

# Annual Report and Accounts

2013/14

**Royal Hospital for Neuro-disability**



**Royal Hospital for Neuro-disability**

A national medical charity  
Registered Charity No. 205907



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# Annual Report – Chairman's Welcome

- ▶ **Knowing the importance of succession planning amongst the duties of a Board of Trustees, I was hugely honoured to have been elected to assume chairmanship of the Royal Hospital for Neuro-disability from Alan Sanders on 1st January 2015.** With great dedication, he has skilfully navigated the charity through a period of significant change, which I will endeavour to emulate.

Given the timing of the RHN's Annual Report & Accounts for 2013/14, it is only right that Alan, as its then Chairman, introduces the year's achievements. With so much to reflect on, I am sure the trajectory that he and the Board have mapped out is the right one to maintain the RHN's renowned place in such a specialist field of healthcare. I very much look forward to playing my part in continuing the vital task of helping those who need it to find ability in disability.



**Des Benjamin**

29 January 2015

# Annual Report – Introduction

► **This year has seen the Royal Hospital for Neuro-disability continuing to respond to the new healthcare environment against a backdrop of an ever more testing financial climate.** Our enduring focus is to deliver the highest quality care to patients and their families who face the most difficult and traumatic circumstances. We have continued to modernise our operational arrangements in ways that also meet the requirements of NHS commissioners and regulatory bodies. Hence, the re-organisation of our service units and the accompanying restructure of clinical departments that took effect on 1st February, coupled with the on-going project to digitise our patient records system, will improve our ability to manage and demonstrate the value of our specialist work. Likewise, our facilities programme has progressed with the refurbishment of Chatsworth and Andrew Reed wards within our Nursing Home service, while the renovation of Wolfson ward for thirteen of our Huntington's disease patients was hailed by a global campaigner for the condition as the best he'd seen anywhere.

With change comes uncertainty, and no more so than when it is driven by the combination of pressure on NHS funding, the overheads attached to an organisation of the RHN's size, and costs associated with the heritage buildings in which much of our care is provided. The Board of Trustees remains committed to tackling these issues. Accordingly, during the year, we initiated a review to look at how we can optimise the use of all our resources to provide the best possible care for our patients, our future, first and foremost as a charity, and also as a very important UK provider in the neuro-disability field. We look forward in 2015 to sharing the conclusions with our NHS commissioning customers, our patients and their relatives, and our staff.

It is sometimes easy to overlook how much change happens even without events as momentous as the formation of the NHS in 1948, or today's watershed in health and social care provision. The first patients admitted to the RHN in 1854 had ailments as 'simple' as a broken shoulder or a shattered leg, but were then characterised as "hopelessly disqualified from the duties of life". A far cry from today's patients admitted for complex neuro-rehabilitation or with prolonged disorders of consciousness.

What does remain as true today as when Andrew Reed founded 'the Incurables' 160 years ago however, is the importance of voluntary support, be it in time or money. The charitable services and amenities enabled by our most generous donors and volunteers, whether in music therapy, assistive technology, wheelchair provision, art, dentistry or leisure activities add incomparable value to the lives of our patients. I pay unreserved tribute to their dedicated contributions.

As Des Benjamin has explained, this Annual Report marks the end of my time as Chairman of the RHN, a role I have felt immensely privileged to have held since 2008. I cannot close without thanking my fellow Trustees for their enthusiastic and unselfish contribution to the Board of Management, which has made my task so fulfilling. In doing so, I know they would want to join me in paying particular tribute to Ruth Maxwell who retired from the Board in October. Ruth dedicated herself to the RHN since her son was a patient in the Hospital in the 1990s and, as Vice Chairman, made an unrivalled contribution to the charity in every respect, as recognised by her unanimous election as Vice President. The staff too, whose dedication is so inspiring, deserve equal thanks. I will leave safe in the knowledge that Des Benjamin will have a huge store of capacity and capability with which to steer the RHN into the future.

In wishing him and the whole of the RHN all the very best, I would merely repeat the words of a family whose loved one was at the RHN for many years when they spoke of: "the wonderful staff, and remarkable and loving care given" to their relative. There can be no finer testament.



**Alan Sanders**

29 January 2015

# About the RHN

- ▶ **The RHN was founded by Andrew Reed in 1854 in the belief that everyone had the right to a fulfilling life, whatever their level of ability.** This ethos won the support of some of Britain's greatest figures, including Florence Nightingale and Charles Dickens; and over the years that followed, it became clear that there was something very different about the RHN.

In 1985 we opened the UK's first dedicated brain injury unit. Today's RHN provides a range of services responding to the needs of people with complex neuro-disability.

We do this through rehabilitation, long term care, research and education, providing specialist therapies alongside clinical and recreational services all delivered under one roof. This means greater continuity of care and more immediate action with minimal disruption to our patients.

Our work is recognised internationally, as we seek to advance the science of care for people living with neurological disability, researching clinical developments and sharing knowledge to help more people achieve the highest possible quality of life.

We work closely with the NHS, but are not a part of it. Because of our charitable status, we can raise funds to pay for services and technologies.

# Vision, Mission & Values

## ▶ Our Vision

That people with severe disability due to neurological impairment achieve their full life potential and enjoy the highest possible quality of life.

## Our Mission

The RHN is a charity which believes passionately that all people have the right to achieve their full human potential and enjoy the optimum possible quality of life, whatever their level of ability. Our mission is to help people with severe disability due to neurological impairment achieve this goal, wherever they are in the UK.

As a charity, we will direct every effort and apply all our resources to bring maximum benefit to those who have complex disability due to acquired brain injury, neurodegenerative disease, or other major central nervous system impairment – in particular those with severe cognitive impairment and high physical dependency.

*We will achieve our mission by:*

## Our Values

- Finding ability in disability
- Delivering excellence through personal responsibility
- Pioneering and sharing knowledge to improve treatment and care
- Ensuring clarity about what we can do and delivering on our promises
- Compassion, respect and constancy at the heart of what we do

# Meet the Board, Executive Team and Supporting Committees

## ► Patron

Her Majesty The Queen

## President

Leonora, Countess of Lichfield

## Vice Presidents

Roly Franks (OBE) – (died April 2014)

Peter Malpas MA

Ruth Maxwell (from December 2014)

Shirley Palmer

The Mayor of Wandsworth (ex officio)

*It is with deep regret we record the death of Roly Franks, Vice President and RHN Chairman (1988-98).*

## The Board of Management (The Board)

Alan Sanders BPharm DMS – Chairman (until December 2014)

Des Benjamin – Chairman (from January 2015)

Ruth Maxwell – Vice Chairman (until October 2014)

Christine Swabey MSc - Deputy (from December 2014)

James Gemmell CA FSP FRSA – Treasurer

Les Broude BA FCA (from October 2014)

Prof Anne Chamberlain OBE FRCP FRCPCH

Dr Dipak Datta MBBS FRCP FRCS

Lydia Gomersall BA

Terry Hanafin CBE

Michael Hornsby BA

Simon Leathes FCA

Terry Lee

Laurence Oates LLB CB

Douglas Reed

Dr John Scadding BSc MBBS MD FRCP

Jenny Sharp BA

Peter John Siddall FCA (from October 2014)

Oliver Tant BSc (Econ) CA (until July 2014)

*(The Board are the Trustees of the Charity)*

## Executive Team

Angus Somerville LLB – Chief Executive

Lynn Cunningham MSc – Director of Corporate Services

Mavis Williams MSc BSc (Hons) - Director of Nursing & Quality (until December 2014)

Dolores Pickersgill RGN Chartered MCIPD - Director of Nursing & Quality (from January 2015)

Bill Chidgey BA FCMA - Director of Finance (until July 2014)

Len Kalkun BA ACMA - Director of Finance (from July 2014)

Prof Rajiv Hanspal FRCP FRCS – Medical Director (Rehabilitation) (until May 2014)

Philip McCluskie B.Soc.Sci - Medical Director (from May 2014)

Philippa Jayanathan BPharm MRPharmS - Director of Clinical Operations

Dr Diane Playford MD MBBS FRCP – Director of the Institute of Neuropalliative Rehabilitation

Sarah Rollinson BSc (Hons) MA RGN – Director of Marketing and Business Development (until October 2014)

Sarah Whiting BSc (Hons) – Interim Director of Business Development (from October 2014)

## Chairman's Advisory Group

Alan Sanders BPharm DMS – Chairman (until December 2014)

Des Benjamin – Chairman (from January 2015)

Ruth Maxwell (until October 2014)

Christine Swabey MSc (from December 2014)

James Gemmell CA FSP FRSA - Treasurer

## Finance Committee

James Gemmell CA FSP FRSA – Chairman

Mark Cannon Brookes MA

Simon Culliford B.Soc.Sci

Simon Leathes FCA

Jenny Sharp BA

Christine Swabey MSc

Oliver Tant BSc (Econ) CA (until July 2014)

Leslie Hurst LLB

# Meet the Board, Executive Team and Supporting Committees (continued)

## **Audit Committee**

Oliver Tant BSc (Econ) CA – Chairman (until July 2014)  
Les Broude BA FCA – Chairman (from July 2014)  
Michael Hornsby BA  
Simon Leathes FCA  
Laurence Oates LLB CB

## **Remuneration Committee**

Alan Sanders BPharm DMS – Chairman (until December 2014)  
Des Benjamin – Chairman (from January 2015)  
Ruth Maxwell (until October 2014)  
Christine Swabey MSc (from December 2014)  
James Gemmell CA FSP FRSA

## **Nominations Committee**

Alan Sanders BPharm DMS – Chairman (until December 2014)  
Des Benjamin – Chairman (from January 2015)  
Ruth Maxwell (until October 2014)  
Christine Swabey MSc (from December 2014)  
James Gemmell CA FSP FRSA

## **Formerly Integrated Governance and Quality Assurance Committee now Patient Safety and Quality**

Angus Somerville LLB – Chairman  
Sarah Tedford co-opted  
Lydia Gomersall BA  
Michael Hornsby BA  
Laurence Oates LLB CB  
Jenny Sharp BA  
Philippa Jayanathan BPharm MRPharmS  
Mavis Williams MSc BSc (Hons) (until December 2014)  
Dolores Pickersgill RGN Chartered MCIPD - Director of Nursing & Quality (from January 2015)  
Anthea Besser BA (Hons) CIPD - Head of Human Resources  
Caroline Raynsford BA - Head of Patient Safety & Quality  
Kudret Yelden MPhil MRCP LLM  
Sue Aucutt - Interim Head of Specialist Services & Nursing Home (until December 2014)  
Lesley Mill BSc MSc MCSP - Head of the Brain Injury Service (from November 2014)  
Nicola Marsh - Head of the Brain Injury Service (until December 2014)  
Dorothy Lain RN PG Dip Mgt - Head of Specialist Services & Nursing Home (from September 2014)

## **Ethics Committee**

Laurence Oates LLB CB  
Lydia Gomersall BA  
Terry Lee  
Angus Somerville LLB  
Caroline Raynsford BA  
Dr Diane Playford MD MBBS FRCP  
Kudret Yelden MPhil MRCP LLM  
Andrew Hanrahan MD (Int Med) MRCP MA (Med Ethics & Law)  
Sophie Duport PhD FSB  
Philippa Jayanathan BPharm MRPharmS  
Geoff Coyne - Chaplain

**Research Advisory Committee**

Prof Christine Collin MBBS FRCP – Chairman  
 Lynn Ashby MSc  
 Terry Lee  
 Dr Emer McGilloway MB BCh BAO MRCP  
 Prof Di Newham PhD FCSP  
 Mandy Ledbury co-opted  
 Dr Diane Playford MD MBBS FRCP

**Estates Committee**

Angus Somerville LLB – Chairman  
 Bill Chidgey BA FCMA (Hons) (until July 2014)  
 Geoff Day - Head of Estates (until November 2014)  
 Lynn Cunningham MSc  
 James Gemmell CA FSP FRSA  
 Martin Gordon  
 Terry Hanafin CBE  
 Philippa Jayanathan BPharm MRPharmS – Director of Clinical Operations  
 Len Kalkun BA ACMA - Director of Finance (from July 2014)  
 Terry Lee  
 Philip Montague MBISM - Building Services Manager (from November 2014)  
 Dolores Pickersgill RGN Chartered MCIPD - Director of Nursing & Quality (from January 2015)  
 Sarah Rollinson BSc (Hons) MA RGN (until October 2014)  
 Sarah Whiting BSc (Hons) (from October 2014)  
 Mavis Williams MSc BSc (Hons) (until December 2014)

**Trustees of the Pension Scheme**

Simon Leathes FCA - Chairman  
 Chris Galleymore  
 Carol Groves (until April 2014)  
 Jose Spring MSc  
 Michael Stanley  
 Eric Stobart MBA FCA  
 Angus Somerville LLB

**Board Medical Committee**

Philip McCluskie B.Soc.Sci (Chairman)  
 Kudret Yelden MPhil MRCP LLM - Consultant in Rehabilitation  
 Andrew Hanrahan MD (Int Med) MRCP MA (Med Ethics & Law) - Consultant in Rehabilitation  
 Prof Anne Chamberlain OBE FRCP FRCPCH  
 Dr Dipak Data MBBS FRCP FRCS  
 Dr David Mitchell MA MD MBA FRCP  
 Dr John Scadding BSc MBBS MD FRCP  
 Ashraff Ali - Consultant in Rehabilitation

**Strategy Committee**

Angus Somerville LLB (Chairman)  
 Lynn Cunningham MSc  
 Sarah Rollinson BSc (Hons) MA RGN (until October 2014)  
 Sarah Whiting BSc (Hons) (from October 2014)  
 Mavis Williams MSc BSc (Hons) (until December 2014)  
 Phillip McCluskie B.Soc.Sci  
 Terry Hanafin CBE  
 James Gemmell CA FSP FRSA  
 Christine Swabey MSc  
 Peter Siddall FCA  
 Delores Pickersgill RGN Chartered MCIPS (from Jan 2015)  
 Len Kalkun BA ACMA (from July 2014)

# Governance, Management, Structure and Public Benefit

## ► Legal Status and Organisation

The Royal Hospital for Neuro-disability (RHN) is a registered charity (number 205907) founded in 1854 and incorporated by Royal Charter in 1919.

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 to act on behalf of the charity in the management of its undertaking, property and affairs.

The Board meets five times a year (plus an additional strategy day) and consists of not less than 12 members. Elected members may serve for a maximum of two four year terms, with one quarter of the Board retiring by rotation at each Annual General Meeting, each individual being eligible for re-election in accordance with the limitation of maximum service. A formal process of nomination, induction and continuing trustee training is in place.

The Board is assisted by 10 main subcommittees; the Audit Committee, the Finance Committee, the Patient Safety and Quality Committee, the Research Advisory Committee, the Estates Committee, the Remuneration Committee, the Ethics Committee and the Nomination Committee. Day to day management is vested in a Chief Executive and Executive Directors, who report to the Board on a regular basis.

## Risk Management and Assessment

The Board, through the RHN's Patient Safety and Quality Committee, conducts an on-going assessment of the major clinical and non-clinical risks to which the organisation is exposed.

Those risks have been reviewed and systems established to mitigate those identified. Financial risks have been factored into the charity's reserves policy and are regularly reviewed by the Audit Committee, the Finance Committee and the Board.

## Connected Charities and Company

The RHN owns 100 per cent of the share capital of the Royal Hospital for Neuro-disability Services Ltd. The results of this are included within the group accounts of the RHN.

## Public Benefit

In reviewing annually the RHN's purpose and objectives, the Board has considered the Charity Commission's general guidance on public benefit and, in particular its supplementary guidance on fee charging, and is satisfied that it meets the criteria in full. Further details are provided on page 6.

# Our Achievements

## Our Patients and Families

### ► Aim

To provide clinical excellence, leading the way in neurological rehabilitation and long term care.

### *Our Achievements*

#### **Wolfson Re-Opens**

Following six months of design, building and refurbishment, Wolfson ward, which supports individuals living with Huntington's disease, reopened its doors and welcomed residents back into their much transformed and improved home.

The project was conceived with input from The King's Fund as part of its 'Enhancing the Healing Environment' programme, coupled with close collaboration with our therapy and nursing teams. The outcome is a ward that is now far better aligned to the needs of the patients, for which we are indebted, amongst that of other supporters, to the generosity of The Wolfson Foundation and The Garfield Weston Foundation.

Indeed, the event held to mark the re-opening of this important service at the RHN included a presentation by international HD campaigner and former journalist, Charles Sabine, who described the transformed facility as "the best of its kind he had seen, anywhere in the world".

#### **Communication Passports**

Our Speech and Language Therapy team launched Communication Passports which help staff easily identify a person's preferred form or forms of communication. An introductory video was produced to support this project.

#### **All About Me Passports**

The "All About Me Passports" is an initiative driven through the CQC action plan on all wards which means at the end of each bed there is information about the patient, their individual likes/dislikes, and essential information which the patient cannot necessarily communicate.

This has been rolled out across the majority of wards and the passport is a really important document for when the patient leaves the RHN for any reason.

#### **Enhancements of Patient Environment**

One of the great assets, and one of our greatest challenges, remains the RHN's setting. The stunning buildings and grounds are often commented on by families, patients and visitors. However, the historic nature of the building requires imagination, commitment and resources to ensure it provides the best possible therapeutic environments for patients.

As well as the refurbishment of Wolfson, an extensive refurbishment of Andrew Reed ward has recently been completed as part of our on-going programme to improve patient areas.

#### **More Money Directed Towards Patients**

A number of internal changes have seen us able to improve efficiencies, meaning more funds within the RHN can be directly spent on patient care and support. One example of this is the introduction of an asset management system which sees equipment shared from a central source rather than purchased individually by each ward.

#### **Ward Access**

A project to introduce access control systems on wards has been implemented and is set for completion in 2014/2015. This will safeguard patients through the use of a card swipe system to allow entry to wards, thus protecting those who are, by nature of their condition, vulnerable.

#### **Archiving of Records**

Record-keeping and data protection are of utmost importance to all healthcare environments. To help ensure we properly protect the confidentiality of patients, we have commissioned off-site archiving of all discharged patient records. This process meets NHS standards and as records are bar-coded they are easily retrievable. All preparation has been completed for this important project in 2013/2014 and implementation for the scheme is set for early 2014/2015.

# Our Achievements (continued)

## **Our services and the clinical structure that supports them**

During 2013/2014 we undertook a major restructuring of our clinical team. The operation is now split into two main parts: the Brain Injury Service (BIS), and Specialist Services & Nursing Home. This change has been prompted by the different approach to care that is needed in the different settings and in recognition of the different commissioning arrangements for each service.

BIS is made up of three wards; Devonshire, Clifden and Drapers, which provide specialist rehabilitation programmes. A large number of patients referred to these wards are funded by NHS England (level 1/2a).

The second main part to our clinical operation is Specialist Services & Nursing Home and the NHS now commissions the majority of these services more locally through clinical commissioning groups (CCGs), with a very small proportion of funding flowing from local authorities for some long-standing residents.

Specialist Services is made up of our behavioural service on Wellesley, our Huntington's disease service on Wolfson and Coombs, and our ventilator service in the Jack Emerson Centre.

The Specialist Nursing Home is split between Andrew Reed, Cathcart, Chatsworth, Evitt, Glyn and Hunter.

The structural changes are aimed at improving the organisation of our numerous specialisms, to enable our frontline clinical staff to deliver the best possible care whilst meeting the demands of the NHS regulatory bodies. In addition to the Care Quality Commission (CQC), this has recently extended to oversight of BIS by Monitor, as we have been designated as a 'commissioner requested service' for that part of our activity.

## ▶ **Aim**

To provide specialised neuro-rehabilitation and long term care services to people across the UK and beyond, working with referrers and commissioners to meet high quality standards.

## *Our Achievements*

Throughout 2014 the RHN remained the largest single site provider in England of specialist neuro-rehabilitation services for patients with highly complex needs.

We have treated patients and residents from a number of NHS England areas across all services at the RHN. We continue to work closely with NHS England on the tools to measure the changes and improvements that patients make over the course of their rehabilitation. Within BIS we report the full dataset of measures for each care episode through our registration with the UK Rehabilitation Outcomes Collaboration (UK-ROC).

We continue to develop the use of measures which will allow us to demonstrate patient benefit and remain members of the Independent Neuro-rehabilitation Providers Alliance which collaboratively studies, alongside other independent providers, the environment of neuro-rehabilitation and works towards a set of agreed standards.

CQC Action Plan – following the first of two CQC visits (the first in November 2013) we developed an action plan which addressed four main areas where demonstrable improvements have been made. The CQC has subsequently revisited and these matters were all found to have been addressed.

## Our Achievements (continued)

### ► Our Year in Numbers

370	The number of people who received treatment and care from the RHN spanning the whole service portfolio across the year (340 in 2012/13).
173	The number of people treated in our Brain Injury Service over the year.
121	The average number of beds occupied in the Specialist Nursing Home.
51	The average number of beds occupied across Specialist Services.
16.4	The average number of weeks' stay for Brain Injury Service patients. This has been reduced from 22 weeks in the previous year.
120	Work around the Brain Injury Pathway for Rehabilitation and Disorders of Consciousness reduced average length of stay down to 120 days.

### ► Aim

To maximise recreational experiences and quality of life for patients and their families.

#### *Our Achievements*

Recreational opportunities and quality of life go hand in hand, irrespective of an individual's ability. This is central to our charitable ethos and we strive to improve the facilities and leisure activities available, making them as easy as possible for patients to access and enjoy the best possible patient experience.

#### **Family Support Group**

A family support group for families whose loved ones were receiving care and rehabilitation in the RHN's Brain Injury Service was established and has been very positively received.

#### **Signage Project**

As part of the RHN's commitment to improving our environment, we have invested in new signage throughout the hospital. These signs feature symbols and colour-coding to assist people with varying communication requirements to find their way and this has been well received by families and visitors.

## Our Achievements (continued)

### Leisure and Family Services

As in past years, the Leisure and Family Services (LAFS) department, with support from our team of volunteers, have provided a wide range of activities and leisure opportunities for patients and families across the RHN. Balancing treatment with recreational activities and personal pursuits is a fundamental aspect of the RHN's holistic approach to care, not only because it can aid relaxation, but also because it can improve a person's overall confidence and sense of identity, helping them to lead a healthy and active life.

To help patients and families to access LAFS and make arrangements more easily, each member of the team has specific responsibility for a number of wards.

The range of activities includes sports, making music, gardening, lunchtime live performances, art, the mobile CD library, Boccia, singing group and art and leisure. There is also 1:1 volunteering support for individual engagement opportunities, Aquability (which is referred to via the Physiotherapy team), monthly trips out (a list of available opportunities are sent one month in advance & booked via patients and their loved ones), massage therapists and hairdressing.

#### ► Our LAFS Year in Numbers

41	The number of people, per week, who have 1:1 activity sessions through LAFS.
49	Average number of people per week who come along to the Saturday performances.
1040	The number of hairdressing appointments made over the year.
624	The number of events and regular activities which have been held across the RHN over the year.
198	Trips arranged for patients through LAFS.

# Our Achievements (continued)

## ► Volunteers

We are currently refreshing our volunteer register. Inevitably, over time, people with busy lives can find that the amount of time they can devote so generously to the RHN can change. It is important therefore to recruit more people to carry out this work that makes such a difference to those in our care. We have been hugely encouraged by the response to our recent volunteer recruitment initiative, both by the number of new volunteers and our current supporters who participate in, and carry out, this vital work.

## Appointment of Patient Experience Officer

As part of the RHN's on-going work to enhance individual experiences, both of patients and of their families, a member of staff has taken on the new and dedicated role of Patient Experience Officer. Their role is to focus on the day-to-day changes that can be made - often at little or no expense - to add value and enjoyment to the lives of all at the RHN.

## Let's Chat Communication Project

This project aims to enhance communication between staff and patients with complex communication needs. The patients involved have a high level of cognitive function but significant, complex disabilities which result in the need for non-verbal communication systems. These can include partnered letter/chart systems (low-tech) and/or the use of electronic assistive technology such as eye gaze and switch systems (high-tech).

A working party consisting of three patients with complex communication needs and three members of staff has explored current issues and produced a training programme based on the findings and on the experiences of the patients involved. Individualised videos have been produced to allow effective handover of communication guidelines for new carers once the patient moves internally at the RHN or onto new care settings.

A collaboration between staff and patients, this is a highly innovative project. It is driven by the patients themselves who are key in identifying the common issues faced and developing training programmes and resources.

## Introduction of Family Newsletter

The RHN has introduced a regular Family Newsletter which highlights areas of interest for families including key staff changes, where help, advice and support is available, news stories and more.

## Our People

### ► Aim

To support our staff to deliver excellence in care and support.

### Staff Investment

In partnership with the Beech Centre, we are investing in staff development at all levels to support the RHN transition, plan/respond to market conditions and enhance engagement. This includes programmes relating to leadership for executives and direct reports; professional consultancy; coaching; facilitation; bespoke support to new service units; and a joint coaching strategy with Kingston NHS Trust that supports coaching across both organisations.

### Better Communication

Introduction of two way communication process.

The RHN has introduced methods for improved two-way communication with staff, making it easier for them to raise queries, concerns or questions and to have these answered. Through Info-X, which sees questions posted and answered both at regular "live" meetings where all staff are invited (the meetings are held at different times of the day to allow shift staff the opportunity to attend), staff have engaged, asked questions and prompted debate. Answers are given both verbally and via email, as well as cascaded by managers at team meetings.

### Improved Staff Survey Results

The Pulse Survey is regularly distributed to staff and has seen an increase in uptake in participation and complements the Annual Staff Survey.

# Our Achievements (continued)

## Our Research

### ► Aim

Our aim is to advance the science of care and treatment for people living with neurological disability and through the conducting of targeted research and by ensuring our expertise is shared throughout the field.

### International Brain Injury Symposium

The Royal Hospital for Neuro-disability held its first international symposium on rehabilitation after brain injury.

On March 27th and 28th 2014, a panel of national and international experts presented on topics including how to navigate through the rehabilitation pathway and changes and challenges in Disorders of Consciousness (DOC). Prestigious speakers included David Ripley, Medical Director, Brain Injury Medicine and Rehabilitation, Rehabilitation Institute of Chicago, USA and Professor Lynne Turner-Stokes, Herbert Dunhill Chair of Academic Rehabilitation, King's College London and Director, Regional Rehabilitation Unit, Northwick Park Hospital.

Delegates looked at the international and national context of rehabilitation after brain injury, the ethical and legal aspects of rehabilitation after brain injury in adults and children and the new Royal College of Physicians guidelines on DOC and their implications for patients, families and healthcare professionals.

### Publication

PhD Mobility Fellow Julian O'Kelly's paper on Neurophysiological and behavioural responses to music therapy in vegetative and minimally conscious states, was published in *Frontiers in Human Neuroscience* (2013-7:884). Following the popularity of his paper, Julian has been invited to act as an associate editor of a special research topic for an open access journal.

The journal, published by the Nature Publication Group, can be accessed online for free by anyone and represents a perfect way of disseminating research findings and best practice to a large audience.

### Poster Awards

Five of our researchers at the RHN have been awarded best poster in five different conferences:

- Dr Agnieszka Kempny at the British Society of Rehabilitation Medicine's meeting in December 2013;
- Amy Pundole at the Holy Cross Conference in June 2014;
- Julian O'Kelly at the World Congress in Music Therapy in Krems, Austria
- Dr Kudret Yelden at the British Society of Rehabilitation Medicine's meeting in October 2014
- Ria Prasad at the BDA Community Dental Services Group, Annual Presidential and Scientific Meeting and the Kent Community NHS Trust Clinical Audit and Research Conference.

### Horticulture and Therapy

An RHN Research and Development Co-ordinator and therapeutic gardening researcher conducted a tour of Scandinavia to research and study therapeutic horticulture for neuro-disability.

The RHN was successful in its grant application to the Winston Churchill Memorial Trust and visited 15 therapeutic gardens across three countries (Sweden, Norway and Denmark) to investigate how gardening research in therapy was being trialled in this trail-blazing region which has seen huge benefits from green-fingered neuro-rehab.

# Our Achievements (continued)

## **Circadian Rhythm, Brain Function and Disorders of Consciousness**

In this programme of studies we aim to establish whether, by using simple physiological and pharmacological interventions, we can optimise the sleep-wake cycle of patients in DOC, so that their alertness is maximised during the day to participate in therapy and assessment and that they have restful night sleep.

Dr Agnieszka Kempny's preliminary results showed that the assessment of brain function in DOC patients using near-infrared spectroscopy coupled with electroencephalography (EEG) was feasible. Moreover, some patients (seven in minimally conscious state and one in vegetative state) demonstrated task-related changes with similar responses to the control group.

Dr Kudret Yelden's findings suggested that circadian rhythm of patients with DOC was impaired significantly leading to abnormal sleep-wake patterns. The preliminary results indicated that normalising those patterns improve the daytime brain function of the patients.

## **Meal Mats Recognition**

Meal mats are an innovative resource developed at the Royal Hospital for Neuro-disability to improve patient safety at mealtimes. They are simple wipeable placemats containing multi-disciplinary guidelines for eating, drinking and swallowing from our multi-disciplinary teams.

This means that the guidelines about what food and drink texture, equipment, positioning and level of assistance each person needs are immediately available at the point of care. The use of the Meal mats has improved compliance with guidelines and increased patient safety and independence at mealtimes.

These innovative tools have been successful in the South London Membership Council's Recognition Awards in the "Just Do It"- Patient Safety category.

## **Academic Achievements**

It has been a year of high achievement for the RHN.

Researcher Ria Prasad was awarded a Master in Special Care Dentistry and Sedation at Kings College Dental Institute. Graham Manley who supervised her research project, is the dentist at the RHN.

In August 2014 Helen Paterson completed an MSc in Assistive Technology at Coventry University, receiving a Distinction for the work entitled "How do adults with complex acquired communication needs experience and feel about the communication methods they use?"

Julian O'Kelly has completed his PhD on the development of evidence-based music therapy with disorders of consciousness through Aalborg University, Denmark, after a public defence in April 2014. The thesis develops the evidence base for music therapy in the assessment of awareness in disorders of consciousness, or vegetative and minimally conscious states.

## **Open Lectures**

Our series of Open Lectures continued throughout 2013/2014. These free events, which are open to everyone, remain extremely popular and in the past 12 months have covered important topics including Leisure and Family Services, What's It All About?, Understanding Disorders of Consciousness, Compass Assistive Technology Service "Assistive Technology – What's it Ever Done for Us" and Family Experiences of vegetative and minimally conscious states; Introducing a New Online Resource. Since 2011 the RHN has held more than 24 of these important free resource events.

# Our Achievements (continued)

## Our Charity

- **Aim**  
To raise £2.1m in voluntary income to fund additional services, therapies and equipment for patients, residents and their families.

### Our Achievements

Our charitable status allows us to provide additional therapies and services for patients and residents, over and above their contracted care, ensuring they get the best possible treatment and enhanced quality of life.

#### Income streams through which charitable funds were generated;

- Trusts & Foundations
- Major Donors
- Events
- Donor Development
- Legacies

#### Donations to the charity provided funding for:

- Specially adapted computer therapy
- Specialist technology and communication aids
- Music Therapy
- Aquability pool sessions
- Our programme of research
- Art sessions
- Specially-adapted wheelchairs and mobility equipment
- Nurse escorts and transport for patient outings
- An extensive programme of on and off-site leisure activities
- Volunteer training
- In-house, multi-faith chapel service
- Gardening therapy
- Equipment including new beds and hoists
- Capital works including the refurbishment of Wolfson ward

As is the case every year, a vibrant and successful range of fundraising events were held including:

#### Christmas Carol Concert, December 2013

Featuring special guest Michael Ball, and performances from The London Chorus and soprano Jocelyn Somerville, the event raised just under £6,000 and was sponsored by KFH Estate Agents, Ian Green Financial and Berendsen.

#### Night of the Stars, February 2014

This was the first time this international bridge event has taken place at the RHN, raising funds for us and three additional charities. The RHN received just under £15,000 and even featured in the New York Times!

#### Brain Quiz, March 2014

A three course dinner and quiz at Haberdashers' Livery Hall, welcoming predominantly lawyers, was held to support our appeal for ward refurbishments. The event raised £18,700.

#### London Marathon, April 2014

The RHN's team of 23 runners raised over £50,000 at this world-famous event.

#### Row Hard, June 2014

This is one of the RHN's flagship fundraising events and was our most successful Row Hard to date. Sponsored by Stanhope PLC, the event raised more than £50,000 as 36 teams battled it out head-to-head – or rather limb-to-limb on rowing machines in the London Living Room on the top floor of City Hall, kindly provided by London Assembly member, Richard Tracey.

#### RHN Fun Run, July 2014

200 runners took to Wimbledon Common to support the RHN in our second Fun Run, sponsored by Robert Holmes, raising £7,000.

#### Prudential Ride 100, August 2014

This was the first time the RHN had places on this event and we were inundated with applicants who doubled the original target to raise more than £10,000!

#### Putneyval, September 2014

Pop festival cheer came to Putney, with our first ever "gig" at the RHN in the expansive gardens and was sponsored by Cowan Architects, raising £5,000.

# Our Achievements (continued)

## Thank You For Your Support

### ▶ Legacies

Donations left to the RHN in people's Wills are extremely important to us. This year, more money was donated to the RHN than in previous periods through legacy donations (£808,000, an increase of £200,000 compared to the previous financial year) following the launch of Fund for the Future, a dedicated legacy fund, which makes it easier for people to donate in this way.

The following people recognised us in their Will, each bequeathing more than £10,000, for which we are extremely grateful:

- Sandra V. Marley
- John Welling
- Derrick Plant
- James R. Thomson-Bree
- Gerald Charles Bottomley
- Andrey Meeman
- Ray Joyce Holland
- Geoffrey Burgess
- Peter D. Luckman

### Key Supporters to the RHN in 2013/14;

Trusts, Foundations and major individual supporters. Last year we received generous support from trusts and foundations including:

#### Trusts

Anson Charitable Trust	Peacock Trust	Swire Charitable Trust
Bernard Sunley Charitable Foundation	P Leigh-Bramwell Trust	Bernard Coleman Charitable Trust
Bruce Wake Charitable Trust	Elizabeth & Prince Zaiger Trust	Donald Forrester Charitable Trust
COFRA Foundation	Elizabeth Frankland Moore & Star Foundation	Mrs Maud Van Norden's Charitable Foundation
Cadogan Charity	Garfield Weston Foundation	P F Charitable Trust
Eastcheap Trust	Hamamelis Trust	R H Scholes Charitable
George Dudley Herbert Charitable Trust	Harry Heath Will Trust	Sackler Trust
George & Esme Pollitzer Charitable Settlement	Hedley Foundation	Sports England
Sir James Reckitt Trust	John Coates Charitable Trust	Vernon N Ely Charitable Settlement
Starkie Bence Charitable Trust	Awareness Charitable Trust	William Fredrick Haines Trust
Lord Barnby's Foundation	William Allen Young Charitable Trust	Wolfson Foundation

#### Event Supporters

London Committee	Ian Green	Berendsen
Stanhope Plc	Brinkley's	Worshipful Company of Haberdashers
All Row Hard Participants	Berkeley Homes	Capsticks Solicitors LLP
Virgin London Marathon Running Team	Robert Holmes	Scottish Summer Ball committee
Ashcroft Technology Academy	Cowan Architects	Our Lady of Victories School
'Night of the Stars' Committee	Kinleigh Folkard & Hayward	Haberdashers Livery Company

**We would like to thank all trusts and foundations who continue to support our work, those who donate anonymously and our generous individual supporters whose contributions to the work of the RHN make a vital difference to the lives of patients and residents every day.**

# Our Achievements (continued)

## Major Donors

David Shaw  
Peter Stormonth Darling  
Rosie Clover-Brown  
Peter Oliver  
Roland Cundy  
Charles Wansbrough  
Mary Smith

## Family Trusts

The Hintze Family Charitable Foundation  
Corporate Support  
QBE Europe

## We would also like to thank

Mark Cannon Brookes

## Special Thanks To

- Row Hard participants and sponsors and Stanhope Plc
- Virgin London Marathon Runners who raised more than £50,000
- Capsticks for their on-going support of the RHN and our computer room, which was redeveloped following a fire
- Michael Ball for his continued support of our Christmas Carol Concert
- The Beech Consultancy
- All our donors, supporters and volunteers

# Financial Overview

## ► Review of the year

The Consolidated Statement of Financial Activities set out on page 26 shows total incoming resources of £31.9M (2013 - £30.7M). Expenditure in the period increased to £32.7M (2013 - £30.3M), resulting in a deficit for 2014, before other recognised gains and losses, of £0.9M, compared with a £0.4M surplus in 2013.

RHN continues to operate in a challenging financial environment, with broadly static patient fee rates set against increased hospital operating costs. Patient services income increased by 2.8% to £27.7M (2013 - £27.0M), driven, in part, by an increase in occupancy levels during the year. Yet this modest income advance was more than offset by significantly higher patient services expenditure – including higher nursing, other direct healthcare costs and general overheads.

As a result, RHN's core hospital activities show a deficit of £4.0M for the year (2013 - £2.5M), with charitable and investment income and gains limiting RHN's net reduction in funds to a loss of £0.7M for 2014 (2013 – £2.8M surplus).

Continued pressure on hospital operating margins highlights RHN's dependence on the support of our donors. This significant and generous support allows RHN to invest in a range of therapies, research, services and amenities that are not funded by the NHS or other commissioning bodies. Income from donations and events totalled £2.3M in the year shows a welcome £0.3M increase.

It has been a challenging year, not least, in terms of the difficult operating environment and the need to continue to invest for the future.

## Looking forward

We continue to invest to improve the patient environment and facilities, with capital investment of £1.3M scheduled for 2014/15. Our capital programme for the coming year includes refurbishment of Drapers ward and installation of air conditioning on two wards.

Our budget for 2014/15 recognises the continuing pressure on our income from hospital activities, with NHS and Commissioner derived income remaining at the same levels experienced in 2013/14. This difficult income position is set against higher operating expenditure; particularly relating to direct care provision and the national problem of securing sufficient qualified nursing staff. To mitigate in part expected losses from the hospital, we are implementing a cost improvement programme focused on non-patient facing expenditure.

Despite that challenging financial backdrop, we remain focused on delivering the best possible patient experience from our restructured nursing and therapy teams.

## Investments

The RHN's investments continue to be managed by a team from the charity division of Schroder & Co Ltd within asset allocation ranges agreed with the Finance Committee, following their review of these during the course of the financial year.

For the 12 months to September 2014, our main portfolio performance was +7.3% against the benchmark of +3.0%. Without the significantly improved contributions from investments through investment income and gains of £1.2M (2013 - £1.8M), the financial outcome for the year past would have been even worse.

# Financial Overview (continued)

## Staff pension scheme

The deficits in the defined benefit pension scheme, closed to new members in 2001 and to existing members in 2006, under FRS17 at 30 September 2014 was £4.0M (2013 - £4.2M). The RHN continues to run a defined contribution scheme for its employees.

## Tangible fixed assets

Tangible fixed assets consist of freehold land and buildings, plant, furniture and equipment, details of which are under note 10 of the accounts. The buildings are carried at original cost less depreciation. This does not represent the market value of the property.

## Reserves

In accordance with the guidance issued by the Charity Commission, the Board has carried out a detailed review of the group's activities, identified the major risks to which the group is exposed and produced a financial risk assessment.

The desired level of free reserves is expressed as a range between which actual free reserves may fluctuate. Free reserves at 30 September 2014, after adjustment for the defined benefit pension scheme liability as per FRS17 and designated funds, stood at £9.3M (2013 - £9.4M). Of the total £27.5M reserves at 30 September 2014, £8.6M has been designated to cover un-depreciated fixed assets together with £6.3M for planned maintenance and £1.3M for future capital expenditure on the hospital buildings and equipment.

The Board has agreed a risk based policy to mitigate the following threats:

- 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 the need to increase funding of the pension scheme
- A contingency against business interruption

The level of reserves is regarded as being at an acceptable level by the Board of Management.

In addition to these free reserves, the group holds investments and cash of £1.5M as restricted reserves that are required to fund specific projects. Endowment Funds amounted to £0.6M.

## Going concern

The Board has set out above a review of financial performance and the group's reserves position. The RHN has adequate financial resources and is well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure.

The RHN has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. The Board believes that there are no material uncertainties that call into doubt the group's ability to continue. The accounts have therefore been prepared on the basis that the group is a going concern.

# Responsibilities Of Members Of The Board Of Management

- ▶ 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 trust deed.

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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Management on 29 January 2015 and signed on its behalf by:



**Des Benjamin**  
Chairman

# Independent Auditor's Report to the Trustees of the Royal Hospital for Neuro-disability

- We have audited the financial statements of the Royal Hospital for Neuro-disability for the year ended 30 September 2014 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with Section 154 of 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.

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report of the Board of Management to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 30 September 2014 and of the group's 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.

## Matters on which we are required to report by exception

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

- the information given in the Annual Report of the Board of Management is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; 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.

*Crowe Clark Whitehill LLP*

## Crowe Clark Whitehill LLP

Statutory Auditor  
London

Date 18th February 2015

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# Simplified Operating Statement

for the Year Ended 30 September 2014

	2014 £'000	2013 £'000
<b>Hospital</b>		
Patient services income	27,738	26,985
Costs of patient services	(31,781)	(29,521)
<b>Deficit from hospital activities</b>	<b>(4,043)</b>	<b>(2,536)</b>
<b>Voluntary &amp; other activities</b>		
<b>Income</b>		
Donations and other fundraising	2,321	2,029
Investment income	595	465
Staff accommodation	224	216
<b>Income from voluntary &amp; other activities</b>	<b>3,140</b>	<b>2,710</b>
<b>Expenditure</b>		
Fundraising & investment management fees	(912)	(767)
Staff accommodation	(48)	(23)
<b>Expenditure of voluntary &amp; other activities</b>	<b>(960)</b>	<b>(790)</b>
<b>Surplus from voluntary &amp; other activities</b>	<b>2,180</b>	<b>1,920</b>
<b>Return on pension scheme investments</b>	<b>989</b>	<b>78</b>
<b>Donation from the Neuro-disability Research Trust (Note 2.2)</b>	<b>-</b>	<b>891</b>
<b>Net (outgoing) / incoming resources</b>	<b>(874)</b>	<b>353</b>

# Consolidated Statement of Financial Activities (SOFA)

for the Year Ended 30 September 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2014 £'000	Total 2013 £'000
<b>Incoming resources from general funds</b>						
Voluntary income	2.1	1,339	745	-	2,084	1,800
Trading income		67	-	-	67	67
Fundraising events		206	31	-	237	229
Investment income - Dividends and interest	2.3	595	-	-	595	465
- Net return on pension scheme	2.3	989	-	-	989	78
		<b>3,196</b>	<b>776</b>	<b>-</b>	<b>3,972</b>	<b>2,639</b>
<b>Incoming resources from charitable activities</b>						
	3	27,855	40	-	27,895	27,134
		<b>31,051</b>	<b>816</b>	<b>-</b>	<b>31,867</b>	<b>29,773</b>
<b>Donation from the Neuro-disability Research Trust</b>						
	2.2	-	-	-	-	891
<b>Total incoming resources</b>						
		<b>31,051</b>	<b>816</b>	<b>-</b>	<b>31,867</b>	<b>30,664</b>
<b>Resources expended</b>						
Costs of generating funds	6.1	912	-	-	912	767
Charitable activities	4 & 6.2	31,248	450	-	31,698	29,445
Governance costs	5 & 6.3	131	-	-	131	99
<b>Total resources expended</b>						
	6	<b>32,291</b>	<b>450</b>	<b>-</b>	<b>32,741</b>	<b>30,311</b>
<b>Net (outgoing) / incoming resources before transfer</b>						
		(1,240)	366	-	(874)	353
Transfers between funds	19	1,007	(577)	(430)	-	-
<b>Net (outgoing) / incoming resources before</b>						
		(233)	(211)	(430)	(874)	353
<b>Other recognised gains and losses</b>						
<b>Other recognised gains and losses</b>						
Gains on investment assets		1,086	22	49	1,157	1,783
Defined benefit pension scheme actuarial (losses) / gains	8.5	(959)	-	-	(959)	658
<b>Net movement in funds for the year</b>						
		<b>(106)</b>	<b>(189)</b>	<b>(381)</b>	<b>(676)</b>	<b>2,794</b>
<b>Reconciliation of funds</b>						
Funds at 1 October		25,559	1,649	986	28,194	25,400
<b>Total funds at 30 September</b>						
		<b>25,453</b>	<b>1,460</b>	<b>605</b>	<b>27,518</b>	<b>28,194</b>

The Group 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 29 to 44 form a part of these accounts.

# Consolidated Balance Sheet

as at 30 September 2014

	Notes	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
<b>Fixed assets</b>					
Tangible assets	10	8,591	7,565	8,591	7,565
Investments	11	22,966	22,764	22,966	22,764
		31,557	30,329	31,557	30,329
<b>Current assets</b>					
Stocks	12	46	60	46	60
Debtors	13	3,810	4,845	3,807	4,857
Short term deposits		401	522	401	522
Cash and bank balances		224	1,328	220	1,307
		4,481	6,755	4,474	6,746
<b>Creditors - Amounts falling due within one year</b>	14	(4,538)	(4,738)	(4,531)	(4,729)
<b>Net current (liabilities) / assets</b>		<b>(57)</b>	<b>2,017</b>	<b>(57)</b>	<b>2,017</b>
<b>Net assets - Excluding pension liability</b>		<b>31,500</b>	<b>32,346</b>	<b>31,500</b>	<b>32,346</b>
<b>Defined benefit pension scheme liability</b>	8.5	(3,982)	(4,152)	(3,982)	(4,152)
<b>Net assets - Including pension liability</b>	19	<b>27,518</b>	<b>28,194</b>	<b>27,518</b>	<b>28,194</b>
<b>Funds of hospital</b>					
<b>Capital funds</b>					
Endowment funds	18	605	986	605	986
<b>Restricted funds</b>					
Income funds	19	992	1,204	992	1,204
Other restricted funds	19	468	445	468	445
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Fixed assets	19	8,591	7,565	8,591	7,565
Planned capital expenditure	19	1,301	2,615	1,301	2,615
Planned maintenance	19	6,291	6,008	6,291	6,008
<b>Free reserves</b>					
General funds		13,252	13,523	13,252	13,523
Pension reserve		(3,982)	(4,152)	(3,982)	(4,152)
		9,270	9,371	9,270	9,371
<b>Free reserves</b>		<b>9,270</b>	<b>9,371</b>	<b>9,270</b>	<b>9,371</b>
		<b>27,518</b>	<b>28,194</b>	<b>27,518</b>	<b>28,194</b>

Approved by the Board of Management on 29 January 2015 and signed on its behalf by:

Des Benjamin  
Chairman

James Gemmell  
Treasurer

The notes on pages 29 to 44 form a part of these accounts.

# Consolidated Cash Flow Statement

for the Year Ended 30 September 2014

	Notes	2014 £'000	2013 £'000
Net cash outflow from operating activities	A	(531)	(2,205)
Return on investments		595	543
Capital expenditure	B	(2,244)	(1,901)
Financial investments	C	955	1,034
		(1,225)	(2,529)
<b>Management of liquid resources</b>			
Decrease in term deposits		121	284
<b>Decrease in cash</b>	D	(1,104)	(2,245)
<b>A Reconciliation of net (outgoing) / incoming resources for the year to net cash outflow from operating activities</b>			
Net incoming resources before other recognised gains		(874)	353
Pension fund contributions and finance costs		(1,129)	(218)
Investment income		(595)	(543)
Depreciation and impairment charge		1,218	714
Movement in stocks		14	(27)
Movement in debtors		1,035	(1,337)
Movement in creditors		(200)	(1,147)
<b>Net cash outflow from operating activities</b>		(531)	(2,205)
<b>B Capital expenditure</b>			
Buildings and improvements to wards		(1,356)	(1,512)
Plant, machinery, furniture, equipment and ambulances		(888)	(389)
		(2,244)	(1,901)
<b>C Financial investments</b>			
Purchases of unrestricted investments		(2,957)	(13,453)
Purchases of endowment investments		(46)	(527)
Sale proceeds of investments		2,816	10,696
Decrease in short term deposits		1,142	4,318
		<b>955</b>	<b>1,034</b>
<b>D Analysis of changes in net funds</b>	At Beginning of Year £'000	Cash Flow £'000	At End of Year £'000
Deposit accounts requiring notice	522	(121)	401
Current and deposit accounts with immediate access	1,328	(1,104)	224
	<b>1,850</b>	<b>(1,225)</b>	<b>625</b>

# Notes to the Accounts

## for the Year Ended 30 September 2014

### ▶ 1 Accounting Policies

- 1.1 The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), and applicable United Kingdom law and accounting standards. The financial statements have been prepared on a going-concern basis.
- 1.2 The Accounts have been prepared under the historical cost convention, modified by the revaluation of investments and comply with all applicable Accounting Standards, the Statement of Recommended Practice for Charity Accounts issued in March 2005 and the regulations made under the Charities Act 2011.
- 1.3 The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. A separate SOFA for the charity is not presented as permitted by the SORP.
- 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, certainty 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 the charity has been notified of material legacies which have not been included in the SOFA because the conditions for recognition have not been met, this fact and an estimate of the amounts receivable has been disclosed in the notes to the accounts.
- 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 noted and so a constructive obligation is entered into by the Charity.
- 1.11 Costs of Generating Funds comprises staff and running costs of the Fundraising Department together with any other costs directly associated with raising funds for the Charity, 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.
- 1.12 Support costs, comprising facility charges and management and administrative costs, are allocated to activities based on employee headcount.
- 1.13 The group 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 group. Further information on the Pension Scheme can be found in note 8.4 and 8.5.

# Notes to the Accounts (continued)

for the Year Ended 30 September 2014

1.14 Rentals payable under Operating Leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.15 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%

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.

1.16 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.

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

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 group 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 19 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 19.

1.19 Taxation - The Royal Hospital for Neuro-disability is a registered charity and is therefore not liable to direct taxes on income derived from charitable activities, as they fall within the various exemptions available to registered charities.

# Notes to the Accounts (continued)

for the Year Ended 30 September 2014

<b>2 Incoming Resources from Generated Funds and Other Activities</b>	Note	2014 £'000	2013 £'000
<b>2.1 Voluntary income</b>			
Gifts & donations		1,276	1,192
Legacies		808	608
		<b>2,084</b>	<b>1,800</b>

<b>2.2 Other income</b>			
Donation from the Neuro-disability Research Trust		-	891

The Neuro-disability Research Trust (NRT), which was a related charity, was wound up in 2013 and all of its residual funds were donated to the RHN to be used exclusively to fund current and future research projects.

<b>2.3 Investment income</b>			
Listed investments		327	157
Interest on deposits		268	308
Net return on pension scheme	8.5	989	78
		<b>1,584</b>	<b>543</b>

## 3 Incoming Resources from Charitable Activities

Patient services	3.1	26,800	26,156
Staff accommodation		224	216
Wheelchair & technology services		294	161
Other income from charitable activities		352	506
Grants receivable	3.2	40	95
Other income		185	-
		<b>27,895</b>	<b>27,134</b>

Other Income includes insurance relating to a fire in January 2014 in our Assistive Technology Suite (Compass) which resulted in damage to our fabric and equipment.

<b>3.1 Patient services</b>			
National health service		24,349	22,581
Local authority		1,069	1,828
Prescription reimbursement		53	28
Non-NHS patients		684	1,166
Other sources		645	553
		<b>26,800</b>	<b>26,156</b>

<b>3.2 Grants receivable</b>			
Funding research projects		40	95
		<b>40</b>	<b>95</b>

# Notes to the Accounts (continued)

for the Year Ended 30 September 2014

## 4 Costs of Charitable Activities

	2014 £'000	2013 £'000
Patient services	29,812	27,466
Staff accommodation	48	23
Wheelchair & technology services	790	589
Other charitable activities	1,036	1,170
Research	12	197
	<b>31,698</b>	<b>29,445</b>

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 Governance Costs

	2014 £'000	2013 £'000
Staff cost	33	33
Legal and professional fees	2	10
Other expenses	50	3
Fees payable to auditors:		
Statutory audit	35	35
Pension scheme audit	8	8
Non-Audit services	3	10
	<b>131</b>	<b>99</b>

## 6 Total Resources Expended

	Direct Costs £'000	Support Costs £'000	Total 2014 £'000	Total 2013 £'000
<b>6.1 Costs of generating funds</b>				
Voluntary income	645	72	717	593
Trading expenses	36	4	40	26
Fundraising events	37	4	41	46
Investment management	114	-	114	102
	<b>832</b>	<b>80</b>	<b>912</b>	<b>767</b>
<b>6.2 Charitable activities</b>				
Patient services	24,683	5,129	29,812	27,466
Staff accommodation	40	8	48	23
Wheelchair & technology services	654	136	790	589
Other charitable activities	858	178	1,036	1,170
Research	10	2	12	197
	<b>26,245</b>	<b>5,453</b>	<b>31,698</b>	<b>29,445</b>
<b>6.3 Governance costs</b>	122	9	131	99
<b>Total</b>	<b>27,199</b>	<b>5,542</b>	<b>32,741</b>	<b>30,311</b>

Costs of Generating 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.

# Notes to the Accounts (continued)

for the Year Ended 30 September 2014

## 7 Support Costs Allocation

	Costs of Generating Funds £'000	Charitable Activities £'000	Governance £'000	Total 2014 £'000	Total 2013 £'000
Administration and management	31	2,128	3	2,162	1,749
Building expenses	31	2,108	3	2,142	2,009
Finance	7	457	1	465	383
Human resources	5	346	1	352	354
Information technology	6	414	1	421	367
	<b>80</b>	<b>5,453</b>	<b>9</b>	<b>5,542</b>	<b>4,862</b>

Total resources expended include the allocation of support costs to the various expenditure categories set out in the SOFA. These support costs relate to the 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 directly allocated. Support costs have been allocated to activities consistently based on employee headcount.

## 8 Employee Information

	2014 £'000	2013 £'000
<b>8.1 Staff costs during the year</b>		
Salaries and wages	21,567	19,282
Social security costs	1,668	1,695
Other pension costs and life assurance premiums	1,276	1,289
	<b>24,511</b>	<b>22,266</b>

Included within the wages and salaries figure above is the cost of employing agency staff.

### 8.2 Employees whose emoluments exceeded £60,000 were as follows:

	2014	2013
£60,000 to £69,999	2	2
£70,000 to £79,999	1	3
£80,000 to £89,999	3	2
£90,000 to £99,999	-	1
£100,000 to £109,999	2	-
£110,000 to £119,999	1	2
£120,000 to £129,999	1	2
£130,000 to £139,999	1	-
£140,000 to £149,999	1	1
£160,000 to £169,999	1	-
	<b>13</b>	<b>13</b>

7 employees (2013 - 9) 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 £61,496 (2013 - £72,026).

### 8.3 The average number of staff employed (expressed as full time equivalents) was as follows:

	2014	2013
Patient services	577	585
Research	6	4
Other charitable activities	32	26
Generating funds	9	8
Governance	1	1
	<b>625</b>	<b>624</b>

# Notes to the Accounts

## for the Year Ended 30 September 2014

### 8 Employee Information (continued)

8.4 The group 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 group.

The rates of contribution on the Second Tier basis are:

	Defined Contribution
<b>Employer contributions:</b>	
age 18 to 35	4.0%
age 36 to 50	7.0%
age 51 to 65	10.0%
<b>Employee contributions</b>	<b>3.0%</b>

In addition the group 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:

	2014 £'000	2013 £'000
Defined contribution	885	855

Pension contributions outstanding at the end of the year under the Defined Contribution scheme are as follows:

	2014 £'000	2013 £'000
Pension contributions outstanding at year end	111	100

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

#### Defined Benefit Scheme

The most recent actuarial valuation was at 1 October 2010 and it reported a deficit of £6.9m in the pension scheme. Since the triennial valuation in 2010, a lump sum payment of £5m was made towards the deficit and an annual contribution of £140,000 had also been made. This will continue for the next seven years and is payable on 1 December.

# Notes to the Accounts

## for the Year Ended 30 September 2014

### 8 Employee Information (continued)

#### 8.5 Financial Reporting Standard 17

The group has adopted the full requirements of FRS17 (Retirement Benefits) from the year ended 30 September 2006.

The assumptions used in calculating the liabilities were as follows:

	2014	2013	2012
Inflation	3.5%	3.5%	2.7%
Salary escalation	n/a	n/a	n/a
Pension increases, subject to LPI	3.3%	3.3%	2.6%
Statutory revaluation in deferment	2.6%	2.8%	1.9%
Discount rate (pre and post retirement)	3.9%	4.4%	4.4%
Life expectancy for 65 year old male	88	88	87
Life expectancy for 65 year old female	90	90	90

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 and the expected rate of return for each category of asset are as follows:

	2014 £'000		2013 £'000		2012 £'000	
Equities	7,440	7.5%	17,506	7.1%	20,510	6.2%
Diversified growth fund	10,301	7.0%	9,513	7.4%	9,102	6.7%
Other - Equity linked bond fund	31,978	7.5%	20,545	7.1%	11,689	4.3%
UK index linked	3,505	2.8%	3,105	3.1%	3,000	2.2%
Bonds	8,799	3.9%	7,927	4.3%	7,802	4.0%
Gilts	8,084	2.8%	7,333	3.1%	7,624	2.2%
Cash	1,431	0.5%	132	0.5%	189	0.5%
<b>Total fair value of assets</b>	<b>71,538</b>		<b>66,061</b>		<b>59,916</b>	
<b>Present value of scheme liabilities</b>	<b>75,520</b>		<b>70,213</b>		<b>64,944</b>	
<b>Net pension liability</b>	<b>(3,982)</b>		<b>(4,152)</b>		<b>(5,028)</b>	

The Scheme has a number of purchased annuities in respect of past retirements. These are understood to fully match the associated liabilities and so have been excluded from both the assets and the liabilities at each accounting date.

#### Amounts included in the Statement of Financial Activities:

	2014 £'000	2013 £'000
Expected return on the pension scheme assets	4,022	2,889
Interest on pension scheme liabilities	(3,033)	(2,811)
Net return (Other finance costs)	989	78

# Notes to the Accounts

## for the Year Ended 30 September 2014

### 8 Employee Information (continued)

Statement of Total Recognised Gains and Losses	2014 £'000		2013 £'000	
Actual return less expected return on pension scheme assets	3,889	5.4%	5,203	7.9%
Experience gains and losses arising on the scheme liabilities	(415)	0.5%	(229)	0.3%
Changes in assumptions underlying the present value of the scheme	(4,433)	(6.1%)	(4,316)	(6.2%)
	<b>(959)</b>	<b>(12.7%)</b>	<b>658</b>	<b>0.9%</b>

The above percentages for the actual return less expected return are expressed as a percentage of the scheme assets at the end of the year. All other percentages shown are expressed as a percentage of the scheme liabilities at the end of the year.

#### Reconciliation of present value of scheme assets and liabilities

Unless otherwise specified, the figures calculated are based on the assumptions as at the beginning of the year.

Assets	2014 £'000	2013 £'000
Assets in scheme at beginning of year	66,061	59,916
Movement in year:		
Expected return on assets	4,022	2,889
Employer contributions	140	188
Benefits paid	(2,574)	(2,135)
Actuarial gains on assets	3,889	5,203
Assets in scheme at end of year	<b>71,538</b>	<b>66,061</b>

Liabilities	2014 £'000	2013 £'000
Liabilities in scheme at beginning of year	70,213	64,944
Movement in year:		
Interest cost	3,033	2,812
Benefits paid	(2,574)	(2,135)
Actuarial losses on liabilities	4,848	4,592
Liabilities in scheme at end of year	<b>75,520</b>	<b>70,213</b>

# Notes to the Accounts

## for the Year Ended 30 September 2014

### 8 Employee Information (continued)

History of experience gains and losses	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(75,520)	(70,213)	(64,944)	(60,311)	(64,564)
Scheme assets	71,538	66,061	59,916	50,692	52,261
Deficits	(3,982)	(4,152)	(5,028)	(9,619)	(12,303)
Experience adjustment on scheme liabilities	(415)	(229)	(855)	4,551	477

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

	2014 £'000	2013 £'000
Deficit in the scheme at beginning of year	(4,152)	(5,028)
Movement in year:	170	876
Contributions	140	140
Net return on pension scheme	989	78
Actuarial gains / (losses)	(959)	658
<b>Deficit in the scheme at end of year</b>	<b>(3,982)</b>	<b>(4,152)</b>

8.6 Assets in the scheme as a percentage of total scheme assets	2014	2013
Equities	10.4%	26.5%
Diversified growth fund	14.4%	14.4%
Other - Equity linked bond fund	44.7%	31.1%
UK index linked	4.9%	4.7%
Bonds	12.3%	12.0%
Gilts	11.3%	11.1%
Cash	2.0%	0.2%

### 9 Related Party Transactions

#### 9.1 The Neuro-disability Research Trust (Registered Charity No. 267953).

The Neuro-disability Research Trust was a grant making trust which provided valued support to the Royal Hospital for Neuro-disability and other organisations for research, education and clinical development.

The Trust operated from the Royal Hospital for Neuro-disability (RHN) premises in Putney and was wound-up in the last financial year. All the residual net assets were donated to the RHN to be used towards research activities for the benefit of patients at the hospital.

#### 9.2 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 £2,432 (2013 - £2,003) for reimbursement of expenses.

Trustees' Indemnity Insurance of £5,300 was paid for the year 2014 (2013 - £5,300).

# Notes to the Accounts

for the Year Ended 30 September 2014

## 10 Tangible Fixed Assets

	Land and Buildings £'000	Plant and Machinery £'000	Furniture and Equipment £'000	Total £'000
<b>Cost</b>				
Opening balance	16,956	1,160	5,012	23,128
Additions	1,356	80	808	2,244
Disposals	-	(90)	(62)	(152)
	<b>18,312</b>	<b>1,150</b>	<b>5,758</b>	<b>25,220</b>
<b>Depreciation</b>				
Opening balance	10,432	919	4,212	15,563
Disposals	-	(83)	(47)	(130)
Charge for the year	377	93	382	852
Impairment	344	-	-	344
	<b>11,153</b>	<b>929</b>	<b>4,547</b>	<b>16,629</b>
Net book value 2014	<b>7,159</b>	<b>221</b>	<b>1,211</b>	<b>8,591</b>
Net book value 2013	<b>6,524</b>	<b>241</b>	<b>800</b>	<b>7,565</b>

All fixed assets are held for charitable use. The impairment charge relates to the net book value of improvements made to the Transitional Unit whose services have been suspended. The Charity has considered the value in use of this Unit and has deemed it to be £nil.

# Notes to the Accounts

## for the Year Ended 30 September 2014

### 11 Investments

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2014 £'000
Market value at beginning of year	22,764	22,014	22,764	22,014
Purchases at cost	3,003	13,981	3,003	13,981
Proceeds from disposals	(2,816)	(10,696)	(2,816)	(10,696)
Net gains on investments	1,157	1,783	1,157	1,783
Decrease in short term deposits	(1,142)	(4,318)	(1,142)	(4,318)
Market value at end of year	<b>22,966</b>	<b>22,764</b>	<b>22,966</b>	<b>22,764</b>
Historical cost at end of year	<b>19,480</b>	<b>19,958</b>	<b>19,480</b>	<b>19,958</b>

Analysed by type		2014 £'000	2013 £'000	2014 £'000	2013 £'000
Investments	- Listed direct	14,358	13,773	14,358	13,773
	- Unlisted direct	90	83	90	83
	- Listed unit trusts	8,450	7,698	8,450	7,698
Term deposits		68	1,210	68	1,210
		<b>22,966</b>	<b>22,764</b>	<b>22,966</b>	<b>22,764</b>

Geographical analysis		2014 £'000	2013 £'000	2014 £'000	2013 £'000
United Kingdom investments		15,720	16,117	15,720	16,117
Overseas investments		7,246	6,647	7,246	6,647
		<b>22,966</b>	<b>22,764</b>	<b>22,966</b>	<b>22,764</b>

Individual investment which has a market value of 5% or greater of the overall portfolio is:

Artemis UK Special Situations Fund  
 AXA Framlington UK Select Opportunities Fund  
 M&G Strategic Corporate Bond Fund  
 Majedie UK Equity Fund  
 Schroder Charity Equity Fund  
 0.125% UK Treasury Stock

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 £114,163 (2013 - £102,262).

# Notes to the Accounts

for the Year Ended 30 September 2014

## 12 Stocks

	Group 2014 £'000	Group 2013 £'000
Dispensing stocks	43	55
Other consumables	3	5
	<b>46</b>	<b>60</b>

## 13 Debtors

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Fees receivable	3,145	4,294	3,110	4,253
Other debtors	145	156	145	156
Prepayments	338	110	338	110
Amounts due from related parties:				
Amounts due from group undertakings	-	-	42	53
Accrued income	182	285	172	285
	<b>3,810</b>	<b>4,845</b>	<b>3,807</b>	<b>4,857</b>

## 14 Creditors - Amounts falling due within one year

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Trade creditors	589	504	589	504
Taxation and social security	437	459	432	452
Accruals and deferred income	3,044	3,221	3,042	3,219
Other creditors	468	554	468	554
	<b>4,538</b>	<b>4,738</b>	<b>4,531</b>	<b>4,729</b>

# Notes to the Accounts

## for the Year Ended 30 September 2014

### 15 Operating Leases

	2014 £'000		2013 £'000
Rentals charged in the year:			
Land and buildings	7		7
Plant and machinery	10		16
Furniture and equipment	53		21
	<b>70</b>		<b>44</b>

	Land and Buildings £'000	Plant and Machinery £'000	Furniture and Equipment £'000
Payments due in the next year:			
Contracts expiring:			
Within one year	-	-	9
Within two and five years	-	10	-
Over five years	7	-	53
	<b>7</b>	<b>10</b>	<b>62</b>

### 16 Capital Commitments

	2014 £'000		2013 £'000
Contracted for but not provided	410		1,224

This amount relates mainly to the renovation of the Drapers ward and our continued commitment to replace our patients' beds.

# Notes to the Accounts

for the Year Ended 30 September 2014

## 17 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 is used for non-primary purpose trading activities. The RHN has taken the exemption given by Financial Reporting Standard 8, Related Party Disclosures, from disclosing transactions with subsidiaries.

At 30 September 2014, the amount due from the subsidiary company to the Charity was £41,916 (2013 - £52,627).

All activities have been consolidated in the Statement of Financial Activities. The total net profit is gifted to the Charity. A summary of the results of the subsidiary is shown below:

	Total 2014 £'000	Total 2013 £'000
Turnover	67	67
Cost of sales	29	17
Gross profit	38	50
Administrative expenses	7	6
<b>Net profit before gift to charity</b>	<b>31</b>	<b>44</b>
Gift (under Gift Aid) to Royal Hospital for Neuro-disability	31	44
<b>Net profit</b>	<b>-</b>	<b>-</b>
The aggregate of the assets, liabilities and funds was:		
Assets	49	61
Liabilities	(49)	(61)
<b>Funds (representing 1 ordinary share of £1)</b>	<b>-</b>	<b>-</b>

## 18 Endowment Funds

Included under Endowment Funds are the following:

	2014 £'000	2013 £'000
Permanent endowment:		
Lopes Chaplains Stipend Fund	8	7
Other endowment funds	597	569
Expendable endowment:		
Robinson Trust	-	410
	<b>605</b>	<b>986</b>

### 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 Neuro-disability.

### Other Endowment Funds

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

### Robinson Trust

This was a trust fund under a deed of settlement dated 25 March 1964 between the Charity and Keith Ernest Robinson, a patient of the RHN at the time. Because the purpose of the Robinson Trust is similar to that of the Charity, a resolution was approved by the Board of Trustees on 23 May 2014 to derestrict the capital of this fund to be used towards the general purposes of the Charity.

# Notes to the Accounts

## for the Year Ended 30 September 2014

### 19 Statement of Funds

	Fund Balance Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Investment Gains £'000	Pension Scheme Actuarial Losses £'000	Transfers Between Funds £'000	Fund Balance Carried Forward £'000
<b>Unrestricted income funds</b>							
General funds	5,939	28,807	(29,829)	-	(959)	794	4,752
Realised and unrealised investment gains	3,432	-	-	1,086	-	-	4,518
<b>Total unrestricted funds</b>	<b>9,371</b>	<b>28,807</b>	<b>(29,829)</b>	<b>1,086</b>	<b>(959)</b>	<b>794</b>	<b>9,270</b>
<b>Designated funds</b>							
Fixed asset fund	7,565	2,244	-	-	-	(1,218)	8,591
Planned capital expenditure	2,615	-	(2,244)	-	-	930	1,301
Planned maintenance	6,008	-	(218)	-	-	501	6,291
<b>Total designated funds</b>	<b>16,188</b>	<b>2,244</b>	<b>(2,462)</b>	<b>-</b>	<b>-</b>	<b>213</b>	<b>16,183</b>
<b>Restricted funds</b>							
Patients amenities fund	3	-	(2)	-	-	-	1
Other restricted donations	1,086	776	(393)	-	-	(533)	936
Research grants	22	12	(15)	-	-	-	19
Training grants	93	28	(40)	-	-	(44)	37
John Howard Convalescent Home	445	-	-	22	-	-	467
<b>Total restricted funds</b>	<b>1,649</b>	<b>816</b>	<b>(450)</b>	<b>22</b>	<b>-</b>	<b>(577)</b>	<b>1,460</b>
<b>Endowment funds (Note 18)</b>	<b>986</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>-</b>	<b>(430)</b>	<b>605</b>
	<b>28,194</b>	<b>31,867</b>	<b>(32,741)</b>	<b>1,157</b>	<b>(959)</b>	<b>-</b>	<b>27,518</b>

Transfers were made from 'Unrestricted' to 'Designated' funds for various purposes. These designated funds represent the following:

Fixed assets: These are the net book value invested in fixed assets.

Planned Capital Expenditure: These are set aside for capital expenditure planned and contracted for. The actual expenditure for those contracted for is due to happen in the next accounting period.

Planned Maintenance: These are to cover maintenance expected to be carried out over the next five years.

The transfers on 'Other restricted funds' substantially represents restricted donations towards the costs of the refurbishment of a ward to improve our patients' environment.

The transfer on 'Endowment funds' is to extinguish the restriction on an expendable endowment in place under a deed of settlement dated 25 March 1964 between the Charity and Keith Ernest Robinson, a patient of the RHN at the time.

A resolution was approved by the Board of Trustees on 23 May 2014 to derestrict the capital of this fund to be used towards the general purposes of the Charity.

# Notes to the Accounts

for the Year Ended 30 September 2014

## 20 Analysis of Fund Balances between the Net Assets

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	-	8,591	-	-	8,591
Fixed asset investments	14,301	7,592	468	605	22,966
Net current liabilities	(1,049)	-	992	-	(57)
Pension liability	(3,982)	-	-	-	(3,982)
<b>Total Funds at 30 September 2014</b>	<b>9,270</b>	<b>16,183</b>	<b>1,460</b>	<b>605</b>	<b>27,518</b>

# Advisors and Other Organisations

## **Auditors**

Crowe Clark Whitehill LLP  
St. Bride's House  
10 Salisbury Square  
London EC4Y 8EH

## **Bankers**

National Westminster Bank plc  
PO Box 10230  
250 Wimbledon Park Road  
London SW19 6ZA

## **Insurance Brokers**

Jardine Lloyd Thompson Limited  
PO Box 600  
Threefield House  
Threefield Lane  
Southampton SO14 3RP

## **Investment Custodians**

Schroder & Co Bank AG  
Central 2  
8021 Zürich

## **Investment Manager**

Schroder & Co Limited  
100 Wood Street  
London EC2V 7ER

## **Solicitors**

Farrer & Co  
66 Lincoln's Inn Fields  
London WC2A 3LH

### **Registration**

Under the registration system of the Care Quality Commission and the regulations laid down by 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.

### **The Royal Hospital for Neuro-disability**

West Hill, Putney, London, SW15 3SW

Telephone: 020 8780 4500

Email: [info@rhn.org.uk](mailto:info@rhn.org.uk)

Website: [www.rhn.org.uk](http://www.rhn.org.uk)

Registered Charity Number: 205907



**Royal Hospital for Neuro-disability**

A national medical charity  
Registered Charity No. 205907