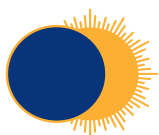


Annual Report and Accounts

2014/15

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

- ▶ **The RHN has never deviated from its purpose. As originally founded, we are here to help people lead a full and active life when they are unfortunate enough to suffer significant physical or mental disadvantage in their lives. Today, we specialise in circumstances that arise as a consequence of a neurological injury or disease.**

We know that the people we care for come to us from any background, at any time in their lives. We know that the circumstances in which we first meet them are often fraught with emotional difficulties and that they are usually accompanied by friends and families who are themselves unprepared for the events that subsume them.

We welcome people who are in the middle of this maelstrom of circumstances. The Royal Hospital for Neuro-disability is here to help patients and their families, expertly, compassionately, skilfully, thoughtfully and with courtesy.

Our remarkable people, our breadth of skills, our assistive technology, our distinct buildings and gardens, our financial resources, our reputation and our strong sense of purpose are all brought to bear on serving those who need us, to the best of our ability.

That is the privilege and the challenge that faces us every day and it is also the motivation for us to do our best for our patients every day.

A good part of this challenge is to keep the good ship 'RHN' on course and up to speed, not only ensuring that we remain at the forefront of good medical and therapeutic practice, but also that we provide an environment that functions effectively, but feels more like a home than a hospital.

Just now, we are beginning a new phase of investment in our people and our infrastructure to achieve these goals.

As we welcome new people to help us, we also say a fond "thank you" to all those who have served us so well and moved onto pastures new this year. In particular, I would like to express my thanks to Alan Sanders who stepped down from his role as Chairman in January 2015, after seven years in office. Alan worked to transition the RHN through a complex period for a healthcare organisation and today we benefit greatly from the robustness of that work.

The RHN's transition was led by our Chief Executive Angus Somerville who served us for the last six years, and for everything that he contributed (much of which goes unseen by most people), we say "thank you" and of course wish him and Alan well, in the years ahead.

We also said adieu this year to two very special and long serving trustees. I would like to thank Ruth Maxwell, who, as our longest serving trustee and Vice Chairman, chose to retire this year. Ruth came to the RHN first as the mother of a patient, and has been a champion of high quality, charitable care ever since.

I would also like to thank our Vice Chairman, Christine Swabey for the years of loyal service and invaluable counsel she brought to our hospital.

I cannot adequately describe in these few short words the immense contribution made by Ruth, Alan, Angus, Christine and many others who have served us so well over these many years. You have the profound thanks of every member of the Board of Trustees for all you have done, and also from the many staff members and patients your work has helped and who I know, have become your friends.

But, it is important that we move on, we have a future to secure. So I am pleased to say that stepping into the breach to take up the challenge is our new Chief Executive, Paul Allen, who joined us in April, with a wealth of experience from both healthcare and an extensive commercial background. Welcome Paul, we have lots to do.

I will leave the achievements of this last year for Paul to report in his commentary (and I am pleased to say there are many). I will however, just end with a few words on where our attention and focus will be in the year ahead.

This year, I am pleased to say we have made satisfactory financial progress and this will continue to be a focus for some while yet, as it underpins all that we hope to achieve in the future.

In 2016 we will need to look again at our long term plans so that we can be sure the services we are providing meet the needs of the community of people with neurological disorders in the most appropriate way.

Our planning process for this 'Strategy Review' will begin in January 2016 and will include everyone involved in looking after our patients.

We will be making some significant investments in our hospital to improve our facilities for patients and staff. In particular our restaurant and conference facilities are in need of modernisation.

We will also continue to evolve our governance structures to ensure we are robust in areas such as patient record keeping, data protection, financial systems and controls and a host of other good organisational practices.

Most importantly in 2016, we stick to our purpose, we improve our skills, we work hard for each other and our patients and we become a team of people even more capable of high quality care. RHN will be a beacon for all that is good in neuro-disability rehabilitation.

For all our staff, I hope that this year has been successful for you personally and that next year you will enjoy sharing the challenge that lies ahead of us, knowing that we will continue to dedicate ourselves to the purpose of serving our patients and their families. It is the most important thing we can achieve.

Des Benjamin

27 January 2016

Chief Executive – Introduction

- ▶ **It was a privilege to be appointed as CEO of the RHN during the year, joining initially in April in an interim capacity, and on a permanent basis from June.**

Focusing on the care of our patients is of course a top priority and we were able to test this care robustly when we received our first CQC inspection, as a pilot, under the new regulatory standards and procedures over three days in late June. The final report was published after our year end, in October and highlighted positive examples of care together with some areas for improvement, which we have been working on as part of a robust action plan. We welcome the input of the CQC as we strive for excellence in all that we do.

I'm pleased to say our financial situation has improved over the past 12 months. We have secured the necessary fee increases for services provided in our Specialist Nursing Home to meet the costs of providing the care and support for people with extremely complex needs. The increase was long overdue and will help support a much better long term future for the hospital. We do still have some work to do to ensure we are paid a viable rate for the Brain Injury Service in the future.

Congratulations are due to our fundraising team for exceeding their target of £2.6m income this year. Donations are essential for us to support the vital work of the Research Department and to be able provide services such as music therapy, communication services and specialist wheelchairs. Notable events in support of our fundraising included the Draper's Gala dinner hosted by the Master of the Drapers Livery Company in London and the popular Row Hard event held at City Hall, London – we thank everyone who contributed to the RHN for their support. It is essential in helping improve the quality of life for people at the RHN.

As the organisation continues to flex and evolve, there have been changes across the senior team. I would like to acknowledge the great work done by my predecessor, Angus Somerville, who left the RHN in March. Our Director of Clinical Operations, Philippa Jayanathan, left us in late summer and we have been joined by John Cowman who takes up the reins as Director of Operations. We also welcomed Dolores Pickersgill as Director of Nursing and Quality. I am excited by having a strong executive team in place to lead the RHN into the future.

Looking ahead, the Board has agreed six major objectives for 2015/16.

The first of these is to create a strategy (plan for the future) for the RHN, which should be completed in summer 2016. Many staff and other stakeholders will have an opportunity to contribute to this plan and 170 members of staff took the opportunity to be part of engagement workshops this December.

The second objective is to focus on many aspects of supporting and developing our staff. I was delighted to announce recently, that from January 2016 all our lower paid staff will be paid the London Living Wage as a minimum. The recruitment of nurses and therapists, which is a national challenge, is another important part of this objective.

Thirdly, we are developing our clinical leadership in a number of ways. We are reviewing the way in which medical cover is provided in the different parts of the hospital and we are focusing on patient centred care in all parts of our clinical services. I would like to thank Dr Philip McCluskie, our retiring Medical Director, for the work he has done in that role. In January we welcomed Dr John Omany as Medical Director.

The fourth objective is the launch of an investment programme concentrating on our infrastructure which (as well as our wards) will include improved conference and catering facilities in 2016.

Our fifth objective is to ensure our financial situation continues to improve, focusing on income, costs and our fundraising efforts.

Finally, developing our research and education programme for the future is a critical priority which will underpin the excellence of our clinical practice and our future strategy.

This is an exciting time for the RHN and I'm delighted and proud to be part of a dedicated and enthusiastic team who are determined to provide absolutely the best possible care and rehabilitation to those who need it most.

Paul Allen

27 January 2016

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, technologies and to further our goal of being world leaders in the field of neuro-disability.

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

Alan Sanders (from January 2015)

The Mayor of Wandsworth (ex officio)

Peter Malpas MA

Ruth Maxwell (from December 2014)

Shirley Palmer

The Board of Management (The Board)

Alan Sanders BPharm DMS - Chairman (until December 2014)

Des Benjamin - Chairman (from January 2015) and board member (from October 2014)

James Gemmell CA FSP FRSA - Deputy Chairman (from March 2015), Treasurer

Jenny Sharp BA - Deputy Chairman (from March 2015)

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

Terry Lee (until May 2015)

Simon Leathes MA FCA

Laurence Oates LLB CB

Douglas Reed

Dr John Scadding BSc MBBS MD FRCP

Dr David Mitchell MA MD MBA FRCP (from March 2015)

Peter Siddall FCA (from October 2014)

Christine Swabey MA - Vice Chairman (from October 2014 to March 2015)

Ruth Maxwell - Vice Chairman (until October 2014)

(The Board are the trustees of the charity)

Executive Team

Paul Allen MA - Chief Executive (from April 2015)

Angus Somerville LLB - Chief Executive (until April 2015)

Lynn Cunningham MSc - Director of Corporate Services

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

Len Kalkun BA ACMA - Director of Finance (until December 2015)

Philip McCluskie B.Soc.Sci - Medical Director (until December 2015)

Philippa Jayanathan BPharm MRPharmS - Director of Clinical Operations (until August 2015)

Dr Diane Playford MD MBBS FRCP - Director of Research

Sarah Whiting BSc (Hons) - Interim Director of Business Transformation (until December 2015)

John Cowman MSc BSc - Director of Operations (from November 2015)

Richard Eley MA (Cantab) FCA FRSA - Interim Director of Finance (from December 2015)

John Omany - FRCP MBChB MSc - Interim Medical Director (from January 2016)

Frances Low - MA - Director of Governance/Company Secretary (from December 2015)

Chairman's Committee

Alan Sanders BPharm DMS - Chairman (until December 2014)

Des Benjamin - Chairman (from January 2015)

James Gemmell CA FSP FRSA

Jenny Sharp BA

Ruth Maxwell - Deputy Chairman (until October 2014)

Finance Committee

James Gemmell CA FSP FRSA - Chairman

Mark Cannon Brookes MA

Simon Culliford B.Soc.Sci

Simon Leathes MA FCA

Jenny Sharp BA - Deputy Chairman (until October 2015)

Leslie Hurst LLB - (from April 2015)

Christine Swabey MA (until January 2015)

Peter Siddall - FCA (from December 2015)

Audit & Risk Committee

Les Broude BA FCA - Chairman

Michael Hornsby BA (until December 2015)

Simon Leathes MA FCA

Laurence Oates LLB CB

Meet the Board, Executive Team and Supporting Committees

Remuneration Committee

Des Benjamin - Chairman
James Gemmell CA FSP FRSA
Jenny Sharp BA
Ruth Maxwell (until October 2014)
Christine Swabey (until January 2015)

Nominations Committee

Alan Sanders BPharm DMS - Chairman (until December 2014)
Des Benjamin - Chairman (from January 2015)
James Gemmell CA FSP FRSA
Jenny Sharp BA
Ruth Maxwell (until October 2014)

Research Advisory Committee

Prof Christine Collin MBBS FRCP - Chairman
Lynn Ashby MSc
Terry Lee (until May 2015)
Dr Emer McGilloway MB BCh BAO MRCP
Prof Di Newham PhD FCSP
Mandy Ledbury
Dr Diane Playford MD MBBS FRCP

Board Medical Committee

Dr David Mitchell MA MD MBA FRCP - Chairman (from January 2016)
Philip McCluskie B.Soc.Sci - Chairman (until January 2016)
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 John Scadding BSc MBBS MD FRCP
Ashraff Ali MBBS DMR D.Card - Consultant in Rehabilitation
Paul Allen MA (from January 2016)
Dolores Pickersgill RGN Chartered MCIPD - Director of Nursing & Quality (from January 2016)
John Cowman MSc BSc - Director of Operations (from January 2016)
John Omany FRCP MBChB MSc - Interim Medical Director (from January 2016)

Patient Safety and Quality

Jenny Sharp BA - Chairman (from April 2015)
Angus Somerville LLB (Chairman until April 2015)
Paul Allen MA
Lynn Cunningham MSc
Philip McCluskie B.Soc.Sci - Medical Director
Sarah Tedford (until November 2015)
Lydia Gomersall BA
Michael Hornsby BA
Laurence Oates LLB CB
Philippa Jayanathan BPharm MRPharmS (until August 2015)
Dolores Pickersgill RGN Chartered MCIPD - Director of Nursing & Quality
Anthea Besser BA (Hons) CIPD - Head of Human Resources (until November 2015)
Caroline Raynsford BA - Head of Patient Safety & Quality
Kudret Yelden MPhil MRCP LLM (until November 2015)
Lesley Mill BSc MSc MCSP - Head of Brain Injury Service (until November 2015)
Dorothy Lain RN PG Dip Mgt - Head of Specialist Services & Nursing Home (until November 2015)
John Cowman MSc BSc - Director of Operations (from November 2015)
The Right Reverend Dr Christopher Herbert (from November 2015)

Ethics Committee

Laurence Oates LLB CB - Chairman
Paul Allen MA (from June 2015)
Lydia Gomersall BA
Terry Lee (until May 2015)
Angus Somerville LLB (until April 2015)
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 (until August 2015)
Geoff Coyne - Chaplain
John Cowman MSc BSc - Director of Operations (from November 2015)
Dolores Pickersgill RGN Chartered MCIPD - Director of Nursing & Quality (from January 2015)

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 eight main subcommittees; the Audit & Risk 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 ongoing 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 & Risk 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 that subsidiary 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 7.

Our Achievements

Our Patients and Families

► Aim

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

Our Achievements

“Let’s Chat!: Communicating with People with Complex Communication Needs”

This project aimed to enhance communication between staff and patients with complex communication needs. These patients 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).

One condition resulting in complex communication needs is Locked-in Syndrome. This is when the person retains near to or intact cognitive ability but is almost entirely paralysed, commonly with the exception of vertical eye movement. People living with Locked-in Syndrome are unable to speak.

A working party consisting of three patients with complex communications needs and three members of staff explored issues and devised a training programme based on the findings and the experiences of the patients involved. Individualised videos were produced to allow effective handover of communication guidelines for new carers, should a person move either internally at the RHN or on to a new care setting.

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

Specialised Hub – Augmentative and Alternative Communication (AAC) Service

Compass, the assistive and rehabilitation technology service at the Royal Hospital for Neuro-disability, has been commissioned by NHS England (NHSE) as a specialised AAC service. AAC involves supporting people who have difficulty communicating, often using high-end technology such as computers and ‘eye-gaze’ equipment, as well as ‘low-tech’ equipment and techniques.

AAC services in England had previously not been consistently provided across the country, but a new system of AAC provision was introduced in 2015. In the new system a small number of specialised services were commissioned across England by NHSE. These specialised services, or ‘hubs’ will see the most difficult 10% of cases who require the most specialised technology. The specialised services are also responsible for training and supporting the local AAC services, commissioned by CCGs.

Compass has been commissioned to provide adult specialised AAC services in the West of London, covering 11 boroughs. However, because some other areas of the country have not yet established their services, Compass has also been seeing patients across England.

Some patients are assessed at the RHN but the majority are seen in their own homes, from Croydon all the way to Norfolk. The service involves assessing a patient’s needs, providing loan equipment for the patient to try out and changing this as necessary, then providing the patient’s long term equipment. Patients are supported and the equipment maintained for as long as the patient needs the equipment.

As well as being commissioned to provide this service, Compass has played a key role in developing and implementing the new system at a national level over the last three years, with Compass team members contributing heavily to the development of documents and procedures that have now been implemented nationally by NHSE.

Our Achievements (continued)

Introduction of the Unified Patient Health Record (UPR)

During June, July and August 2015 all patient health records were converted to a unified format as part of the Patient Safety and Quality project, supported by the Business Transformation Plan and under the umbrella of Information Governance.

The project was overseen by the Clinical Records Committee, and has created a universal and unified record of a patient's health care that is now used throughout all services within the organisation. The records are multi-disciplinary, with all interventions recorded in a single daily record, allowing the patient journey to be easily followed and enabling improvements to the interactions between all disciplines. Additionally all information pertaining to the daily care tasks for a patient has been combined into a single folder, reducing the number of folders and becoming a single point of reference for staff.

Introduction of a New Contract for the Provision of Enteral Feeds for the Patients

In March 2015 Nutricia was awarded the contract to provide the feeds required for our enterally-fed patients. This was a major undertaking requiring replacement of all of the feed pumps, and introducing the new feeding regimes and products to approximately 200 patients across all of the services.

Staff (and relatives) training, led by RHN's dietitians and Nutricia's training staff was undertaken before issuing the new equipment. Nurses, dietitians and Nutricia staff worked very closely together with the patients to ensure a smooth and seamless handover.

▶ 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 the Brain Injury Service (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 a member 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.

Our Achievements (continued)

► Our Year in Numbers 2014/2015

216	The average number of people treated in our hospital at any one time.
137	The number of people we admitted into the RHN last year.
121	The average number of beds occupied in the Specialist Nursing Home.
51	The average number of beds occupied across Specialist Services.
45	The average number of people we treated in our Brain Injury Service at any one time.
16.4	How long, on average, a person spent in our Brain Injury Service, in weeks.

► 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

A family support group for families whose loved ones were receiving care and rehabilitation in the RHN's Brain Injury Service continued to run and has been very positively received. A recent survey of families into the group found that 46% of those who attended felt that attending gave them an opportunity to support others and 36% said they enjoyed being able to share experiences with others. The Family Newsletter continued to be published with news and updates from around the organisation.

Volunteer Recruitment Drive

A volunteer recruitment drive saw the number of these vital team members rise to 142. The range of activities which volunteers help with includes sports, making music, gardening, lunchtime live performances, the mobile CD library, boccia, a 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 (a list of available opportunities are sent one month in advance and booked via patients and their loved ones), massage therapists and hairdressing.

Our Achievements (continued)

Appointment of Brain Injury Service Liaison Co-ordinator

To improve the experience of patients and their families before they come to the RHN, we appointed a Brain Injury Service Liaison Co-ordinator. This individual is a valuable resource for families and patients, can help them co-ordinate and plan for their stay at the RHN, help them know what to expect and give advice and support up to the point of admission.

A Year in the Life of Leisure and Family Services

As in past years, the Leisure and Family Services (LAFS) department, with support from our team of volunteers, has 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.

It was a busy year for this vital service. The team, as well as providing all the regular weekly groups, 1:1 and ward volunteering activities, undertook an audit on patient lifestyle choices. They reviewed the groups provided and their content to make sure they were still relevant for patients and changes were made where necessary – such as changing the singing group to a comedy group, in line with patient preferences. The Benefits and Welfare service, responsible for the recruitment, induction and training of all volunteers across the hospital and additional family support services such as relative room bookings, relative ward access cards and car parking permits, continues to work well.

For 2015-16 LAFS wishes to continue to strengthen its volunteering program, but they also hope to develop and provide better information on services such as hairdressing, where we intend to increase sessions and possibly extend the service to relatives. We further hope to advertise our massage therapists' skills and provide awareness of more cultural events.

Refurbishment of Aquability Pool

A programme of refurbishment to the Aquability pool has ensured the quality of experience for patients using this extremely valuable therapy tool has been improved.

Ward Access

A project to introduce access control systems on wards has been introduced. 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.

Information Governance

To help people understand how we protect the confidentiality of data held by the RHN about those who use our services, we developed a guide for all patients and families and provided training for all staff.

Our Achievements (continued)

► Our LAFS Year in Numbers 2014/2015

432	The number of aquability sessions held over the year.
3,216	The number of massage sessions held over the year.
564	The number of hairdressing appointments made over the year.
2,500	The number of CDs loaned through the CD Library.
152	Trips arranged for patients through LAFS.

Our People

► Aim

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

Schwartz Rounds

Schwartz Rounds are meetings which provide an opportunity for staff from all disciplines to reflect on the emotional aspects of their work. Research into the effectiveness of Schwartz Rounds shows the positive impact that they have on individuals, teams, patient outcomes and organisational culture. The events are held regularly within the hospital, facilitated by Dr Sarah Crawford, with Dr Andrew Hanrahan as the clinical lead. All permanent clinical and non-clinical staff are invited and CPD points can be claimed.

Better Communication

The RHN has introduced even more methods for improved two-way communication with staff, making it easier for them to raise queries, concerns or questions and to have these answered. A series of Info-X meetings, particularly those held in the evenings for night shift staff, were useful ways for staff to ask questions and have them answered. We also introduced an RHN internal Facebook page as well as text messaging service for colleagues and a new Weekly Executive Update where Chief Executive, Paul Allen, shares the major points discussed by the executive team each week.

Skills Refreshment

As part of our commitment to developing staff and our focus on improving patient care we launched an ongoing project to refresh the HCA Level 3 skills and are supporting the development of new skills to this staff group so that they can support nurses more.

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.

Sharing the Learning

The RHN remains committed to being a centre of excellence for training and learning. A series of five open lectures were hosted by the hospital over the year alongside 10 training courses for professionals. We also held the National Brain Injury Symposium where the topic was Complexity and Best Practice. This prestigious event was attended by 112 delegates and a second event, 'Music Therapy Advances in Neuro-disability II: Dialogues in neuroscience, research and clinical practice' was also very successful with 65 delegates who had travelled from as far afield as Australia, Denmark, Poland, Spain, Ireland, Sweden, USA, Italy, Belgium and Austria.

Publications

The year saw the work of many of the RHN's research team published. This included

- Paterson H and Carpenter C - Using different methods to communicate: how adults with severe acquired communication difficulties make decisions about the communication methods they use and how they experience them. *Disability Rehabilitation* 2015;37(17):1522-30.
- Tak S, Kempny AM, Friston KJ, Leff AP, Penny WD - Dynamic causal modelling for functional near-infrared spectroscopy. *Neuroimage*. 2015 May 1;111:338-49
- Yelden K, Duport S, Kempny A, Playford ED - A rehabilitation unit at night: environmental characteristics of patient rooms. *Disability Rehabilitation*.2015;37(1):91-6
- Magee, W. L. and O'Kelly, J. (2015), Music therapy with disorders of consciousness: current evidence and emergent evidence-based practice. *Annals of the New York Academy of Sciences*, 1337: 256–262
- Jose Spring published a blog and report from her Winston Churchill Fellowship
<http://www.wcmt.org.uk/fellows/reports/optimising-therapeutic-effect-gardens-neuro-disability-patients>
Blog <http://churchillfellowjosephinespring.wordpress.com>

Our Achievements (continued)

Plymouth Collaboration

July saw the world premiere of the Paramusical Ensemble, the Bergersen Quartet playing collaboratively with four brain-injured people using the Brain Computer Musical Interface (BCMI), at the RHN.

During the performance the four brain-injured people used the BCMI to generate the parts to be sight-read by the string quartet. Each of the four members of the BCMI quartet produced a score for a different player of the string quartet.

The initiative was led by composer Eduardo R. Miranda in collaboration with Joel Eaton (Interdisciplinary Centre for Computer Music Research, Plymouth University), Julian O'Kelly and Sophie Duport (RHN), and the Bergersen Quartet.

The BCMI device allows a brain-injured person to control musical systems with readings of their brainwave signals, detected with electrodes placed on the scalp directly above the occipital lobe (visual cortex).

The piece played by the Paramusical Ensemble was Activating Memory, composed by Prof. Miranda for the eight participants. As the music developed, the participants using the BCMI were given four options of musical phrases displayed on a panel, which they selected by staring at lights flashing next to them. The system detected which phrases they selected by reading the electrical activity of their visual cortex, and sent the selections to the string quartet to perform.

Our Achievements (continued)

Our Charity

► Aim

To raise £2.6m in voluntary income to fund additional services, therapies and equipment for patients, residents and their families. We exceeded this target, raising £2.7m.

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 2014

Featuring special guests Michael Ball and Emeli Sandé along with performances from The London Chorus, soprano Jocelyn Somerville and Putney High School, this event was generously sponsored by Nelsons and raised more than £9,000.

Night of the Stars, February 2015

This event was hosted at the RHN for the second year and welcomed some of the biggest stars from the bridge world, which raised £18,000.

London Marathon, April 2015

With a team of 17 RHN runners, including our veteran VIP staff member, Lolo, running his 31st marathon, our incredible team raised £45,000.

Row Hard, June 2015

This is one of the RHN's flagship fundraising events. Held once again at London's City Hall, without charge, thanks to the generosity of London Assembly Member Mr Richard Tracey, Row Hard 2015 was another great success. Sponsored by Minster Law, we saw 26 teams go head-to-head on rowing machines to raise £23,000.

RHN Fun Run, July 2015

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 2015

Arguably the most popular and challenging UK cycling event, the Prudential Ride100 race saw tens of thousands of participants taking to the roads of London and Surrey to raise funds for great causes. The RHN had a fantastic team of ten riders, including several members of hospital staff, who together raised over £10,000.

Drapers Gala Dinner, Thursday 7 May 2015

The RHN was extremely fortunate to be chosen by Mr Nick Bence-Trower, Master of the Worshipful Company of Drapers, as his charity of the year from July 2014 to July 2015. The Master's appeal alone raised a record-breaking £36,348, followed by a further £85,542 from a hugely successful Gala Dinner held in the stunning Drapers Livery Hall. We owe further thanks to sponsors Healthcare and Locum Recruitment, as well as to the tireless Gala Dinner Committee.

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 they helped us raise more than £1,060,000. The following people recognised us in their will, for which we are extremely grateful.

- Aileen T Corr
- Alan W Deller
- Alison Pope
- Arthur L Waterman
- Barbara J Hodgson
- Barbara J Turner
- Barbara L Baker
- Bernardine Gordon
- Daphne B Terry
- David C Taylor
- David Crossley
- Derek C Pritchard
- Derrick Plant
- Dorcas E Livesey
- Dorothy H Brooks
- Douglas S Hague
- Foundation Liechtenstein
- Geoffrey R Burgess
- Harry R Heath
- Hector Bevan
- James R Thomson-Bree
- John Welling
- Kathleen Watling
- M A Crowhurst
- Margaret J Parsloe
- Marjorie Neate
- Mary Marshall
- Olwyn V Williams
- Pao J Macphail
- Peggy Dawe
- Ruth M Moore
- S A Mortimer
- Sandra V Marley
- Thelma O Rickards
- Vernon Barrow
- Violet W Smyth
- Wendy A Oliver

Lavender Fund

Three families planted lavender bushes this year to commemorate their loved ones. We received donations for 15 of these funds in the last year, raising more than £1,500. Thank you.

Last Year We Received Generous Support from Trusts and Foundations including

Trusts

- Anson Charitable Trust
- Bernard Lewis Family Charitable Trust
- Bruce Wake Charitable Trust
- David and Claudia Harding Foundation
- The Eastcheap Charitable Trust
- The Elizabeth and Prince Zaiger Trust
- The Elizabeth Frankland Moore & Star Foundation
- The John Coates Charitable Trust
- The G C Gibson Charitable Trust
- The Kirby Laing Foundation
- Mrs Maud Van Norden's Charitable Foundation
- The Music Therapy Charity
- The Stanley Smith Horticultural Trust
- The Cadogan Charity
- The Childwick Trust
- Donald Forrester Trust
- The D'Oyly Carte Charitable Trust
- The George & Esme Pollitzer Charitable Settlement
- The MacRobert Trust
- Slater & Gordon Health Projects and Research Fund in association with The London Community Foundation
- Peacock Charitable Trust
- The Sackler Trust
- The Vernon N Ely Charitable Trust
- Wimbledon District Nursing and Midwifery Benevolent Society
- The William Frederick Haines Foundation

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 (Including Family Trusts)

- Mr Michael Bostelmann
- Mr David Shaw
- Mr Vik Bansal
- Mr Peter Norrie
- Mrs Patricia Reid
- Dr Jane & Mr Peter Leaver
- Mark & Fatima Grizzelle
- Mr Peter Stormonth Darling & Dr Iona Cobb
- The Brenninkmeyer Family
- Mr Charles Wansbrough

Special Thanks to

- Mr Mark Cannon Brookes
- The Staff of Screwfix

Special Thanks to

The London Committee for continuing to organise twice-yearly bridge events, raising over £11,000 this financial year.

The Roehampton Club for raising in excess of £15,000 for the RHN by choosing us as their Golf Club charity of the year, as well as taking part in a wider team skydive and participating in our Wimbledon Common Fun Run. Huge thanks to all staff members at the club.

The Scottish Summer Ball Committee for raising over £9,000 annually from this extremely popular dinner and dance.

Allan Fuller Estate Agents for generously supporting various areas of our work over the course of 2015, notably our Gala Dinner and annual 'Thank You' Evening.

Capsticks for continuing to support the work of our Computer Room with an extremely generous donation in August 2015.

Loans2Go for partnering with us as their Charity of the Year for 2015, participating in events, and pledging to raise £20,000 by donating £1 for every loan written during the course of the year.

Nelsons for their ongoing support of the RHN, and sponsorship of the Christmas Carol Concert.

Royal Bank of Scotland for funding the refurbishment of our onsite pool.

WSM Partners for choosing us as their 2015 Charity of the Year, organising an enormously successful Rugby 7s tournament, and participating in all of our events.

Further Thanks to

- Accenture
- Berendsen
- Cofely Ltd
- Green Financial
- Hurlingham School
- J Buckfast & Co Ltd
- Minster Law
- Outer Temple Chambers
- Pizza Express
- Putney High School
- Record Currency Management
- Rothschild
- Slater and Gordon
- St Clement's Church, Ewell
- The Merlin School
- TSB Putney
- Yorkshire Building Society
- 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 £36.5m which includes a £1.8m gain arising from the sale of a former nursing accommodation property. Total incoming resources, excluding that gain, total £34.7m (2014 £31.9m). Expenditure in the period increased to £34.0m (2014 - £32.7m) resulting in a surplus for 2015, before other recognised gains and losses, of £2.6m, compared with a deficit of £0.9m in 2014.

The RHN operates in a challenging financial environment; but during the year we successfully negotiated significantly increased fee rates in our Specialist Nursing Home Service. We also maintained high occupancy levels and were required to provide beds for greater numbers of “delayed transfer of care” patients throughout the year because suitable alternative hospital or care home places were not available elsewhere. As a result, patient income increased by 7.6% to £29.8m (2014 - £27.7m). This increase has helped, in part, to mitigate a significant increase in our operating costs; driven by higher nursing and agency nursing costs, other direct healthcare costs and general overheads. As a result, the RHN’s core hospital activities show a deficit of £3.2m for the year (2014 - £4.0m).

The hospital’s activities are further supported by income from donations and events. That support increased by 16.5% in 2015 to £2.7m (2014 - £2.3m) but as referred to below the investment portfolio showed losses of £0.3m compared to gains of £1.2m in the previous year. In addition, the “one off” £1.7m gain from the sale of property referred to earlier helped to reduce the RHN’s net reduction in funds for 2015 to £0.1m (2014 - £0.7m).

Continued pressure on hospital operating margins highlights the RHN’s dependence on the support of our donors. Their significant and generous support allows the RHN to invest in a range of therapies, research, services and amenities that are not funded by the NHS or other commissioning partners.

Looking Forward

We continue to invest to improve the patient environment and facilities, with capital investment of £1.6m scheduled for 2015/16. Our capital programme for the coming year includes an approved project to refurbish our conference facilities (widely used to educate and train our staff), a proposed project to improve significantly our catering facilities (for the benefit of patients, relatives and staff) and a potential scheme to consolidate and improve the environment of our Brain Injury Service, currently spread over three wards. We are also planning to extend our air conditioning rollout to Cathcart, Clifden and Wellesley wards.

Our budget for 2015/2016 recognises the continuing pressure on income from hospital activities, set against higher operating expenditure; particularly relating to direct care provision, the national problem of securing sufficient qualified nursing and therapy staff and our commitment to adopt the London Living Wage. To reduce, in part, the financial impact on this cost pressure, we are implementing a cost improvement programme across the hospital to improve the efficiency with which we deliver our services, while maintaining high standards of quality.

Recognising the fee income increases achieved in our Specialist Nursing Home service in 2015, we remain focused on demonstrating to commissioners the significant benefits to patients through our Brain Injury and Specialist services. We are targeting increased fee income during the coming year.

Despite the challenging financial backdrop, our first priority remains delivering the best possible patient and family experience from our medical, nursing, therapy and support 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 RHN’s Finance Committee, following their review of investments during the course of the financial year.

For the 12 months to 30 September 2015, our main portfolio performance was +1.1% against the benchmark of – 0.2%. Although dividend income from investments at £0.6m are in line with 2014; the underlying value of these investments was reduced during the year, reflecting weaker market conditions. As a result, a loss of £0.3m was incurred (2014 - £1.2m profit).

Financial Overview (continued)

Staff Pension Scheme

The deficits in the staff defined benefit pension scheme, closed to new members in 2001 and to existing members in 2006, under FRS17 at 30 September 2015 was £4.8m (2014 - £4.0m). The RHN continues to run a defined contribution scheme for its employees.

The triennial valuation of the defined benefit scheme for the period ended 30 September 2013 was finalised in August 2015 and the scheme reported a deficit of £1.8m on the technical provision basis. In order to secure the liabilities of the pension scheme, the pension scheme trustees were offered a charge over the land and buildings of the RHN. That was granted in August 2015.

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. That carrying value does not represent the market value of the land and buildings.

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 2015, after adjustment for the defined benefit pension scheme liability, as per FRS17, and designated funds, stood at £8.9m (2014 - £9.3m). Of the total £27.5m reserves at 30 September 2015, £8.3m has been designated to cover undepreciated fixed assets together with £6.6m for planned maintenance and £1.6m 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 held 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 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 Statements of Recommended Practice (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 27 January 2016 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 2015 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 21.

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 2015 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

Statutory Auditor
London

Date:

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 2015

	2015 £'000	2014 £'000
Hospital		
Patient services income	29,793	27,738
Costs of patient services	(33,016)	(31,781)
Deficit from hospital activities	(3,223)	(4,043)
Voluntary & other activities		
Income		
Donations and other fundraising	2,704	2,321
Investment income	593	595
Staff accommodation	261	224
Income from voluntary & other activities	3,558	3,140
Expenditure		
Fundraising & investment management fees	(920)	(912)
Staff accommodation	(24)	(48)
Expenditure of voluntary & other activities	(944)	(960)
Surplus from voluntary & other activities	2,614	2,180
Return on pension scheme investments	1,393	989
Gains on disposal of fixed assets	1,767	-
Net incoming/outgoing resources	2,551	(874)

Consolidated Statement of Financial Activities (SOFA)

for the Year Ended 30 September 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total 2015 £'000	Total 2014 £'000
Incoming resources from general funds						
Voluntary income	2.1	1,610	827	-	2,437	2,084
Trading income		76	-	-	76	67
Fundraising events		212	55	-	267	237
Investment income - Dividends and interest	2.2	593	-	-	593	595
- Net return on pension scheme	2.2	1,393	-	-	1,393	989
		3,884	882	-	4,766	3,972
Incoming resources from charitable activities						
	3	29,966	12	-	29,978	27,895
		33,850	894	-	34,744	31,867
Gains on disposal of fixed assets		1,767	-	-	1,767	-
Total incoming resources		35,617	894	-	36,511	31,867
Resources expended						
Costs of generating funds	6.1	920	-	-	920	912
Charitable activities	4 & 6.2	32,265	671	-	32,936	31,698
Governance costs	5 & 6.3	104	-	-	104	131
Total resources expended	6	33,289	671	-	33,960	32,741
Net incoming/(outgoing) resources before transfers		2,328	223	-	2,551	(874)
Transfers between funds	19	165	(165)	-	-	-
Net incoming/(outgoing) resources before		2,493	58	-	2,551	(874)
Other recognised gains and losses						
Other recognised gains and losses						
(Losses)/gains on investment assets		(271)	(11)	(13)	(295)	1,157
Defined benefit pension scheme actuarial losses	8.5	(2,315)	-	-	(2,315)	(959)
Net movement in funds for the year		(93)	47	(13)	(59)	(676)
Reconciliation of funds						
Funds at 1 October		25,453	1,460	605	27,518	28,194
Total funds at 30 September		25,360	1,507	592	27,459	27,518

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 2015

	Notes	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Fixed assets					
Tangible assets	10	8,311	8,591	8,311	8,591
Investments	11	21,296	22,966	21,296	22,966
		29,607	31,557	29,607	31,557
Current assets					
Stocks	12	50	46	50	46
Debtors	13	4,423	3,810	4,421	3,807
Short term deposits		1,087	401	1,087	401
Cash and bank balances		1,409	224	1,401	220
		6,969	4,481	6,959	4,474
Creditors - Amounts falling due within one year	14	(4,353)	(4,538)	(4,343)	(4,531)
Net current assets/(liabilities)		2,616	(57)	2,616	(57)
Net assets - excluding pension liability		32,223	31,500	32,223	31,500
Defined benefit pension scheme liability	8.5	(4,764)	(3,982)	(4,764)	(3,982)
Net assets - including pension liability	19	27,459	27,518	27,459	27,518
Funds					
Capital funds					
Endowment funds	18	592	605	592	605
Restricted funds					
Income funds	19	1,051	992	1,051	992
Other restricted funds	19	456	468	456	468
Unrestricted funds					
Designated funds					
Fixed assets	19	8,311	8,591	8,311	8,591
Planned capital expenditure	19	1,565	1,301	1,565	1,301
Planned maintenance	19	6,573	6,291	6,573	6,291
Free reserves					
General funds		13,675	13,252	13,675	13,252
Pension reserve		(4,764)	(3,982)	(4,764)	(3,982)
		8,911	9,270	8,911	9,270
Free reserves		8,911	9,270	8,911	9,270
		27,459	27,518	27,459	27,518

Approved by the Board of Management on 27 January 2016 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 2015

	Notes	2015 £'000	2014 £'000
Net cash outflow from operating activities	A	687	(531)
Return on investments		593	595
Capital expenditure	B	(784)	(2,244)
Financial investments	C	1,375	955
		1,871	(1,225)
Management of liquid resources			
(Increase)/decrease in term deposits		(686)	121
Increase/(decrease) in cash	D	1,185	(1,104)
A Reconciliation of net incoming/(outgoing) resources for the year to net cash outflow from operating activities			
Net incoming/(outgoing) resources before other recognised gains		2,551	(874)
Pension fund contributions and finance costs		(1,533)	(1,129)
Investment income		(593)	(595)
Depreciation and impairment charge		1,064	1,218
Movement in stocks		(4)	14
Movement in debtors		(613)	1,035
Movement in creditors		(185)	(200)
Net cash outflow from operating activities		687	(531)
B Capital expenditure			
Buildings and improvements to wards		(165)	(1,356)
Plant, machinery, furniture, equipment and ambulances		(619)	(888)
		(784)	(2,244)
C Financial investments			
Purchases of unrestricted investments		(3,317)	(2,957)
Purchases of endowment investments		(96)	(46)
Sale proceeds of investments		4,727	2,816
Decrease in short term deposits		61	1,142
		1,375	955
D Analysis of changes in net funds	At Beginning of Year £'000	Cash Flow £'000	At End of Year £'000
Deposit accounts requiring notice	401	686	1,087
Current and deposit accounts with immediate access	224	1,185	1,409
	625	1,871	2,496

Notes to the Accounts

for the Year Ended 30 September 2015

▶ 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, SORP 2005 and the regulations made under the Charities Act 2011.
- 1.3 The Statement of Financial Activities (SOFA) and the 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 VAT 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 2015

- 1.14 Rentals payable under operating leases are charged to the SOFA 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 SOFA.

- 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 SOFA.

- 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 2015

2 Incoming Resources from Generated Funds and Other Activities	Note	2015 £'000	2014 £'000
2.1 Voluntary income			
Gifts & donations		1,375	1,276
Legacies		1,062	808
		2,437	2,084
2.2 Investment income			
Listed investments		377	327
Interest on deposits		216	268
Net return on pension scheme	8.5	1,393	989
		1,986	1,584
3 Incoming Resources from Charitable Activities			
Patient services	3.1	28,971	26,800
Staff accommodation		261	224
Wheelchair & technology services		214	294
Other income from charitable activities		532	352
Grants receivable	3.2	-	40
Other income		-	185
		29,978	27,895
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.			
3.1 Patient services			
National Health Service		26,861	24,349
Local authority		914	1,069
Prescription reimbursement		12	53
Non-NHS patients		471	684
Other sources		713	645
		28,971	26,800
3.2 Grants receivable			
Funding research projects		-	40
		-	40

Notes to the Accounts (continued)

for the Year Ended 30 September 2015

4 Costs of Charitable Activities

	2015 £'000	2014 £'000
Patient services	31,461	29,812
Staff accommodation	24	48
Wheelchair & technology services	668	790
Other charitable activities	453	664
Research	330	384
	32,936	31,698

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

	2015 £'000	2014 £'000
Staff cost	42	33
Legal and professional fees	1	2
Other expenses	14	50
Fees payable to auditors:		
Statutory audit	36	35
Pension scheme audit	8	8
Non-audit services	3	3
	104	131

6 Total Resources Expended

	Direct Costs £'000	Support Costs £'000	Total 2015 £'000	Total 2014 £'000
6.1 Costs of generating funds				
Voluntary income	653	80	733	717
Trading expenses	35	4	39	40
Fundraising events	27	3	30	41
Investment management	118	-	118	114
	833	87	920	912
6.2 Charitable activities				
Patient services	25,746	5,715	31,461	29,812
Staff accommodation	20	4	24	48
Wheelchair & technology services	547	121	668	790
Other charitable activities	371	82	453	664
Research	270	60	330	384
	26,954	5,982	32,936	31,698
6.3 Governance costs	95	9	104	131
Total	27,882	6,078	33,960	32,741

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 2015

7 Support Costs Allocation

	Costs of Generating Funds £'000	Charitable Activities £'000	Governance £'000	Total 2015 £'000	Total 2014 £'000
Administration and management	35	2,400	3	2,438	2,162
Building expenses	30	2,082	3	2,115	2,142
Finance	6	406	1	413	465
Human resources	8	564	1	573	352
Information technology	8	530	1	539	421
	87	5,982	9	6,078	5,542

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

	2015 £'000	2014 £'000
8.1 Staff costs during the year		
Salaries and wages	22,671	21,567
Social security costs	1,600	1,668
Other pension costs and life assurance premiums	1,398	1,276
	25,669	24,511

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:

	2015	2014
£60,000 to £69,999	5	2
£70,000 to £79,999	3	1
£80,000 to £89,999	-	3
£90,000 to £99,999	2	-
£100,000 to £109,999	2	2
£110,000 to £119,999	2	1
£120,000 to £129,999	-	1
£130,000 to £139,999	1	1
£140,000 to £149,999	-	1
£160,000 to £169,999	-	1
£220,000 to £229,999	1	-
	16	13

15 employees (2014 - 7) 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 £93,830 (2014 - £61,496).

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

	2015	2014
Patient services	576	577
Research	5	6
Other charitable activities	34	32
Generating funds	9	9
Governance	1	1
	625	625

Notes to the Accounts

for the Year Ended 30 September 2015

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 Pensions Act 2008.

If a member was 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
Employer contributions:	
age 18 to 35	4.0%
age 36 to 50	7.0%
age 51 to 65	10.0%
Employee contributions	3.0%

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

	2015 £'000	2014 £'000
Defined contribution	885	885

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

	2015 £'000	2014 £'000
Pension contributions outstanding at year end	106	111

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 2013 and it reported a deficit of £1.8m in the pension scheme. Since the triennial valuation in 2013, an annual contribution of £140,000 had been made towards the recovery plan. This payment will continue until 31 December 2015 and a monthly instalment of £11,667, starting in January 2016, is payable until 31 July 2020.

Notes to the Accounts

for the Year Ended 30 September 2015

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

	2015	2014	2013
Inflation	3.3%	3.5%	3.5%
Salary escalation	n/a	n/a	n/a
Pension increases, subject to LPI	3.2%	3.3%	3.3%
Statutory revaluation in deferment	2.4%	2.6%	2.8%
Discount rate (pre and post retirement)	3.7%	3.9%	4.4%
Life expectancy for 65 year old male	88	88	88
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

	2015 £'000		2014 £'000		2013 £'000	
Equities	5,725	7.3%	7,440	7.5%	17,506	7.1%
Diversified growth fund	10,508	6.8%	10,301	7.0%	9,513	7.4%
Other - equity linked bond fund	33,914	7.3%	31,978	7.5%	20,545	7.1%
UK index linked	3,913	2.2%	3,505	2.8%	3,105	3.1%
Bonds	9,276	3.7%	8,799	3.9%	7,927	4.3%
Gilts	9,131	2.2%	8,084	2.8%	7,333	3.1%
Cash	-	0.5%	1,431	0.5%	132	0.5%
Total fair value of assets	72,467		71,538		66,061	
Present value of scheme liabilities	77,231		75,520		70,213	
Net pension liability	(4,764)		(3,982)		(4,152)	

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

	2015 £'000	2014 £'000
Expected return on the pension scheme assets	4,284	4,022
Interest on pension scheme liabilities	(2,891)	(3,033)
Net return (other finance costs)	1,393	989

Notes to the Accounts

for the Year Ended 30 September 2015

8 Employee Information (continued)

Statement of Total Recognised Gains and Losses	2015 £'000	2014 £'000
Actual return less expected return on pension scheme assets	(700)	3,889
Experience gains and losses arising on the scheme liabilities	(277)	(415)
Changes in assumptions underlying the present value of the scheme	(1,338)	(4,433)
	(2,315)	(959)

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	2015 £'000	2014 £'000
Assets in scheme at beginning of year	71,538	66,061
Movement in year		
Expected return on assets	4,284	4,022
Employer contributions	140	140
Benefits paid	(2,795)	(2,574)
Actuarial (losses)/gains on assets	(700)	3,889
Assets in scheme at end of year	72,467	71,538

Liabilities	2015 £'000	2014 £'000
Liabilities in scheme at beginning of year	75,520	70,213
Movement in year		
Interest cost	2,891	3,033
Benefits paid	(2,795)	(2,574)
Actuarial losses on liabilities	1,615	4,848
Liabilities in scheme at end of year	77,231	75,520

Notes to the Accounts

for the Year Ended 30 September 2015

8 Employee Information (continued)

History of experience gains and losses	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Defined benefit obligation	(77,231)	(75,520)	(70,213)	(64,944)	(60,311)
Scheme assets	72,467	71,538	66,061	59,916	50,692
Deficits	(4,764)	(3,982)	(4,152)	(5,028)	(9,619)
Experience adjustment on scheme liabilities	(277)	(415)	(229)	(855)	4,551

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)

	2015 £'000	2014 £'000
Deficit in the scheme at beginning of year	(3,982)	(4,152)
Movement in year	(782)	170
Contributions	140	140
Net return on pension scheme	1,393	989
Actuarial losses	(2,315)	(959)
Deficit in the scheme at end of year	(4,764)	(3,982)

8.6 Assets in the scheme as a percentage of total scheme assets	2015	2014
Equities	7.9%	10.4%
Diversified growth fund	14.5%	14.4%
Other - equity linked bond fund	46.8%	44.7%
UK index linked	5.4%	4.9%
Bonds	12.8%	12.3%
Gilts	12.6%	11.3%
Cash	0.0%	2.0%

9 Related Party Transactions

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 £1,719 (2014 - £2,432) for reimbursement of expenses. Trustees' Indemnity Insurance of £4,293 was paid for the year 2015 (2014 - £5,300).

Notes to the Accounts

for the Year Ended 30 September 2015

10 Tangible Fixed Assets

	Land and Buildings £'000	Plant and Machinery £'000	Furniture and Equipment £'000	Total £'000
Cost				
Opening balance	18,312	1,150	5,758	25,220
Additions	165	100	519	784
Disposals	(18)	(38)	(2,574)	(2,630)
	18,459	1,212	3,703	23,374
Depreciation				
Opening balance	11,153	929	4,547	16,629
Disposals	(8)	(38)	(2,437)	(2,483)
Charge for the year	440	87	390	917
	11,585	978	2,500	15,063
Net book value 2015	6,874	234	1,203	8,311
Net book value 2014	7,159	221	1,211	8,591

All fixed assets are held for charitable use.

Notes to the Accounts

for the Year Ended 30 September 2015

11 Investments

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Market value at beginning of year	22,966	22,764	22,966	22,764
Purchases at cost	3,413	3,003	3,413	3,003
Proceeds from disposals	(4,727)	(2,816)	(4,727)	(2,816)
Net (losses)/gains on investments	(295)	1,157	(295)	1,157
Decrease in short term deposits	(61)	(1,142)	(61)	(1,142)
Market value at end of year	21,296	22,966	21,296	22,966
Historical cost at end of year	18,742	19,480	18,742	19,480

Analysed by type		2015 £'000	2014 £'000	2015 £'000	2014 £'000
Investments	listed direct	13,049	14,358	13,049	14,358
	unlisted direct	83	90	83	90
	listed unit trusts	8,158	8,450	8,158	8,450
Term deposits	6	68	6	68	
		21,296	22,966	21,296	22,966

Geographical analysis		2015 £'000	2014 £'000	2015 £'000	2014 £'000
United Kingdom investments		15,096	15,720	15,096	15,720
Overseas investments		6,200	7,246	6,200	7,246
		21,296	22,966	21,296	22,966

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
 Schroder Charity Equity Fund
 Majedie UK Equity Fund
 M&G Strategic Corporate Bond Fund
 Schroder Indirect Real Estate Fund

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 £118,393 (2014 - £114,163).

Notes to the Accounts

for the Year Ended 30 September 2015

12 Stocks

	Group and Charity 2015	Group and Charity 2014
Dispensing stocks	47	43
Other consumables	3	3
	50	46

13 Debtors

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Fees receivable	4,045	3,145	3,982	3,110
Other debtors	134	145	134	145
Prepayments	157	338	157	338
Amounts due from related parties				
Amounts due from group undertakings	-	-	73	42
Accrued income	87	182	75	172
	4,423	3,810	4,421	3,807

14 Creditors - amounts falling due within one year

	Group 2015 £'000	Group 2014 £'000	Charity 2015 £'000	Charity 2014 £'000
Trade creditors	237	589	237	589
Taxation and social security	430	437	423	432
Accruals and deferred income	3,128	3,044	3,125	3,042
Other creditors	558	468	558	468
	4,353	4,538	4,343	4,531

Notes to the Accounts

for the Year Ended 30 September 2015

15 Operating Leases

	2015 £'000		2014 £'000
Rentals charged in the year			
Land and buildings	7		7
Plant and machinery	10		10
Furniture and equipment	63		53
	80		70

	Land and Buildings £'000	Plant and Machinery £'000	Furniture and Equipment £'000
Payments due in the next year			
Contracts expiring			
Within one year	-	-	1
Within two and five years	-	10	54
Over five years	7	-	-
	7	10	55

16 Capital Commitments

	2015 £'000		2014 £'000
Contracted for but not provided	175		410

This amount relates mainly to our continued commitment to replace our patients' beds.

Notes to the Accounts

for the Year Ended 30 September 2015

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 2015, the amount due from the subsidiary company to the charity was £74,946 (2014 - £41,916).

All activities have been consolidated in the SOFA. The total net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below

	Total 2015 £'000	Total 2014 £'000
Turnover	76	67
Cost of sales	28	29
Gross profit	48	38
Administrative expenses	7	7
Net profit before gift to charity	41	31
Gift (under Gift Aid) to Royal Hospital for Neuro-disability	41	31
Net profit	-	-
The aggregate of the assets, liabilities and funds was		
Assets	82	49
Liabilities	(82)	(49)
Funds (representing 1 ordinary share of £1)	-	-

18 Endowment Funds

Included under Endowment Funds are the following

	2015 £'000	2014 £'000
Permanent endowment		
Lopes Chaplain's Stipend Fund	8	8
Other endowment funds	584	597
	592	605

Lopes Chaplain's 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.

Notes to the Accounts

for the Year Ended 30 September 2015

19 Statement of Funds

	Fund Balance Brought Forward £'000	Incoming Resources £'000	Resources Expended £'000	Investment Losses £'000	Pension Scheme Actuarial Losses £'000	Transfers Between Funds £'000	Fund Balance Carried Forward £'000
Unrestricted income funds							
General funds	4,752	34,833	(32,286)	-	(2,315)	(320)	4,664
Realised and unrealised investment gains	4,518	-	-	(271)	-	-	4,247
Total unrestricted funds	9,270	34,833	(32,286)	(271)	(2,315)	(320)	8,911
Designated funds							
Fixed asset fund	8,591	784	-	-	-	(1,064)	8,311
Planned capital expenditure	1,301	-	(784)	-	-	1,048	1,565
Planned maintenance	6,291	-	(219)	-	-	501	6,573
Total designated funds	16,183	784	(1,003)	-	-	485	16,449
Restricted funds							
Patients amenities fund	1	1	-	-	-	-	2
Other restricted donations	936	893	(642)	-	-	(165)	1,022
Research grants	19	-	-	-	-	-	19
Training grants	37	-	(29)	-	-	-	8
John Howard Convalescent Home	467	-	-	(11)	-	-	456
Total restricted funds	1,460	894	(671)	(11)	-	(165)	1,507
Endowment funds (Note 18)	605	-	-	(13)	-	-	592
	27,518	36,511	(33,960)	(295)	(2,315)	-	27,459

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.

Notes to the Accounts

for the Year Ended 30 September 2015

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	-	8,311	-	-	8,311
Fixed asset investments	12,108	8,138	458	592	21,296
Net current liabilities	1,567	-	1,049	-	2,616
Pension liability	(4,764)	-	-	-	(4,764)
Total Funds at 30 September 2015	8,911	16,449	1,507	592	27,459

21 Contingent Liability

The group operates a defined benefit pension scheme, which was closed to new members on 1 November 2001 and closed to future accrual on 30 September 2006. At the date of the last triennial valuation, being 1 October 2013, the scheme reported a deficit of £1.8m under the technical provision basis. The trustees of the scheme have a charge over the group's land and buildings which was granted in August 2015 in order to secure the liabilities of the pension scheme. This charge expires on 31 December 2017.

Advisors and Other Organisations

Auditors

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

Bankers

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8021 Zürich

Investment Manager

Schroder & Co Limited
100 Wood Street
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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

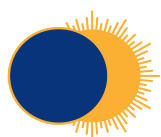
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website www.rhn.org.uk

Registered Charity Number 205907



Royal Hospital for Neuro-disability

A national medical charity
Registered Charity No. 205907