection of the general economic climate.

Staff pension scheme	30 September 2020 £ million	30 September 2019 £ million
Net actuarial gains/(losses) on the defined benefit scheme	**0.00**	**0.00**

The results above pertain to the RHN's defined benefit pension scheme which was closed to new members in 2001 and existing members in 2006.

As at 30 September 2020, the defined benefit pension scheme was in surplus but as it is not recoverable, was restricted to zero in the disclosures (30 September 2019: zero). The surplus of £4.9 million (2019: £9.8m surplus) in the scheme is not available as a refund to the RHN and is therefore deemed to be irrecoverable under FRS102.

The RHN continues to run a defined contribution scheme for its employees which was transferred to an Aviva Master Trust in October 2019.

Reserves

Reserves are held to help the charity operate effectively in accordance with the Charity Commission's guidance. The Board has carried out a detailed review of the charity's activities, identified the major risks the RHN is exposed to and produced a financial risk assessment.

Free reserves are intended to cover the following:

- Adverse movements in cash flow
- A shortfall in income net of fees payable
- A shortfall in voluntary income
- Falls in the realisable value of investments
- A contingency against business interruption

After carrying out a review of the risk areas stated above, the RHN Board of Trustees has determined a range of £11 million to £12 million (2019: range of £12 million to £13 million) of free reserves as being at an acceptable level.

At 30 September 2020, total reserves stood at £44.3 million (2019: £45.6 million) comprising:

- Free reserves of £12.6 million (2019 - £12.7 million) after accounting for the defined benefit pension scheme as per FRS102.
- Designated funds of £29.4 million (2019: £29.6 million) representing the net book value of the RHN's fixed assets of £20.0 million (2019: £17.0 million) together with £2.8 million (2019: £4.0 million) for planned maintenance and £6.2 million (2019:
- £8.6 million) for future capital expenditure on the hospital buildings and equipment.
- Combined restricted reserves of £1.59 million (2019: £2.46 million) include £0.98 million (2019: £1.85 million) in cash required to fund specific projects.
- Endowment funds of £0.75 million (2019: £0.76 million).

Further disclosures are available in note 17. Further details of these reserves are disclosed within the statement of financial activities and balance sheet on pages 28 and 29.

Going concern

The RHN is a public benefit entity, and its Board has set out a review of financial performance and the charity's reserves position. At the 30 September 2020, the RHN reported free reserves of £12.6 million (2019: £12.7 million), net current assets of £6.6 million (2019: £3.7 million), and a net cash inflow of £3.1 million (2019: £3.1 million outflow) for the year, largely a result of the closure of the deposit account at the investment bank and the transfer of funds to the hospital's current account.

As at 30 September 2020, the defined benefit pension scheme was in surplus but as it is not recoverable, was restricted to zero in the disclosures (30 September 2019: zero). The surplus in the scheme is not available as a refund to RHN and is therefore deemed to be irrecoverable under FRS102. The RHN's strategy of funding any residual obligation in order to eliminate any future deficit remains.

Since then, the ongoing effect of COVID-19 has also been assessed by the trustees in January 2021, reviewing the organisation's ongoing forecasts and projections to ensure that the organisation remains financially viable. This assessment is described more fully below.

With regard to the year ending 30 September 2021, the most significant areas that are likely to affect the charity's net assets are levels of income, expenditure on services and capital investment.

Occupancy levels that saw falls during the height of the pandemic are expected to return to normal but only during the latter part of the year. Lower than full occupancy will adversely affect patient related income though it will be partly offset by reduced patient related expenditure. Additionally, the expansion of ventilated capacity and installation of medical gases to all beds on Leonora ward provides opportunity to accept patients with complex respiratory needs that brings extra income.

Fundraised income was adversely affected in 2019/20, also because of the pandemic. It is likely that though it will recover to some degree in 2020/21, the extent of the recovery cannot be accurately gauged at the time of writing.

In setting the budget for 2020/21, the trustees have made some difficult decisions to defer costs. As a key service, we will ensure that the Brain Injury and Continuing Care services will operate as normal. During what is now the second wave of Covid-19, continued and further social distancing measures and rigorous hygiene procedures are being followed.

The RHN's budget for 2020/21 and financial plan for 2021/22 were incorporated in its five year financial plan 2020/25 approved by the Board in July 2020. The assumption relating to patient income and related costs in the first two years of the plan was that having seen an adverse impact on occupancy in 2019/20 due to Covid-19, it would take until midway through 2020/21 before occupancy returned to normal levels. Patient income and related costs were modelled accordingly. In addition, the success of a cost deferral programme was assumed as was the return to normal budgeted levels of fundraised income.

In order to explore the sustainability of the RHN, a financial stress test exercise was conducted with the above assumptions altered to model more adverse conditions in 2020/21 and 2021/22. With these changed assumptions, a consequent impact was seen on income and expenditure, cash balances and reserves in 2020/21 and 2021/22.

In terms of cash, in order that the RHN retained desired cash balances at the end of the two financial years in question, without curtailing spend, it would be necessary to transfer from investments to the current bank account. This in turn would result in the depletion of free reserves leaving them below sustainable levels. In order that they be returned to sustainable levels, capital and maintenance reserves could be reallocated to general reserves; the reduced capital and maintenance reserves would necessitate a slowing down of planned works at the RHN.

If the above measures are taken, the RHN is returned to a sustainable footing in 2020/21 and 2021/22. It is important to recognise that the adverse scenario painted above is unlikely to happen and that the RHN at the start of 2020/21 is already seeing occupancy levels recovering. The organisation also has well rehearsed plans to combat further waves of Covid-19 and take up opportunities where other providers are less well placed to satisfy demand.

On its operational activities, the trustees believe that the strategy of managed growth implemented and an associated rolling five year financial plan including obtaining higher funding for the provision of services together with controlled spending and cost deferral has reasonably secured the future of the RHN to sufficiently meet the requirements of a going concern.

The trustees will continue to monitor plans with the RHN executive team to ensure that the RHN retains sufficient reserves to continue operating. The charity has a strong balance sheet, with unrestricted liquid reserves of around £21 million and so the trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. As such, they remain satisfied that the RHN can continue operating for the foreseeable future and accounts have been prepared in the knowledge that the RHN is a going concern.

The hospital has a significant number of staff originating from EU nations, the biggest volumes being in domestic services and in bank nurses and healthcare assistants. With the final details of the UK's departure to be agreed at the time of writing, the RHN continues to monitor developments and to advise staff appropriately. The hospital continues to review its supply chains and external contracts in order that clinical supplies, pharmaceuticals, enteral feeds and essential buildings and maintenance supplies continue to be available.

Neither the Trustees, nor any key persons within the charity, were aware of any further specific, nor general events which would change the charity's status as a going concern.



The local community helped us this year by sewing sets of scrubs and masks, often in vibrant designs

Structure, governance and management

The RHN's governing constitution is a Royal Charter and byelaws.

Members of the Board of Management (the Board) act as trustees of the charity. They are elected by the Governors at their Annual General Meeting (AGM) to act on behalf of the charity in the management of its business, property and affairs. The Board is a non-executive body that has four meetings each year and sets the strategic direction of the RHN.

The Board aims to follow the Governance Code for Larger Charities recommended by the Charity Commission and carries out an annual review of compliance. Board members and senior executives are required to complete a declaration of interests and review this at least twice a year, and to declare any gifts and hospitality received. All staff, volunteers and Board members are required to have regular DBS checks every three years. Board members, the Chief Executive and the Director of Finance sign annual declarations of fitness to hold office.

The Board of Trustees

The Board must be made up of twelve members, who hold office for four years. They may not hold office for longer than two consecutive terms of four years unless the Board decides there are exceptional circumstances. Members of the Board are appointed and retire by rotation, usually at the Annual General Meeting. A formal recruitment process has been adopted, which includes open advertisement and interview to ensure the appropriate skills and experience are identified. An induction programme and continuing trustee training is also in place.

Responsibilities of the Executive and Committees

The RHN board delegates certain functions to the Executive and Committees. The day-to-day running of the RHN is the responsibility of the Chief Executive. The Chief Executive carries out operations according to the strategy and the budget set by the Board and is assisted by the executive team which meets every week.

Remuneration

Trustees are not remunerated but may claim reasonable expenses.

The charity operates the 'Putney Scale', a harmonised pay method which helps the RHN remain competitive within the healthcare industry. This is available to all nursing and therapy staff and is in line with the NHS Agenda for Change classifications. The components parts of, basic pay and a market supplement reflecting the higher cost of inner London living.

Appointed by the Board of Management, the Nominations and Remuneration Committee of Board Members is responsible for deciding the remuneration of directors. Chaired by the Chairman of the Board, the committee considers directors' salaries and benefits. The Chief Executive provides advice to the Committee. The remuneration in relation to key management personnel is disclosed in full in notes to the accounts.

Looking forward

In 2020/21, the RHN looks forward to the bringing into use of Leonora ward, the underpinning of Goodman House, the next ward refurbishment and important fire prevention and maintenance work around the estate.

2018/19 saw the first phase of the new Electronic Patient Record (EPR) system introduced with electronic prescribing. In 2019/2020 we accelerated electronic prescribing adoption. All medicines for all patients, including intravenous therapies are now managed directly on EPR. We have also completed case note adoption across the whole of the RHN, as well as implementation of National Early Warning Score (NEWS) and drugs charts in the remaining wards and services.

In the coming year we are planning to improve with remaining paper charts which will link in with the development of the Personalised Care Plan module. This module will help the multidisciplinary teams (MDTs) plan the care of the patients/ residents, ensuring that processes are followed while also allowing for individualised care and clinical reasoning. This development will also inform MDTs of the procedures and forms that must be completed in order to help staff plan and ensure care is given and documented at the appropriate times.

In terms of staff accommodation on site, the RHN is considering upgrade options for its low rise flats with this project likely to be part of a longer term estate strategy.

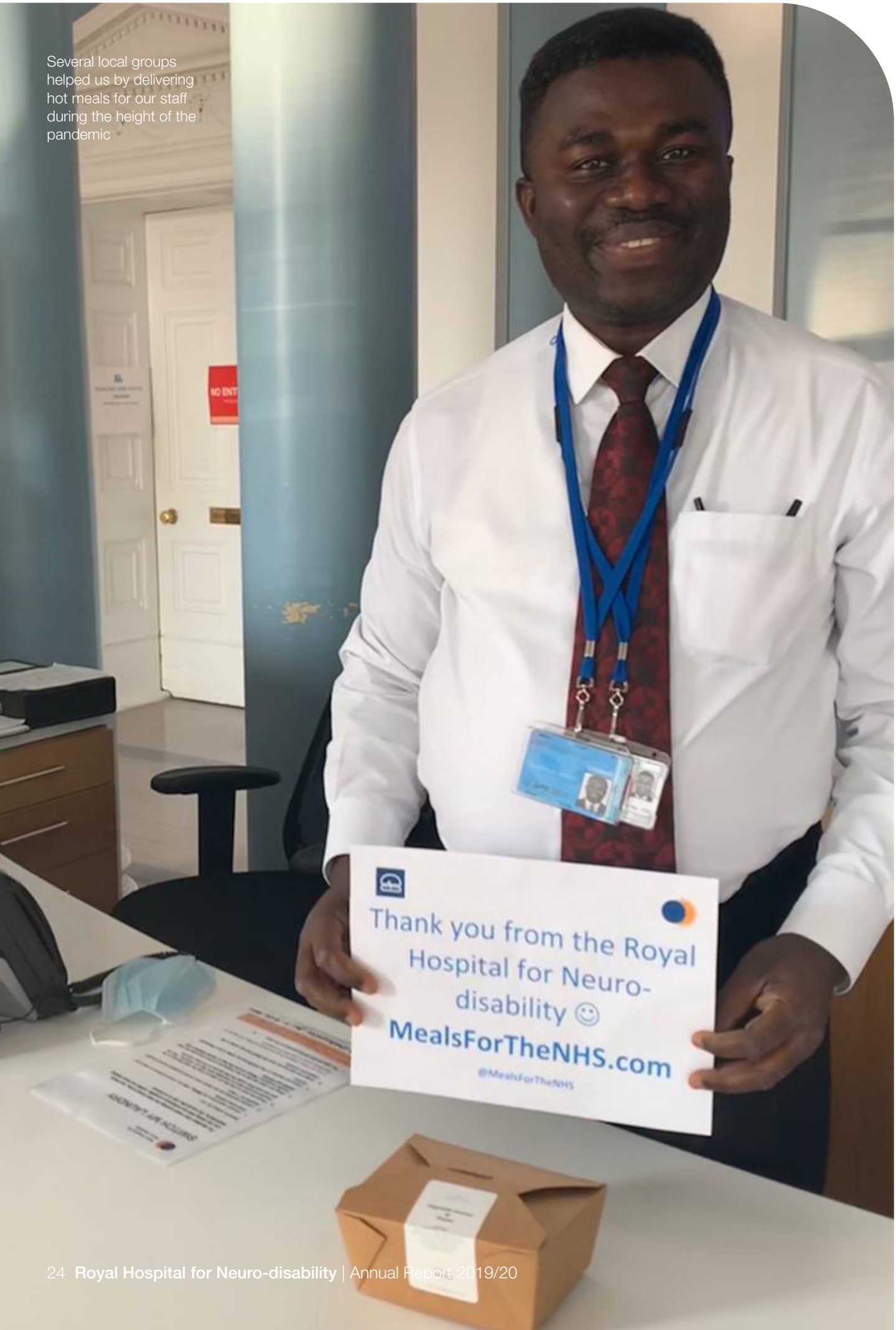
The Covid-19 pandemic did have an impact on the RHN despite actions in the hospital preventing the outbreak becoming widespread. Eighteen patients and residents and two members of staff passed away with the virus.

Non essential staff worked from home from March 2020 and strict hygiene enforcement and zoning of staff within the hospital has been in place from March 2020 onwards. These measures contributed to controlling the spread of Covid-19. Further to that, as many staff have had to self isolate with the virus, to fill gaps, the RHN relied on its bank of staff, agency staff and on permanent staff working overtime and flexibly. While always ensuring the care and safety of patients, the hospital has taken the action necessary to monitor and address the wellbeing of staff during this time.

The hospital has and will incur revenue and capital costs in combating the virus; costs incurred to date have largely been recovered from the NHS. Cashflow projections indicate sufficient cash and reserves to meet medium term pressures.

The market reaction to the global Covid-19 pandemic has had an adverse impact on the values of investments throughout the world. The RHN's own reserves have been affected, as have the values of our pension fund assets. The hospital will continue to monitor these effects, and assess any necessary actions as and when a degree of stability returns to the markets.

The RHN believes its patients have unique needs that cannot be satisfied in less high dependency units and therefore has confidence that it will continue to retain its patients and see continued demand for its traditional services. However, the effects of Covid-19 may affect some services and whilst our intention is to carry on with our work as much as we can, plans are continually reviewed and changed as circumstances dictate.



Several local groups helped us by delivering hot meals for our staff during the height of the pandemic

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements 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 financial statements for each financial year which give a true and fair view of the state of affairs of the charity; and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity; and financial information included on the charity's website.



Des Benjamin
Chairman
Royal Hospital for Neuro-disability

19 January 2021

Independent Auditor's Report

to Trustees of the Royal Hospital for Neuro-disability

Opinion

We have audited the financial statements of Royal Hospital for Neuro-disability ("the Charity") for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 September 2020 and of its 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 financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: The Chairman's Welcome, The Chief Executive's Introduction and The Trustees Report. The Trustees are responsible for the other information.

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: **https://www.frc.org.uk/auditorsresponsibilities**

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 the Charities Act 2011. 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.

BDO LLP

Heather Wheelhouse (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
W1U 7EU

17 February 2021

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of financial activities (SOFA) including income and expenditure account

for the year ended 30 September 2020

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total 2020	Unrestricted funds	Restricted funds	Endowment funds	Total 2019
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:									
Donations and legacies	2.1	1,146	665	-	1,811	1,051	1,359	-	2,410
Other trading activities									
- Fundraising events		105	42	-	147	190	17	-	207
Investments									
- Dividends and Interest	2.2	392	12	-	404	458	12	-	470
		1,643	719	-	2,362	1,699	1,388	-	3,087
Charitable activities	3	40,624	-	-	40,624	38,590	4	-	38,594
Total Income and endowments		**42,267**	**719**	**-**	**42,986**	**40,289**	**1,392**	**-**	**41,681**
Expenditure on:									
Raising funds	4.1	994	-	-	994	1,057	-	-	1,057
Charitable activities	4.2	42,539	629	-	43,168	39,381	432	-	39,813
Total expenditure		**43,533**	**629**	**-**	**44,162**	**40,438**	**432**	**-**	**40,870**
Net (losses) / Income before gains and losses		**(1,266)**	**90**	**-**	**(1,176)**	**(149)**	**960**	**-**	**811**
Net (losses) / gains on Investments		(89)	(6)	(7)	(102)	305	9	12	326
Net (losses) / income		**(1,355)**	**84**	**(7)**	**(1,278)**	**156**	**969**	**12**	**1,137**
Transfers between funds	17	949	(949)	-	-	2,549	(2,549)	-	-
		(406)	**(865)**	**(7)**	**(1,278)**	**2,705**	**(1,580)**	**12**	**1,137**
Other recognised gains									
Net actuarial gains / (losses) on defined benefit pension scheme	6.5	-	-	-	-	-	-	-	-
Net movement in funds for the year		**(406)**	**(865)**	**(7)**	**(1,278)**	**2,705**	**(1,580)**	**12**	**1,137**
Reconciliation of funds									
funds at 1 October		42,386	2,459	759	45,604	39,681	4,039	747	44,467
Total funds at 30 September		**41,980**	**1,594**	**752**	**4,326**	**42,386**	**2,459**	**759**	**45,604**

The RHN made no other unrealised gains or losses which do not appear on the SOFA. All the above are derived from continuing activities.

The notes on pages 32 to 47 form a part of these accounts.

Balance sheet

as at 30 September 2020

	Notes	Total 2020 £'000	Total 2019 £'000
Fixed assets			
Tangible assets	8	20,427	17,091
Investments	9	17,254	24,801
		37,681	**41,892**
Current assets			
Stocks	10	118	87
Debtors	11	5,426	5,354
Cash at bank and In hand		6,106	2,989
		11,650	8,430
Creditors - Amounts falling due within one year	12	(5,005)	(4,718)
Net Current assets		**6,645**	**3,712**
Net assets - Excluding pension liability		44,326	45,604
Defined benefit pension scheme asset / (liability)	6.5	0	0
Total Net assets	17	**44,326**	**45,604**
The funds of the charity			
Capital funds			
Endowment funds	17 & 18	752	759
Restricted funds			
Income funds	17	984	1,852
Other Restricted funds	17	610	607
Unrestricted funds			
Designated funds			
Fixed assets	18	20,427	17,091
Planned capital expenditure	17	6,185	8,564
Anticipated maintenance	17	2,781	3,984
Free reserves			
General funds		12,587	12,747
Free reserves		**12,587**	**12,747**
Total charity funds		**44,326**	**45,604**

Approved by the Board of Management on 19 January 2021 and signed on its behalf by:

Des Benjamin
Chairman

Hugh Rees
Treasurer

The notes on pages 32 to 47 form a part of these accounts.

Cash flow statement

for the year ended 30 September 2020

Cash flows from Operating activities	Total 2020 £'000	Total 2019 £'000
Net movement in funds	248	3,260
Cash flows from Investing activities		
Dividends, interest and rents from investments	404	470
Purchase of property, plant and equipment	(4,980)	(6,908)
Proceeds from sale of investments	3,693	6,413
Drawdown on Investments / (Purchase of investments)	3,752	(6,333)
Net Cash provided by (used in) investing activities	2,869	(6,358)
Change in cash and cash equivalents in the reporting period	3,117	(3,098)
Cash and cash equivalents at the beginning of the reporting period	2,989	6,087
Cash and cash equivalents at the end of the reporting period	6,106	2,989

Reconciliation of cash flows from operating activities	2020 £'000	2019 £'000
Net income / (expenditure) for the reporting period	(1,278)	1,137
(as per the statement of financial activities)		
Adjustments for:		
Depreciation charges	1,644	1,268
Pension fund contributions and finance costs	0	0
(Gains) / losses on investments	102	(326)
Dividends, interest and rents from Investments	(404)	(470)
Decrease / (increase) in stocks	(31)	(35)
Decrease / (increase) in debtors	(72)	1,297
Increase / (decrease) in creditors	287	389
Net cash provided by (used in) operating activities	248	3,260

Analysis of cash and cash equivalents	2020 £'000	2019 £'000
Cash in hand	6,106	2,989
Total cash and cash equivalents	6,106	2,989

	As of 1 Oct 2019 £'000	Cash flows £'000	Acquisiton/ disposal of subsidiaries £'000	New finance leases £'000	Other non cash changes £'000	As of 30 Sep 2020 £'000
Cash	2,989	3,117	0	0	0	6,106
Cash equivalents	0	0	0	0	0	0
Overdraft facility repayable on demand	0	0	0	0	0	0
	2,989	**3,117**	**0**	**0**	**0**	**6,106**
Loans falling due within one year	0	0	0	0	0	0
Loans falling due after more than one year	0	0	0	0	0	0
Finance lease obligations	0	0	0	0	0	0
Total	**2,989**	**3,117**	**0**	**0**	**0**	**6,106**



Zoning restrictions and ward lockdowns were put into place at the RHN ahead of government guidance

Notes to the accounts

for the year ended 30 September 2020

Royal Hospital for Neuro-disability (Charity No. 205907)

1 Accounting Policies

1.1 The Royal Hospital for Neuro-disability is an unincorporated charity registered in England & Wales with the Charity Commission. The address of the registered office is shown on page 2 and the nature of its operations is set out in the report of the Trustees. The principal accounting policies which have been adopted in the preparation of the financial statements are set out below and 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 United Kingdom and Republic of Ireland (FRS 102) effective 1 January 2019, and the Charities Act 2011.

The financial statements have been prepared to give a “true and fair view” and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair view”. This departure has involved following the 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 (FRS102) issued on 1 January 2019 rather than the Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

1.2 The RHN is a public benefit entity, and its Board has set out a review of financial performance and the charity's reserves position. At the 30 September 2020, the RHN reported free reserves of £12.6 million (2019: £12.7million), net current assets of £6.6 million (2019: £3.7million), and a net cash inflow of £3.1 million (2019: net cash outflow of £3.1 million) for the year after including the transfer of £3.4 million from one of our investment accounts with Cazenove.

The trustees reviewed the RHN’s future scenarios in November 2020 and were content that they were affordable and that the accounts should be prepared on a going concern basis.

A financial stress test has been conducted and the trustees are of the view that for the financial years 2020/21 and 2021/22, having taken into account its projected income and expenditure, expenditure run rates, the occurrence of exceptional income loss and capital expenditure, movements in debtors and creditors and quantified risks in financial terms, the organisation holds sufficient reserves and cash to meet medium term obligations. At the time the five year financial plan was approved in July 2020, the capital and revenue costs incurred in coping with the Covid-19 pandemic in early 2020 were included. These costs have largely been recovered from the NHS.

The remaining risk around Covid-19 is an example of why we hold such free reserves and these will be used accordingly to ensure the RHN remains a going concern.

Neither the Trustees, nor any key persons within the charity, were aware of any further specific, nor general events which would change the charity’s status as a going concern.

1.3 The Statement of Financial Activities (SOFA) and Balance Sheet are the financial statements of the RHN. The subsidiary has been dormant in the financial year 2019 - 20.

1.4 Income and expenditure are accounted for on an accruals basis and expenditure includes Value Added Tax where this is not recoverable.

1.5 Grants Receivable are included in the SOFA in accordance with the terms of the grant agreement and the SORP criteria of entitlement, probability of receipt and reliability of measurement.

1.6 Donations of equipment and supplies are included within the appropriate expenditure at cost or estimated value to the donor and within gifts and donations.

1.7 Legacy income is recognised at the earlier of the charity being notified of an impending distribution or the legacy being received. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

1.8 Patient services comprise the costs of nursing, treatment, therapy, domestic and catering services and the costs of buildings and equipment maintenance, heating, depreciation and other support services attributable to Patient care.

1.9 Research expenditure comprises staff costs and direct costs of medical research projects instigated by the RHN and their associated support costs.

1.10 Grants are charged to the SOFA in the period in which beneficiaries are notified and so a constructive obligation is entered into by the RHN.

1.11 Support costs, comprising facility charges, governance, management and administrative costs, are allocated to activities based on employee headcount.

1.12 The RHN operates a pension scheme which includes a defined benefit section and a defined contribution section. The assets of the scheme are held by the scheme trustees separately from the assets of the RHN. Further information on the pension scheme can be found in notes 6.4 and 6.5.

1.13 Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Depreciation is charged on all fixed assets except freehold land, on a straight line basis, at rates calculated to write off the assets over their estimated useful lives as follows:

Buildings	2% - 20%
Plant and Machinery	7% - 25%
Furniture and Equipment	7% - 50%

The depreciation charge begins from the first day of the month following either; the date of asset acquisition or the date that the asset comes into use.

Tangible fixed assets costing more than £2,500 are capitalised at cost and depreciated at the rates shown.

Impairment losses are included in the Statement of Financial Activities

Fixed Asset Investments are included in the Balance Sheet at market value. Realised and unrealised gains and losses incurred during the year are included in the Statement of Financial Activities.

Assets in the course of construction, reflect fixed asset projects undertaken by the RHN which have not been completed as at the reporting date. Such assets when completed are transferred to the appropriate asset class and depreciated according to existing accounting policy. Any assets under construction which during review are considered to have declined in value are written off; to any extent identified to the Statement of Financial Activities.

1.15 Stocks are valued at the lower of cost and net realisable value.

1.16 Fees receivable and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.17 Creditors and provisions are recognised where the RHN has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. The RHN recognises Creditors and provisions at their settlement amount after allowing for any trade discounts due.

1.18 Unrestricted funds are funds which are available for use at the discretion of the Board in furtherance of the general objectives of the RHN and which have not been designated for any other purpose. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 17 to the accounts.

Endowment funds comprise monies that must be held indefinitely as capital. Related income is credited to general funds and applied for general purposes unless under the terms of the endowment such income must be used for specific purposes in which case it is credited to restricted funds.

Designated funds comprise unrestricted funds that have been set aside by the Board for particular purposes. The use of the designated funds is set out in note 17.

1.19 Taxation - The Charity is exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.20 Estimates and judgements are continually evaluated and are based on historical evidence and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

With regard to FRS102 Section 28 (Retirement benefits) and the RHN's defined benefit pension scheme, the best estimates used are chosen from a range of possible actuarial assumptions. Further disclosures of the estimates governing these retirement benefits can be found within note 6.5 of this annual report.

1.21 The charity has financial assets and financial liabilities that qualify as basic financial instruments. These are recognised at transaction value and subsequently measured at either their settlement value or market value. The charity has taken reduced disclosure exemptions for sections 11 and 12 of FRS 102.

At the balance sheet date the charity held financial assets at amortised cost. Financial assets held at amortised cost comprise cash at bank, trade debtors and other debtors totalling £11.1 million (2019: £7.9 million). Financial liabilities held at amortised cost comprise trade creditors and other creditors totalling £4.0 million (2019: £3.8 million). Investments at £17.2 million (2019: £24.8 million) held as part of an investment portfolio, are held at fair value with gains and losses being recognised within income and expenditure.

2 Donations, Legacies and Investment Income

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£'000	£'000	£'000	£'000
2.1 Donations and Legacies				
Gifts & donations	414	665	1,079	1,757
Legacies	732	-	732	653
	1,146	**665**	**1,811**	**2,410**

At 30 September 2020, the RHN has no bequeathed legacies in the financial statements (2019: £0).

2.2 Investment Income				
Listed investments	101	4	105	105
Interest on deposits	291	8	299	365
	392	**12**	**404**	**470**

3 Income from Charitable Activities

	Note	Unrestricted funds	Restricted funds	Total 2020	Total 2019
		£'000	£'000	£'000	£'000
Patient services	3.1	39,365	-	39,365	37,524
Staff accommodation		442	-	442	327
Wheelchair & technology services		136	-	136	144
Other income from charitable activities		681	-	681	597
Grants receivable	3.2	-	-	-	2
		40,624	**-**	**40,624**	**38,594**
3.1 Patient services					
National Health Service		36,995	-	36,995	35,063
Local Authority		922	-	922	1,135
Prescription reimbursement		3	-	3	35
Non-NHS patients		290	-	290	531
One to One Nursing		1,151	-	1,151	756
Other sources		4	-	4	4
		39,365	**-**	**39,365**	**37,524**
3.2 Grants Receivable					
Funding research projects		-	2	2	49
		-	**2**	**2**	**49**

4 Total Expenditure

	Direct costs	Support costs	Total 2020	Total 2019
	£'000	£'000	£'000	£'000
4.1 Expenditure on raising funds				
Voluntary expenditure (fundraising staff and administration)	817	75	892	889
Fundraising events	21	2	23	57
Investment management	79	-	79	111
	917	**77**	**994**	**1,057**
4.2 Expenditure on charitable activities				
Patient Services	35,082	6,761	41,843	38,723
Staff accommodation	45	9	54	52
Wheelchair & technology services	355	68	423	392
Other charitable activities	590	114	704	455
Research	121	23	144	191
Other Finance Costs (see note 6.5)	-		-	-
	36,193	**6,975**	**43,168**	**39,813**
Total expenditure	**37,110**	**7,052**	**44,162**	**40,870**

Expenditure on raising funds comprises staff and running costs of the fundraising department together with any other costs directly associated with raising funds for the group, including related publicity costs. This expenditure heading also includes other costs associated with generating funds such as investment management fees and expenditure directly related to trading income.

Patient services comprise the costs of nursing, treatment, therapy, domestic and catering services and the costs of buildings and equipment maintenance, heating, depreciation and other support services attributable to patient care.

5 Support costs

	Expenditure on raising funds	Expenditure on charitable activities	Total 2020	Total 2019
	£'000	£'000	£'000	£'000
Administration and management	28	2,543	2,571	2,283
Building expenses	24	2,138	2,162	2,432
Finance	6	496	502	492
Human resources	7	665	672	723
Information technology	10	931	941	934
Governance	1	111	112	47
Statutory audit	1	48	49	45
Internal Audit, Counter Fraud and Pension Audit	-	43	43	42
	77	6,975	7,052	6,998
	86	**6,912**	**6,998**	**6,883**

Total expenditure includes the allocation of support costs to the various expenditure categories set out in the SOFA. These support costs relate to information technology, property and facilities management, human resources and finance, in addition to the support costs incurred by communications and other centralised departments that are not otherwise allocated directly. Support costs have been allocated to activities consistently based on employee headcount.

6 Employee Information

6.1 Staff costs during the year were as follows:

	Total 2020 £'000	Total 2019 £'000
Salaries and wages	29,202	26,662
Social security costs	2,282	1,991
Other pension costs and life assurance premiums	1,625	1,503
	33,109	**30,156**

Included within the wages and salaries figure above is the cost of employing agency staff £5,089,153 (2019 £5,596,653)

During the year, a total of £0 (2019: £0) has been recognised for termination payments, of which £0 remained payable at the year end (2019: £0)

6.2 Employees whose emoluments not including employers NI and pension costs exceeded £60,000 were as follows:

	Total 2020	Total 2019
£60,000 to £69,999	10	9
£70,000 to £79,999	3	1
£80,000 to £89,999	-	-
£90,000 to £99,999	3	4
£100,000 to £109,999	-	-
£110,000 to £119,999	2	2
£120,000 to £129,999	1	1
£130,000 to £139,999	2	4
£140,000 to £149,999	2	-
£150,000 to £159,999	-	1
£160,000 to £169,999	1	-
£200,000 to £209,999	**1**	**1**
	25	23

The increase in numbers by 2 are due to the inclusion of a member of staff in receipt of exceptional Covid-19 related overtime payments and the overlap between the previous and current Directors of Nursing.

The increase by 1 to the £160k - £170k band is because of non taken holiday and exceptional Covid-19 related payments to a second member of staff.

22 employees (2019 - 17) earning more than £60,000 were members of the defined contribution section of the scheme. Employers' contributions payable during the year in respect of these employees amounted to £141,053 (2019 - £98,918).

Remuneration of Key Management Personnel including employers NI and pensions payable during the year amounted to £1,252,108 for 7.4 FTE staff (2019 - £1,086,367 for 6.6 FTE staff). This group comprises the Executive team.

6.3 The average number of staff employed was as follows:

	Total 2020	Total 2019
Patient services	679	607
Research	5	4
Other charitable activities	35	40
Generating funds	8	8
Governance	2	2
	729	**661**

6 Employee Information (continued)

6.4 The charity operates a pension scheme for those members of staff who are eligible.

The scheme has two sections:

- A defined contribution section which, since 1 October 2006, includes all active members of the scheme. An eligible jobholder will be automatically enrolled as a member of the scheme on his automatic enrolment date. The contribution by the employer depends on whether a member is on the first or second tier. If a member has been automatically enrolled or has opted to join the scheme on the first tier contribution basis, the percentage required will be the minimum required under section 20(1)(b) (taking into account the transitional periods under section 29) of the Pension Act 2008. If a member is already in a scheme prior to 1 January 2014 or if the member has opted to be a member on the second tier contribution basis, the percentage will be determined by the member's age as per the table below. A member can elect to move from the first tier to the second tier contribution basis on becoming a member or on providing one month's written notice, with the exception of a member who does not work under a contract of employment.

- A defined benefit section, which was closed to new members on 1 November 2001 and closed to future accrual on 30 September 2006, when members were invited to join the defined contribution section.

The assets of the scheme are held by the scheme trustees separately from the assets of the charity.

The rates of contribution to the defined contribution scheme on the second tier basis are:

Employer contributions:	Defined Contribution 2020	Defined Contribution 2019
age 18 to 35	4.0%	4.0%
age 36 to 50	7.0%	7.0%
age 51 to 65	10.0%	10.0%
Employee contributions	4.0%	3.0%

In addition the charity pays death in service insurance premiums in respect of members of the scheme in the second tier.
Employers pension contributions payable to the defined contribution section of the scheme were as follows:

	Total 2020 £'000	Total 2019 £'000
Defined Contribution	**1,349**	**1,178**

Pension contributions outstanding at the end of the year under the defined contribution scheme are as follows:

	Total 2020 £'000	Total 2019 £'000
Pension contributions outstanding at year end	**194**	**166**

A stakeholder scheme is also available to employees of the charity, but no employer contributions are made to this scheme.

6.5 Financial Reporting Standard 102

The assumptions used in calculating the liabilities were as follows:

	Total 2020	Total 2019	Total 2018
Inflation	3.1%	3.4%	3.5%
Salary escalation	n/a	n/a	n/a
Pension increases, subject to LPI	3.0%	3.3%	3.3%
Statutory revaluation in deferment	2.4%	2.4%	2.5%
Discount rate (pre and post retirement)	1.5%	1.8%	2.9%
Life expectancy for 65 year old male	87	87	87
Life expectancy for 65 year old female	90	89	89

The assumptions used by the actuary are the best estimate chosen from a range of possible actuarial assumptions which, due to the long time period covered, may not necessarily be borne out in practice. The fair value of the assets for each category of asset are as follows:

	Total 2020 £'000	Total 2019 £'000	Total 2018 £'000
Equities	13,489	15,083	1,296
Corporate bonds	11,293	6,161	10,737
Liability matching credit	22,481	23,050	-
Diversified growth fund	9,202	9,453	10,922
Equity linked bond fund	-	-	32,025
Alternatives	7,319	13,808	-
Liability driven investment, Government Bonds and Cash	40,153	38,133	36,930
Insured annuities	627	531	648
Total fair value of assets	**104,564**	**106,219**	**92,558**
Present value of scheme liabilities	99,674	96,462	85,535
	4,890	9,757	7,023
Restriction to the amount that can be recognised	**(4,890)**	**(9,757)**	**(7,023)**
Net pension asset/(liability)	**-**	**-**	**-**

The actual return on Assets is 1.50% per annum which is set to equal the discount rate (2019 - 1.8%)

Assets in the scheme as a percentage of total scheme assets	Total 2020	Total 2019
Equities	12.9%	14.2%
Corporate bonds	10.8%	5.8%
Liability matching credit	21.5%	21.7%
Diversified growth fund	8.8%	8.9%
Alternatives	7.0%	13.0%
Liability driven investment, Government Bonds and Cash	38.4%	35.9%
Insured annuities	0.6%	0.5%

Amounts included in the statement of financial activities:	Total 2020 £'000	Total 2019 £'000
Interest income (excluding interest income on assets that are not recoverable)	1,706	2,434
Interest cost	(1,706)	(2,434)
Interest on the net defined benefit liability	-	-

6 Employee Information (continued)

Assets

	Total 2020 £'000	Total 2019 £'000
Assets in scheme at beginning of year	106,219	92,558
Movement in year:		
Interest income	1,706	2,434
Employer contributions	-	-
Benefits paid	(3,339)	(3,715)
Actuarial (losses) / gains on assets	(22)	14,942
Assets in scheme at end of year	**104,564**	**106,219**

Liabilities

	Total 2020 £'000	Total 2019 £'000
Liabilities in scheme at beginning of year	96,462	85,535
Movement in year:		
Interest cost	1,706	2,434
Benefits paid	(3,339)	(3,715)
Past service costs including curtailments	-	428
Actuarial losses on liabilities	4,845	11,780
Liabilities in scheme at end of year	**99,674**	**96,462**

History of experience gains and losses

	Total 2020 £'000	Total 2019 £'000	Total 2018 £'000	Total 2017 £'000	Total 2016 £'000
Defined benefit obligation	(99,674)	(96,462)	(85,535)	(89,343)	(91,453)
Scheme assets	104,564	106,219	92,558	89,019	88,820
Surplus / (Deficits)	**4,890**	**9,757**	**7,023**	**(324)**	**(2,633)**

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

	Total 2020 £'000	Total 2019 £'000
Deficit in the scheme at beginning of year	-	-
Movement in year:	-	-
Contributions	-	-
Net return on pension scheme	-	-
Actuarial gains/(losses)	-	-
Deficit in the scheme at end of year	**-**	**-**

7 Related Party Transactions

7.1 Trustees Remuneration and Expenses

Members of the Board of management are not entitled to and did not receive any remuneration during the year. Additionally, members of the Board of management received £0 (2019 - £898) for reimbursement of expenses. These expenses related to travel and accommodation costs for attending Board Meetings. Trustees' Indemnity Insurance of £4,872 was paid for the year 2020 (2019 - £4,872).

7.2 Other Related Party Transactions

Other than the expenses listed, there have been no other related party transactions (2019 - £0)

8 Tangible Fixed Assets

	Assets in the course of construction	Land and Buildings	Plant and Machinery	Furniture and Equipment	Total 2020
Cost	£'000	£'000	£'000	£'000	£'000
Opening balance	1,993	26,248	1,386	5,284	34,911
Additions	552	3,497	272	659	4,980
Transfers	(1,980)	1,903	72	5	-
Disposals	-	(208)		(150)	(358)
	565	31,440	1,730	5,798	39,533
Depreciation					
Opening balance	-	13,620	691	3,509	17,820
Transfers		8	(5)	(3)	-
Disposals		(182)		(150)	(332)
Charge for the year		993	97	528	1,618
Impairment			-	-	-
	-	14,439	783	3,884	19,106
Net book value 2020	565	17,001	947	1,914	20,427
Net book value 2019	1,993	12,628	695	1,775	17,091

All fixed assets are held for charitable use.

	Assets in the course of construction	Land and Buildings	Plant and Machinery	Furniture and Equipment	Total 2019
Cost	£'000	£'000	£'000	£'000	£'000
Opening balance	1,122	21,799	1,132	4,701	28,754
Additions	1,883	3,692	536	797	6,908
Transfers	(1,012)	757	-	255	-
Disposals	-		(282)	(469)	(751)
	1,993	26,248	1,386	5,284	34,911
Depreciation					
Opening balance	-	12,897	919	3,487	17,303
Transfers		-			-
Disposals			(282)	(468)	(750)
Charge for the year		723	54	490	1,267
Impairment			-	-	-
	-	13,620	691	3,509	17,820
Net book value 2019	1,993	12,628	695	1,775	17,091
Net book value 2018	1,122	8,902	213	1,214	11,451

9 Investments

	Total 2020 £'000	Total 2019 £'000
Market value at beginning of year	24,801	24,555
Purchases at cost	3,651	3,489
Proceeds from disposals	(3,693)	(6,413)
Net (losses) / gains on investments	(101)	326
(Decerease) / Increase in short term deposits	(7,404)	2,844
Market value at end of year	**17,254**	**24,801**
Historical cost at end of year	**13,573**	**20,734**

Analysed by type

	Total 2020 £'000	Total 2019 £'000
Investments		
- Listed direct	12,690	11,453
- Unlisted direct	95	95
- Listed unit trusts	4,328	5,706
Term Deposits	141	7,546
	17,254	**24,801**

Geographical analysis

	Total 2020 £'000	Total 2019 £'000
United Kingdom Investments	8,011	18,200
Overseas Investments	9,243	6,601
	17,254	**24,801**

Individual investments which have a market value of 5% or greater of the overall portfolio are:

Trojan Income Fund
Majedie UK Equity Fund
BlackRock European Dynamic Fund
iShares PLC - S&P 500 Index

Short term deposits under the management of the charity's professional investment managers are included in fixed asset Investments as they form part of the overall investment portfolio. The investment management fee for the year was £78,762 (2019 - £110,536).

10 Stocks

	Total 2020 £'000	Total 2019 £'000
Dispensing stocks	116	85
Other consumables	2	2
	118	**87**

11 Debtors

	Total 2020 £'000	Total 2019 £'000
Fees receivable	4,539	4,313
Other debtors	57	45
Prepayments	453	433
Accrued income	377	563
	5,426	5,354

12 Creditors - Amounts falling due within one year

	Total 2020 £'000	Total 2019 £'000
Trade creditors	716	1,366
Other creditors	392	253
Taxation and social security	624	559
Accruals	2,219	1,626
Deferred income (note 12.1)	1,054	914
	5,005	**4,718**

12.1 Analysis of deferred income

	Total 2020 £'000	Total 2019 £'000
Opening balance	914	858
Changes during the year:		
Amounts released to the statement of financial activities	**(914)**	**(858)**
New income deferrals	**1,054**	**914**
Closing balance as at 30 September 2020	**1,054**	**914**

Deferred income largely relates to the provision of patients' services which will be recognised in the forthcoming year.

13 Funds held as agent

The charity holds funds as an agent on behalf of its patients. During the year £86,964 (2019: £137,079) was received and £187,512 (2019: £276,512) was paid out of this account. At the year end the balance held in this account was £168,692 (2019: £269,240)

14 Operating Leases

Rentals charged in the year:	Total 2020 £'000	Total 2019 £'000
Land and Buildings	6	6
Plant and Machinery	26	26
Equipment	146	141
	178	**173**

Payments due on operating lease obligations	Total 2020 Land and Buildings £'000	Total 2020 Plant and Machinery £'000	Total 2020 Furniture and Equipment £'000	Total 2019 Land and Buildings £'000	Total 2019 Plant and Machinery £'000	Total 2019 Furniture and Equipment £'000
Within one year	6	26	142	6	26	137
Within two and five years		85	162	-	96	233
Over five years		10	-	-	22	-

15 Capital Commitments

	Total 2020 £'000	Total 2019 £'000
Contracted for but not provided	**99**	**2,701**

16 Subsidiary and Connected Entities

The RHN owns the whole of the issued share capital of Royal Hospital for Neuro-disability Services Limited, a company registered in England with a paid up share capital of £1. The subsidiary has been dormant in the trading year to 30 September 2020 (Year end 2019 balance owed to parent £0)

17 Statement of funds

As at 30 September 2020	Fund balance brought forward	Incoming resources	Resources expended	Investment gains	Pension scheme actuarial gains	Transfers between funds	Fund balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds							
General funds	12,747	42,267	(43,533)	(89)		1,195	12,587
Pension reserve	-				-	-	-
Designated funds	29,639					(246)	29,393
Total unrestricted funds	**42,386**	**42,267**	**(43,533)**	**(89)**	**-**	**949**	**41,980**
Restricted funds							
John Howard Convalescent Home	607	9		(6)			610
Cathcart and Evitt Refurbishment	533	15				(548)	-
Research Department	236	70	(122)				184
Assembly Room Windows	192	53	(1)			(202)	42
Music Therapy Omega	188						188
Circadian Rhythm	84		(30)				54
Patient Beds	78		(9)			(60)	9
IT Suite	67	19	(76)				10
Drapers Refurbishment	56					(56)	-
Pergola Garden Project	54					(35)	19
Training - HEE Mouthcare	45		(22)				23
Escorts	5	77	(12)				70
Patients Amenities/Patients without Relatives	13	22	(8)				27
Wheelchair Loan Store	30	14	(5)				39
Dental Equipment	29						29
Treatment of Mood & Wellbeing	-	30					30
Other	242	410	(344)			(48)	260
Total restricted funds	**2,459**	**719**	**(629)**	**(6)**	**-**	**(949)**	**1,594**
Endowment funds							
Lopes Chaplains Stipend fund	8						8
Other endowments	751			(7)			744
Total endowment funds	**759**	**-**	**-**	**(7)**	**-**	**-**	**752**
Totals	**45,604**	**42,986**	**(44,162)**	**(102)**	**-**	**-**	**44,326**

As at 30 September 2019	Fund balance brought forward	Incoming resources	Resources expended	Investment gains	Pension scheme actuarial gains	Transfers between funds	Fund balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds							
General funds	15,615	40,289	(40,438)	305		(3,024)	12,747
Pension reserve	-				-	-	-
Designated funds	24,066					5,573	29,639
Total unrestricted funds	**39,681**	**40,289**	**(40,438)**	**305**	**-**	**2,549**	**42,386**
Restricted funds							
John Howard Convalescent Home	585	13		9			607
BIS Refurbishment	2,163	75				(2,238)	-
Cathcart and Evitt Refurbishment	-	533					533
Research Department	265	85	(124)			10	236
Assembly Room Windows	115	82				(5)	192
Music Therapy Omega	188						188
Circadian Rhythm	-	83				1	84
Patient Beds	85		(7)				78
IT Suite	72	75	(80)				67
Drapers Refurbishment	45	75				(64)	56
Pergola Garden Project	54						54
Training - HEE Mouthcare	**50**		**(5)**				**45**
Other	417	371	(216)			(253)	319
Total restricted funds	**4,039**	**1,392**	**(432)**	**9**	**-**	**(2,549)**	**2,459**
Endowment funds							
Lopes Chaplains Stipend fund	**8**						**8**
Other endowments	739			12			751
Total endowment funds	**747**	**-**	**-**	**12**	**-**	**-**	**759**
Totals	**44,467**	**41,681**	**(40,870)**	**326**	**-**	**-**	**45,604**

A summary of definition and descriptions

Name of fund	Description, nature and purpose of the fund.
General	These are the 'available' funds of the charity, after transfers to or from any other/designated funds and contributions to the pension reserve.
Designated	Reveiwed on a rolling year basis, these are amounts appropriated within the unrestricted category for the continued development and maintenance of the charity's assets for: Fixed assets funds represent the net book value invested in fixed assets . During the year the RHN transferred £3,336,000 (2019 £5,640,000) from its general fund to these designated funds. Identified planned capital expenditure is for works to be utilised within the next five years, During the year the RHN transferred £2,379,000 to its general fund from these designated funds (2019 £384,000 to general fund to these designated funds) During the year the RHN transferred £1,203,000 back to its general fund from designated funds (2019 £317,000 from its general fund to these designated funds) in anticipation of maintenance expenditure in the coming year
Restricted	These are funds available only for the purpose under which they were received, unless permitted by the donor. Further described below:

Restricted Fund Description	Purpose of the fund
John Howard Convalescent Home	To provide support for necessitous members of the middle class and persons generally who are only able to make a small payment in return for convalescence and care
BIS Refurbishment	Refurbishment of Brain Injury Service
Cathcart and Evitt Refurbishment	Refurbishment of Evitt and Cathcart wards
Research Department	Running costs of Research department
Assembly Room Windows	Replacement of the Assembly room windows
Music Therapy Omega	Funding of Music Therapy research project
Circadian Rhythm	Funding of research into prolonged disorder of consciousness
Patient Beds	Replacement of hospital beds and parts
IT Suite	Running costs of Compass department
Drapers Refurbishment	Refurbishment of Drapers ward
Pergola Garden Project	Funding for grounds renovation projects
Training - HEE Mouthcare	Training in Dentistry provided by Mouthcare
Escorts	Funding for nurse escorts for leisure
Patients Amenities/Patients without Relatives	Funding for personal expenses of patients
Wheelchair Loan Store	Wheelchairs for Bio-Medical department
Dental Equipment	Funding for dental equipment
Treatment of Mood & Wellbeing	Funding for Research PHD

Other restricted funds is made up of 41 funds (2019 - 42 funds) none of whose balances are over £27,000 (2019 £42,000) and they are for a variety of specific purposes.

Restricted funds for the John Howard Convalescent Home relate to the proceeds received on the agreed sale of a convalescent home in prior years. The asset was originally provided to the charity as a restricted fund.

Endowment	The income generated from these funds are used specifically to contribute towards the cost of chaplaincy services available at the Royal Hospital for Neuro-disability; and bequests which are required to be held as permanent endowments of the charity. Income generated on the latter is available for the general purposes of the charity.

Included under endowment funds are the following:

Permanent endowment:	Total 2020 £'000	Total 2019 £'000
Lopes Chaplains Stipend fund	8	8
Other Endowment funds	744	751
	752	**759**

Lopes Chaplains Stipend fund

This is a trust fund set up by the Rt. Hon. Sir Massey Lopes Bt to generate income to contribute towards the cost of chaplaincy services available at the Royal Hospital for Neuron-disability.

Other endowment funds

Other endowment funds represent several bequests which are required to be held as permanent endowments of the charity. The income generated by these funds is available for the general purposes of the Charity.

*Transfers are explained above with the exception of those in unrestricted fund which reflect the appropriation of pension reserves within unrestricted funds

18 Analysis of fund balances	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000
Tangible fixed assets	-	20,427	-	-	20,427
Fixed asset investments	7,276	8,966	260	752	17,254
Net current assets	6,016	-	629	-	6,645
Total funds at 30 September 2020	**13,292**	**29,393**	**889**	**752**	**44,326**

	Unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2019 £'000
Tangible fixed assets	-	17,091	-	-	17,091
Fixed asset investments	11,175	12,548	319	759	24,801
Net current assets	2,995	-	717	-	3,712
Total funds at 30 September 2019	**14,170**	**29,639**	**1,036**	**759**	**45,604**



Registration
Under the registration system of the Care Quality Commission and the regulations laid down by the Health and Social Care Act 2008, the Royal Hospital for Neuro-disability achieved its registration in 2010 and is therefore licensed to provide services under the regulations.

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Registered charity number 205907

Royal Hospital for
Neuro-disability