



Trustees of the London Clinic Limited

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020



A Company Limited by Guarantee and Registered in England and Wales No. 00307579
A Registered Charity No. 211136

Table of Contents

INTRODUCTION

Chairman's Statement	4	About Us	6
----------------------	---	----------	---

THE CHARITY'S FRAMEWORK

Structure, Governance and Management	9	Objectives and Activities	11
--------------------------------------	---	---------------------------	----

STRATEGIC REPORT

Coronavirus Pandemic	15	Risk Management	48
Achievements and Performance	20	Principles Risk and Uncertainties	48
Financial Review	45	Modern Slavery	49
Going Concern	47	Pay Policy for Senior Staff	49
Related Parties	47	Section 172 Statement	51
Reserves and Reserves Policy	47		

FINANCIALS

Trustees Responsibilities Statement	52	Consolidated Balance Sheet	57
Independent Auditors Report	53	Charity Balance Sheet	58
Consolidated Statement of Financial Activities	56	Consolidated Statement of Cash Flows	59
		Notes to the Financial Statements	60

APPENDIX

Reference and Administrative Details	78
--------------------------------------	----

This page has been
Intentionally left blank

Chairman's Statement

After an unprecedented year, I am pleased to provide The London Clinic's Annual Report for 2020. This report outlines the essential activities carried out by the hospital and staff, as well as notable achievements during a year which saw a global pandemic transform the provision of modern healthcare and the healthcare economy. Our charitable purpose, to support our community and develop healthcare so it may benefit others, has never been more relevant. The report contains excellent examples of work, pioneering treatment and continued innovation that has progressed throughout the year whilst we have supported our community and NHS partners (more on pages 16-17).

OUR STRATEGY

Our strategy was adapted at pace in Q1 to focus on our immediate objectives and keep our staff and patients safe, supporting the community and the NHS. Despite this our executive team, led by Al Russell, has maintained a focus throughout the year ensuring key projects continued. At the same time, strategic conversations have been held to ensure we build on the strong foundations established over the past three years. The aim is to augment this in the coming year, looking towards 2025.

OUR PATIENTS

Our patients have remained at the centre of everything we do at The London Clinic. We have supported our NHS Partner Trusts including UCLH, Royal Free and Imperial with 2,155 bed days and 981 day cases for their patients, including vital live donor renal transplants. Safety and infection control measures have been constantly reviewed to ensure patient and staff safety can be assured (more on page 17-19). Feedback from our NHS colleagues and from our own patient satisfaction surveys has shown our measures have been successful.

Our Key Performance Indicators remain within good ranges for hospitals delivering the breadth and complexity of care and services we provide. However, it has been a challenging year with isolated incidents that we have learned vital lessons from (more on page 27).

OUR PEOPLE

For all who work in healthcare it has been a demanding year and the staff at The London Clinic have stepped up to ensure continuity of care to our patients and those from our partners in the NHS. Our staff survey had a 94% response rate and across the board the feedback was positive (more on page 36). We have been able to keep vacancy rates low, especially in key nursing areas and our associate nurses' programme in partnership with University of East London has taken in its inaugural group of trainees (more on page 31).

PHILANTHROPY

Our philanthropic programme has grown and the implementation of our strategy has started to bear. We are grateful for a small network of donors who have been generous and donations have supported the expansion of our stem cell facilities and the development of a new outpatient centre.

INNOVATION AND PATIENT CARE

Similarly there has been progress with our innovation aims. In September we installed the new da Vinci Xi Robot into The London Clinic Centre for Robotics and over the course of the year introduced new endoscopic technologies. The first haemophilia trial was carried out by our research teams as well as a new trial for the treatment of hypertension. The London Clinic announced a formal partnership with Cleveland Clinic London, a non-profit healthcare provider opening in 2021. We will provide medical, radiation and other oncology services to patients who have surgery at Cleveland Clinic London.

OUR TRUSTEES

We have asked a lot of our trustees in 2020 and they have supported us every step of the way. Along with the management team, they have responded quickly to the demands of an ever-changing landscape. Their unwavering support and commitment, ensuring the Charity continues to thrive through and beyond the pandemic, has been superb. I am also delighted to introduce two new trustees, Commodore Inga Kennedy, who joined the Board in April 2021, and Philippa Hardwick, who joined in July 2021.

2021

As we continue to respond and adapt to the dynamic demands of the pandemic, we must also look forward to the longer term future of the Charity. Later in the year we will launch the 2025 strategy, built on the strong foundations of the three-year strategy that concluded in 2020. The new strategy is underpinned by our quality improvement programme in governance and a continuous commitment to driving improvements in patient safety. The close relationships established with our neighbouring NHS trusts continues to grow and new partners are entering the London market, bringing a fresh vitality to healthcare provision and the local environment. This will benefit patients as we all work together to find ever better ways to deliver care.

FINALLY

I could not be more proud of our staff during these pressured times and in the manner in which we and our consultants have worked together. They have frequently had to dig deep to ensure we were, and continue to be, able to deliver outstanding care whilst constantly adapting to the challenges presented. I cannot express sufficiently my heartfelt thanks to each and every one of them for the dedication, passion and courage they have demonstrated every day this year.



Hamish Leslie Melville
Chairman of the Board of Trustees

ABOUT US

Established in 1932 and situated at the heart of London's medical community, The London Clinic is the UK's largest independent charitable hospital. As well as receiving around 120,000 patient visits a year, we invest in life-changing research, pioneering treatments and pride ourselves on improving outcomes for our patients whilst advancing healthcare for all.

The London Clinic has a reputation for world-class medical expertise and technological firsts, but foremost, we are dedicated to providing patients with the best in personalised healthcare and medical expertise. Our team of over 900 leading consultants, surgeons and physicians provide an extensive range of medical and surgical interventions. Our medical inpatient and outpatient treatments focus on three core areas: cancer therapies, general surgery with a focus on digestive diseases, and musculoskeletal conditions.

Assisted by circa 1,700 clinical and non-clinical staff, our clinicians treat our patients in some of the most up-to-date and technologically advanced facilities in the UK. We are proud to offer the most comprehensive range of services of any UK independent hospital. The hospital comprises 234 beds, 10 theatres (including a hybrid theatre and two day surgery theatres), a pathology laboratory, an endoscopy unit, a radiology unit, a dialysis and a 13-bed Level 3 intensive care unit. These facilities are based on Devonshire Place and Harley Street.

Our specialist cancer care centre, The Duchess of Devonshire Wing, is an award-winning, eight-level facility offering patient access to state-of-the-art radiotherapy and chemotherapy suites, Europe's leading stem cell collection unit and 47 dedicated patient bedrooms for attentive, individualised care. It is also home to a modern café open to patients and visitors.

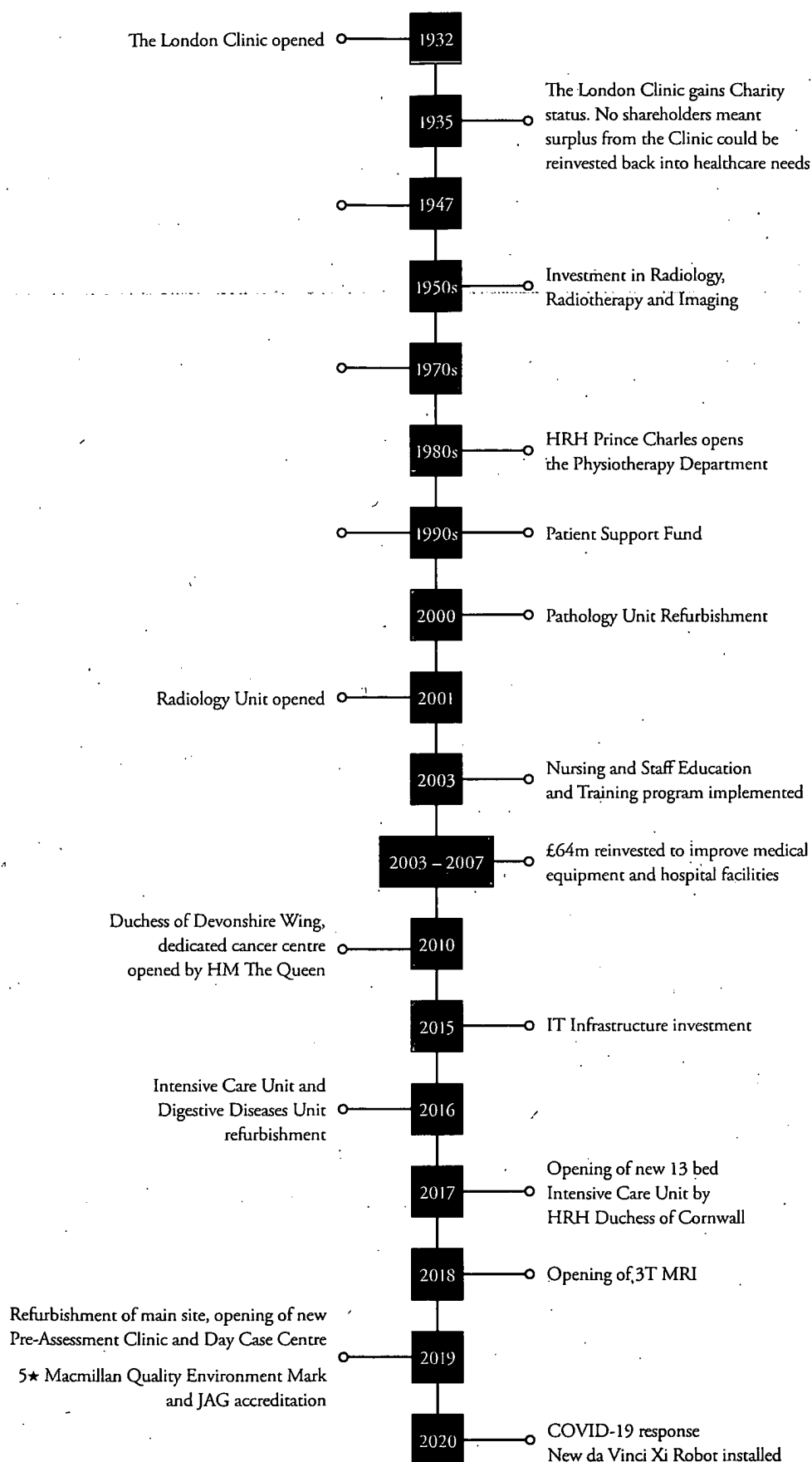
Our Heritage and History

In 1928, a group of leading medical specialists joined together to plan the establishment of a new nursing home. This was created using the highest possible specifications in terms of medical and building standards.

The plans evolved into a comprehensive private hospital and The London Clinic was opened on 18 February 1932 by the Duchess of York, accompanied by the Duke of York who later became King George VI.

The London Clinic was granted charitable status in 1935, and ever since has been committed to reinvesting its financial surplus to help improve health for patients and the wider medical community. These were the early origins of The London Clinic, a hospital that over the next 89 years would develop and grow to the vibrant organisation we know today.

THE LONDON CLINIC TIMELINE



The Charity's Framework

MISSION, VISION AND VALUES

Our charitable purpose is to advance healthcare for the benefit of our patients and the wider healthcare community.

Our Mission

As a charity, we reinvest our surplus to provide the best outcomes for our patients. We work in partnership to develop medical knowledge and expertise for the benefit of patients within our hospital, and in the wider community.

Our Vision

Our vision is to be the most trusted hospital. It is ingrained in everything we do; our values help us to deliver this goal. In all our relationships, trust is the one thing that will give others confidence that we can achieve something exceptional.

Our Values

Our values of caring, pioneering and inspiring reflect our beliefs and identify how we achieve our vision.

WE ARE CARING

We are welcoming, we respect our patients and each other. Our integrity is as strong as our compassion.

WE ARE INSPIRING

We are leaders in what we do. Our commitment to transparency, collaboration and honesty motivates others to provide ever greater outcomes for our patients.

WE ARE PIONEERING

We are at the vanguard of innovative healthcare and proud to draw upon the best minds, technology, innovations and research to advance and provide the best healthcare.

THE CHARITY'S FRAMEWORK

Our charitable status is fundamental to our identity and how we operate. It enables us to make investment decisions that support our clinical specialists which in turn benefits our patients, staff and the wider public. By reinvesting our financial surplus we are advancing healthcare and this is what makes The London Clinic more than just an independent hospital.

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Trustees of the London Clinic Limited (the 'Charity') is a company limited by guarantee registered in England and Wales (No. 00307579) and governed by its Memorandum and Articles of Association dated 29 June 2005. It is a registered Charity (No.211136) with the Charity Commission.

Trustees and Management

The Trustees of the Charity are the members of the Company and form the Board of Trustees, which is empowered by the Articles of Association of the Company to act as its directors for the purposes of company law. Trustees are nominated and elected by the Board of Trustees. An appropriate induction and on-going support programme has been created to meet the individual needs of new Trustees. This includes meeting with key personnel in the business and regular visits to clinical and non-clinical areas of the Charity.

The Charity has a Declaration of Interests Policy and maintains a Trustees Interests Register. The Trustees do not receive remuneration for providing their services to the Charity but expenses can be reimbursed. A key responsibility of the Trustees is to deliver the charitable objectives, whilst protecting the long-term future of the Charity by ensuring that it is well managed and financially secure and maintains the highest standards of patient care.

The operational management of the Charity is delegated to an Executive Board and the Trustees maintain its monitoring and oversight of the delegations through formal meetings and continuous informal communications. The Trustees of the Charity meet at least once a quarter to consider strategic, clinical governance, operational, and financial issues presented by the Executive Board.

The Executive Board is responsible for advising the Trustees on the strategic direction of the Charity and for the preparation of annual budgets and business plans in line with the agreed strategy. The Charity's financial performance against operational and capital expenditure budgets is reported monthly to the Trustees. *The Trustees met five times during 2020 and held eight extraordinary meetings during the first wave of the pandemic.*

The Governance structure of the Charity includes four sub-committees of the Trustee Board:

Nominations and Remuneration Committees

Chaired by Manish Chande, the Nominations and Remuneration Committee has responsibility for reviewing the size, structure and composition of the Board of Trustees and making recommendations with regard to the recruitment and appointment of Trustees and the Chief Executive (further detail on page 10). This committee is responsible for considering and setting the Remuneration Policy of the Executive team (further detail on page 49). Manish Chande, Hamish Leslie Melville and Professor John Gribben are members of the committee.

The Remuneration Committee met twice in 2020. The meetings of the Nomination Committee take place at the end of Board of Trustees meetings when required but there were none in 2020.

Audit and Risk Committee

This committee is chaired by Nicholas Melhuish, with Hamish Leslie Melville and Al Russell as members. The membership of the CEO is temporary until a third trustee member is recruited. It has delegated authority to review the establishment and maintenance of an effective system of integrated governance, risk management and financial, non-financial and non-clinical internal controls and external and internal audit, in support of the Charity's objectives.

The committee met three times during 2020.

Property, IT and Finance Committee

Chaired by Manish Chande, the Property, IT and Finance Committee has delegated authority to oversee financial strategy and planning, the property and capital investment programme and the IT strategy for the Charity. Hamish Leslie Melville and Nicholas Melhuish are members of this committee.

The committee met four times in 2020.

Clinical Safety and Quality Committee

This new committee was constituted in September 2020. The interim Chair is Hamish Leslie Melville but we have recruited a

The Charity's Framework

senior nurse, Inga Kennedy, as a trustee to chair this meeting in 2021. Professor John Gribben is also a member. The committee's purpose is to assure the Trustees that quality within the organisation is being delivered to the highest possible standards and that there are appropriate policies, processes and governance in place to continuously improve care quality, and to identify gaps and manage them accordingly. The Committee is also driving the Charity's quality improvement plans in governance. *The committee met twice during 2020.*

In addition, during 2020, the Trustees worked with the Executive team in a key steering group, the Charity Working Group, which, having fulfilled its purpose, was disbanded.

Charity Governance

The Trustees are committed to safeguarding the good governance of the Charity and recognise it is fundamental to its success. It enables and supports the Charity's compliance with the law and relevant regulations, as well as promoting a culture where all activity works towards fulfilling the Charity's vision.

The Charity has reviewed the recommendations set out in the regulatory alert issued by the Charity Commission in June 2020 as a result of its inquiry into the Royal National Institute of the Blind (RNIB). When applied to the Charity, no major areas of concern were found, however, there were some areas identified for further improvement. The Charity was already aware of many of them and action plans were already in place, including:

- Actively recruiting a senior nurse at trustee level – *achieved in Q1 2021*
- Improving complaints response timeliness back to pre COVID-19 levels – *improving*
- Writing and implementing a risk appetite statement for the Charity – *approved in Q2 2021*

- Preparing an update on clinical audit performance following recent recruitment into clinical audit lead role – *ongoing*
- 'PREVENT' anti-terrorism training for Executive Board – *completed in Q1 2021*
- Improving feedback process to staff following concerns raised – *ongoing*
- Reviewing supplier contract management to track progress including performance – *ongoing*

The annual evaluation of the Charity's corporate governance against the Charity Governance Code for Larger Charities (the 'Code') took place to provide assurance that governance practices continued to be appropriate and in line with best practice in the sector. A review was carried out and reaffirmed the 2020 position, with 88% of practices fully embedded (2019: 86%) with a further 12% (2019: 14%) requiring minor updates. Combined with the RNIB review findings, these are being addressed in the spirit of continuous improvement. Elements of the Code that the Charity has not applied are also explained in this report – these are: not advertising for trustee position (see below); and the Charity does not have a code of conduct for Trustees. A code of conduct is being developed.

The Board of Trustees reviews and evaluates the Board's performance annually. In addition to annual Trustee reviews, the Trustees formally evaluate the Chairman's ongoing appointment each year. This process is led by the Senior Independent Director. Newly appointed Trustees serve a one or three-year term which can be extended up to a total of nine years, following a review. Trustees providing specialised support to the Charity can serve longer, though their appointments are subject to a more rigorous review. Manish Chande has served 13 years as a Trustee and his continued appointment is supported by the Board. This is due to his expert support of the Charity's active property strategy and because he is the Charity's Senior Independent Director. Hamish Leslie Melville has served 11 years as a Trustee, the last four of which as Chairman. His continued appointment is supported by the Board, in particular for providing stability of leadership through the pandemic and into the next phase of the Charity's strategy. All other Trustees have served less than four years. To encourage diversity and combat the risk of overfamiliarity, the Charity has continued to actively recruit new Trustees at the rate of one a year and the board will expand to seven in 2021. Trustee recruitment is managed internally with support of a specialist recruitment agency. Open advertising of Trustee vacancies (as recommended in the Code) is not currently undertaken by the Charity although it will be considered for future roles.

Diversity on the Board and within the Executive team is reviewed and monitored by the Trustees through the Nominations Committee. The Charity actively supports diversity and held its third 'Diversity and Inclusion Week' in 2020. It maintained a Bronze Award from the National Inclusion Standard (more detail on pages 36-38).

A list of Trustees, key management personnel, advisors and principle addresses can be found on pages 78-79.

OBJECTIVES AND ACTIVITIES

The Charity's overall objective is to advance healthcare for the benefit of patients and the wider healthcare community.

We have three principle ways in which we achieve our mission:

EVER BETTER PATIENT CARE

We invest in the latest, cutting-edge facilities to ensure our patients receive excellent, individualised care in the best possible environment.

We invest in initiatives which will help our patients recover as quickly and fully as possible, supporting them as they move beyond our care.

We strive to be the most trusted hospital for patients and healthcare partners.

Through our compassionate and personalised nursing care, we treat patients with respect and dignity.

INNOVATION AND RESEARCH

We invest in life-changing, pioneering treatment that not only advances medical care at our hospital but across the global healthcare community.

We are able to test, develop and adopt ground-breaking equipment, often before other hospitals, which improves patient outcomes and will shape the future of care pathways and treatment options.

Our aim is to provide our patients with innovative treatment choices and enable access to novel therapies that may not be available elsewhere.

We create an environment in which leading healthcare professionals are empowered to innovate in their chosen fields.

TRAINING AND EDUCATION

We are committed to investing in education and training to develop our staff, their careers, learning and development.

We enable those in the wider healthcare community, such as fellows studying to become consultants, to continue their professional development and research as well as providing GP education sessions.

We work with the NHS and local universities to provide placements for students studying Radiography, Physiotherapy and Nursing.

We bring the wider community together through building partnerships with other healthcare organisations for the benefit of our patients.

The Charity's Framework

DELIVERING OUR CORE PURPOSE

5,076

Number of
inpatient admissions

13,716

Number of
day case admissions

23,258

Number of patient days

33,881

Number of diagnostic
scans performed

57,879

Number of
drugs dispensed

5,457

Number of radiotherapy
fractions delivered

1,226

Number of employees

982

Number of consultants
(as of 31st December 2020)

110,020

Number of meals served

62,395

Number of physiotherapy
sessions

2,155

NHS inpatient days and
981 NHS day cases patients.

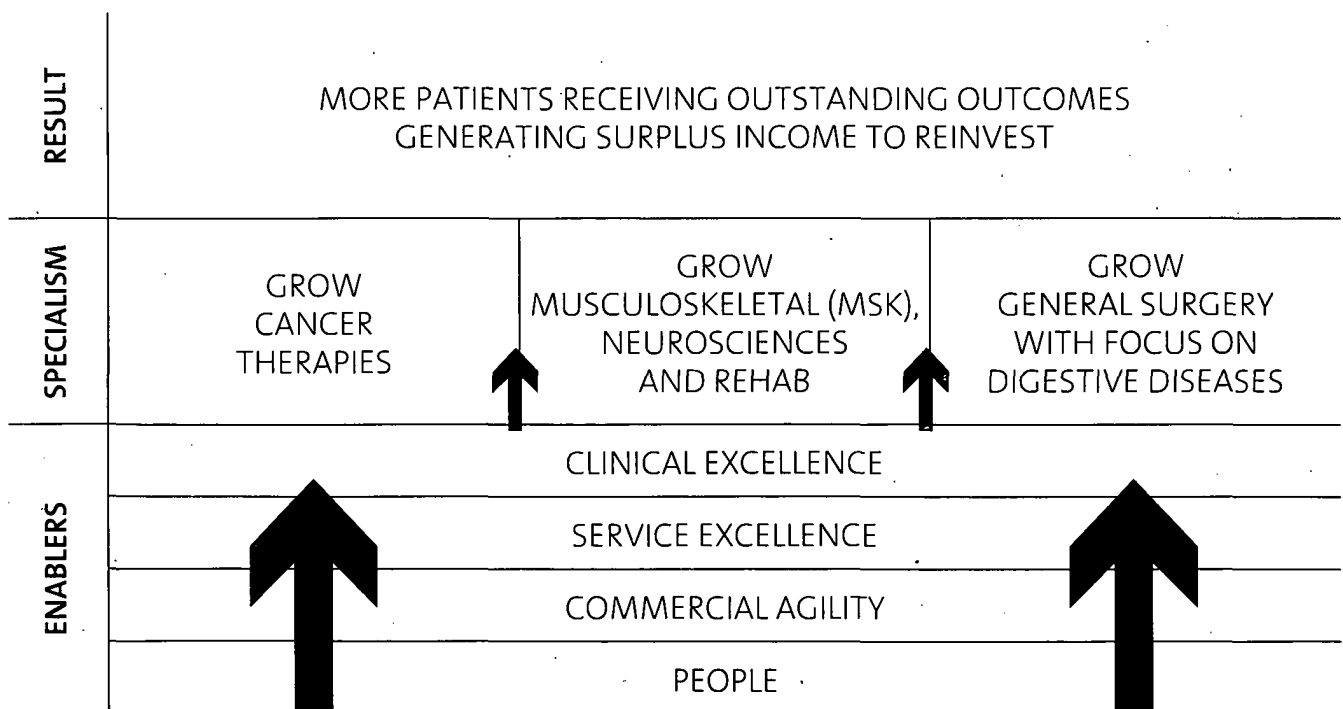
44,873

Number of COVID-19
PCR tests run

OUR STRATEGY

2020 was the final year of our current three-year strategy and, despite the pandemic, the Charity continued in line with the strategic plan. The focus of the hospital remained on three core specialisms: *cancer, musculoskeletal and general surgery with an emphasis on digestive diseases*. These clinical areas were underpinned by four enablers, with a particular concentration on streamlining processes, improving financial performance and delivering better satisfaction and efficiency for employees, patients and consultants.

The Executive Board took time to look towards 2025 and augment the former three-year strategy, which concluded in 2020, with a further five-year vision. This underpins the 2021 strategy and will be shared in the next annual report.



PATIENT CASE STUDY – AMISHA THOBHANI

Amisha has been coming to The London Clinic since 2005 when she was first diagnosed with a suprasellar meningioma. Her surgeon, Mr Peter Bullock, has been by her side for over 15 years, providing treatment and support for Amisha's first and two subsequent tumours. Here Amisha shares her perspective on living with and treating meningiomas.

“I was diagnosed by chance with a suprasellar meningioma in 2005.

I had been having occasional headaches for years and the vision in my right eye had gradually blurred, but I put this down to long periods working at computer screens. I saw

an optician and was advised to wear glasses for screen use and have regular check-ups. It was at a check-up when a new optician noticed something abnormal behind my retina. She referred me to a specialist at Moorfields Eye Hospital who then sent me to The London Clinic.

As soon as the ophthalmologist had checked my eyes, I was sent for an MRI scan, and shortly after I was told I had a suprasellar meningioma on my optic nerve. Two days later I met Mr Bullock and I have been under his care ever since.

Unfortunately, this was only my first brain tumour. I underwent a nine-hour craniotomy to remove this tumour and spent 15 days in hospital. Meningiomas can recur, so regular scans are part of your follow-up and in 2010 another tumour was identified, this time in the occipital lobe of my brain. It quickly doubled in size so I underwent a further craniotomy to remove it. No one expected to find a third tumour but, in 2015, a growth recurred at the site of my original tumour.

This time invasive surgery was deemed too dangerous so I was given CyberKnife radiotherapy to shrink the tumour. I have now been living with this tumour for five years and it is currently stable. Removing the tumour is not the end of the story.

Recovery from brain surgery is long and difficult. I have had to learn to live with partial blindness, as a result of tumour damage to my optic nerve and, at times, I have been debilitated with brain fatigue. This type of fatigue is specific to brain injury patients and can last for years. It is

an invisible illness; on the outside we all look fine but no one sees the emotional trauma on the inside such as feeling lost and helpless, mood swings, depression, memory loss, exhaustion and personality changes. This also takes its toll on family and friends. I had only been married two years when I was first diagnosed and it turned our lives upside down. And, just over a year after my first tumour was removed, I gave birth to twins! I could not have coped without the support of my family who have been amazing throughout.

The London Clinic has been like a home away from home. What differentiates The London Clinic is that everyone from the cleaning staff to the medical team are so welcoming and attentive. I also owe a debt of gratitude to Mr Bullock. He is a brilliant surgeon and a wonderfully kind and supportive person who has been a calm and reassuring presence throughout my treatment. My surgeries have given me a second chance at life; allowing me to be a wife, a daughter, a sister, and a mother, and demonstrating that you can overcome adversity and trauma by being positive and having faith. ”

OUR COVID-19 RESPONSE

Throughout the year, new processes, initiatives and essential infection control measures were introduced to help keep everyone safe whilst patient care continued. Good communication became vital and we established a Gold Command structure with weekly gold, silver and bronze command meetings. These reported on the critical areas of the hospital's COVID-19 response, including supplies, staff absence and patient infection control measures. Eight extraordinary trustee meetings were held to keep trustees apprised of the developing situation.

The coronavirus pandemic changed our 2020 objectives and we worked throughout the year to keep our people safe and support our community. We were proactive in our efforts to work towards these objects and examples of how we pursued them are outlined below. In acting to keep people safe and support our community, we were able to safeguard our institution and ensure the continuity of our services for the benefit of our patients and the wider healthcare community.

Coronavirus Pandemic

HOW WE SUPPORTED OUR COMMUNITY

The Charity joined the rest of the independent sector and gave NHS England full access to the hospital, including theatres, cancer services, the ICU unit and staff. 2,155 bed days and 981 day cases were provided for NHS patients from numerous London NHS Trusts including the Royal Free London NHS Foundation Trust, Imperial College Healthcare NHS Trust, University College London Hospitals NHS Foundation Trust, St Barts Health NHS Trust and St Marks Hospital. These partnerships meant our staff were treating NHS patients undergoing and recovering from complex procedures such as renal transplant, cancer surgery, endoscopy, gynaecology and colorectal treatments.

WORDS FROM A CONSULTANT ON BEHALF OF ST. MARK'S HOSPITAL

“On behalf of the team I wanted to express our gratitude to you for helping set up such an incredible cancer pathway so quickly in response to our plea for help. Over a two week period nineteen patients were operated on at The London Clinic. There were NO deaths or major morbidities (such as return-

to-theatre). To date there have been no re-admissions.

There is indeed a long relationship between the surgeons of St Mark's Hospital and The London Clinic that has now spanned generations. I understand that your remit has changed and I suspect that by

the end of this crisis you will have established yourselves as the leaders in your field in this new role! Once the pandemic subsides we will have a great deal of work to undertake as part of the recovery and I sincerely hope that your skills will be utilised appropriately, if not by us, by others for patient benefit.”

FROM THE TEAM AT THE ROYAL FREE HOSPITAL

In June, in response to the needs of colleagues and patients from the Royal Free and Imperial College NHS hospitals, we successfully re-introduced live donor renal (kidney) transplants. Multiple procedures took place with no reported infections, no complications for those giving or receiving a kidney and no complaints from any patients.

“Just to say an enormous "thank you" on behalf of the Royal Free team for what has been a busy but incredibly productive and enjoyable two weeks. All of our patients have done well, and

we are aiming for the final patient to be discharged on Sunday.

The care provided to them on the ward, in theatre and on the critical care unit was exemplary, and I really cannot think of anything that I would ask for differently, should we return with another "batch" of transplants.

The enthusiasm, interest and dedication of all of your staff is a credit to your organisation, and we are looking forward to continuing our association with The London Clinic and the vascular access programme.”

The Charity loaned equipment to the NHS Nightingale Hospital, London, established by NHS England as part of the COVID-19 pandemic response.

Equipment included:

- | | |
|----------------------------|--|
| ■ 4 anaesthetic machines | ■ 12 syringe drivers |
| ■ 1 hemofiltration machine | ■ 7 pump/driver docking stations |
| ■ 5 patient monitors | ■ Personal Protection Equipment (PPE) donated to support the unprecedented demand. |
| ■ 2 ventilators | |
| ■ 12 volumetric pumps | |

In addition, 25 clinical staff members supported the NHS team at The NHS Nightingale Hospital at the Excel Centre.

■ **Collaboration with the wider community**

The Charity joined with St Marylebone Church throughout the pandemic to provide enriched support for those in need in Westminster (more on page 42).

KEEPING PEOPLE SAFE

Utilising a donation, the Charity purchased two PCR analysers which are used to detect the COVID-19 virus. This ensured patients could be tested for COVID-19 prior to admission and throughout their stay. Investment in virology further increased our testing capacity, while also enabling the introduction of rapid PCR and COVID-19 antibody test processing at our pathology laboratory. We were able to offer these services to external clients.

Once PCR testing was available, surveillance testing was carried out for all patient facing staff whilst at work, with extra testing provision available over the Christmas period to support return to work.

The Charity funded over 800 antibody tests for its staff to assess the impact of COVID-19 after the first wave of virus infections, when PCR testing was not widely available. Antibody tests were also made available to the public at a small charge.

44,873

COVID-19 tests were processed in 2020

Coronavirus Pandemic

FOR STAFF

We introduced a range of new initiatives to promote safety and wellbeing.

These included:

PPE

Despite a worldwide shortage of PPE during the first few months of the pandemic, the Charity maintained a constant supply throughout 2020 for all clinical and patient-facing teams. PPE training roadshows were introduced for all onsite teams to ensure staff wore and used equipment correctly.

FREE FACE COVERINGS

These were provided for all staff to use whilst travelling to and from work.

NEW ONE-WAY SYSTEMS CREATED THROUGHOUT ALL OUR BUILDINGS

2,000 new signs were displayed throughout the hospital to support patient and staff safety around our buildings. One-way systems were introduced, along with separate areas for COVID-19 positive patients.

TEMPERATURE CHECKS

Staff checked patients and visitor temperatures before allowing them access to any of our buildings. In early 2021, we introduced automatic temperature scanning equipment.

REGULAR NEWS UPDATES

New webpages were created for patients, staff and consultants to provide regular updates on the rapid changes impacting care and access to our services.

WORKING FROM HOME

In late March we introduced a policy of working from home where it was possible to do so.

IT UPGRADE

Our original IT infrastructure was not designed to support so many concurrent home users. Its capacity was more than doubled to enable more staff to work effectively and productively from home. New online working tools were sourced and implemented, along with the provision of additional laptops. This was bolstered with additional learning and development activities to keep staff motivated and supported with their health and wellbeing throughout lockdown.

'QUESTION TIME WITH THE BOARD'

This virtual staff communications event was introduced along with coffee and chat sessions for people who were shielding or furloughed (more information on furlough on page 35 and 45).

ONLINE TOOLS

Personal development moved online, along with induction training for new staff (more on page 34).

FREE PARKING INCLUDED

During the first wave of the pandemic, staff were given access to free parking by Westminster Council and Royal Parks as well as discounted hotels for those who were required to stay close to site. In response to the reintroduction of the TfL congestion charge, the Charity paid the fee on behalf of the staff over a period of time to provide further support.

COVID-19 TESTING AND ANTIBODY TESTING

All staff had regular tests processed by our in-house pathology laboratory.

FOR PATIENTS

We introduced a range of new initiatives to promote safety and wellbeing.

These included:

NEW SAFETY FILM

This film informed patients of new safety measures and what to expect during their stay at our hospital, given the change in the environment and infection control measures.

A DEDICATED INFECTIOUS DISEASE UNIT

This was introduced for COVID-19 positive patients to ensure that they had dedicated care, led by an employed consultant. The unit includes negative pressure rooms to ensure infections are not spread. Patients who were free from COVID-19 infection were located away from the ward.

THE HELPING PATIENTS KEEP IN TOUCH DURING THE PANDEMIC PROGRAMME

Essential infection control measures prevented patients receiving visitors, so we launched this programme specifically to support our patients and their families. During what can be a very anxious time, the programme provided a messaging service for patients. Relatives sent messages via a dedicated email address and a member of staff wrote, by hand, the message on a heart-shaped card, which was then left beside the patient's bed. The team also provided tablets to facilitate virtual calls between patients and relatives.

CONNECT

Consultations were facilitated through Connect, enabling traditional outpatient appointments and services to continue online. Using this platform, patients could access consultations and virtual therapy services, including physiotherapy, occupational therapy, dietetics, clinical rehabilitation, speech and language therapy, psychology and counselling (more on page 20).

ACHIEVEMENTS AND PERFORMANCE

Understandably, the pandemic prevented us from achieving all of the objectives set out at the start of the year and activities were put on hold or delayed. Despite this, the Charity was able to maintain all accreditations as a direct result of the continued dedication and flexibility of our staff. We remain focused on driving quality improvement in our governance to improve standards of patient care and safety. We have also continued to be innovative and support staff training and education.

Ever Better Patient Care

CONNECT

The Charity's new **digital communication Connect** was launched during the early stages of pandemic, thanks to the concerted efforts of the International, Physiotherapy and IT teams, who set about looking for a remote platform that worked within legal, regulatory and professional frameworks. This service was invaluable during the pandemic and allowed the Charity to continue to provide high standards of patient care. 1678 remote sessions have been provided for patients during 2020.

Once restrictions began to lift in the summer of 2020, The Chartered Society of Physiotherapy released guidance which recommended a virtual first approach for patients, prior to booking face-to-face appointments. Since then, 542 initial consultations have taken place without the need for patients to come into the hospital. Connect continues to be used for pre-assessment appointments, new patient appointments and follow-up appointments. From Q2 2021, it will be used by patients accessing our new virtual fracture clinic.

The growing relationship with the platform provider has led to **awards for innovation "Best Use of Technology" in IMTJ Travel Awards in 2020**. Both the patient and on-boarded clinician numbers are continuing to grow and seven therapy disciplines and 37 individuals are now using remote consultations to support their patients safely. This includes Physiotherapy, Occupational Therapy, Dietetics, Speech and Language Therapy, Clinical Rehabilitation, Clinical Psychology and Counselling.

THE TALKING HEALTH PODCAST

The **'Talking Health' podcast** was introduced in 2020. It features the physical, clinical and psychological aspects of healthcare from the perspectives of the patient, as well as their clinician. The first podcast focused upon robotics surgery and prostate cancer, featuring interviews with Professor Prokar Dasgupta and his patient who shares the story of his experience with the successful and innovative treatment he received.

THE HEALTH AND SOCIAL CARE NETWORK (HSCN)

During the year the Charity completed an extensive project to embed The Health and Social Care Network (HSCN). This allows the Charity to provide seamless support to, and engagement with the NHS. It is a standards-based network that is replacing the N3 network in the NHS and is used by independent healthcare providers to ensure stringent governance standards are met. It allows us to access and exchange electronic information easily and securely. We started with the Image Exchange Portal (IEP) which is used to share radiology imaging electronically between us and NHS organisations.

CENTRAL REGISTRATION PILOT

The **Central Registration pilot** was launched in 2020 to make it easier and faster for patients to book in and help clinicians refer and admit surgical patients to the hospital. The process for booking in patients is now much smoother, all information is gathered in advance and there is real time tracking of appointments in consulting rooms.

THE PATIENT FORUM

In 2020, the **Patient Forum** met three times, welcomed two new members and was responsible for the launch of the Helping Patients Keep in Touch During the Pandemic Programme.

PATIENT EXPERIENCE WEEK

Despite the pandemic, the Charity celebrated **Patient Experience Week** with hospital-wide pledges to demonstrate the commitment of our staff in offering the highest quality of care and experience for our patients. All staff pledged towards one of four key topics, support shared on social media channels:

- | | |
|------------------|----------------------|
| ■ Compassion | ■ Patient Experience |
| ■ Patient Safety | ■ Environmental |

The week was an important opportunity to recognise the excellent work being carried out by all the clinical and non-clinical staff who went the extra mile in delivering high standards of compassionate and personalised care, recognising the contribution they made to improving the lives of our patients. Positive patient and consultant quotes were shared with the teams on a daily basis.

“All elective surgery at the Department of Gynaecological Oncology ceased at The Royal Free London Hospital on 23rd March 2020, due to the pandemic. As a result of your help and efficiency, we were able to transfer our service completely to The London Clinic and commence a full operating schedule on Monday 30th March 2020. The administrative and practical issues were handled efficiently by Zivile. Thank you, as my team were delighted with the ward, nursing and theatre staff.”

From a consultant gynaecological oncologist in the NHS

“The Team is ALWAYS polite, professional. Thank you SO much. I'll miss coming here! You do a fab job, the chefs do a great job, too.”

From a patient

“The nursing staff were excellent [during my recent visit], as indeed was the whole experience. I was impressed with how attentive the staff were when I was standing in the corridor awaiting discharge. My wife reported on the very impressive professionalism and commitment to confidentiality that the receptionist staff had. Working within the same business, I realise how important reception staff are, as they can make or break relationships.”

From patient who is also a consultant

PATIENT SATISFACTION 2020

98.8%

Patients said they would be
"Extremely Likely" or "Likely"
to recommend

98.9%

Patients rated experience of
our service as "Very Good"
or "Good"

98%

Patients rated their welcome on
arrival as "Good" or better.

99%

Patients rated their anaesthetist
as "Good" or better

97.6%

Patients answered "Yes, definitely"
when asked if they had
confidence in their consultant

97.8%

Patients answered "Yes, always"
when asked if they were treated
with respect and dignity

96.6%

Patients rated quality of food
served as "Good" or better.

91.6%

Patients answered "Yes, definitely"
when asked if they were involved as
much as they wanted in decisions

99.1%

Patients rated cleanliness of
room/bathroom as "Good"
or better

These figures are based on opinions of 2501 inpatients responding during 2020

SOCIAL MEDIA STATS

Google	As of 31 December our score was 4.2/5 with 221 reviews
LinkedIn	21,703 followers at end of 2020. We 'collected' 11,852 followers in 2020 and celebrated reaching 20,000 followers

Strategic Report

Moving to virtual meetings for MDTs was essential during the pandemic, and came with the added benefit of increased consultant attendance due to the greater flexibility provided. Hand-in-hand with this was the percentage of oncology patients being discussed at an MDT before treatment increasing from 87% in Q4 2019 to 92% in Q4 2020.

One of the two boardrooms which were updated

The Moving On from Cancer Programme is a free of charge workshops for patients who have recovered from cancer, providing sessions on health and wellbeing once cancer treatment has ended. Patients have access to counselling services, as well as a nurse to ask questions. Due to the pandemic, these workshops were postponed and virtual sessions trialled, however, feedback indicated that our patients would prefer face-to-face meetings. This programme will restart once restrictions are lifted.

We were unable to carry out **Patient-Led Assessment of the Care Environment** as part of our usual annual assessment due to the pandemic. We plan to recommence the assessment in 2021 and will report on it in the next annual report.

RADIOTHERAPY DEPARTMENT EXCEEDS 5,000 FRACTIONS

In 2020, the Radiotherapy department underwent a quality drive to highlight how interactions with patients and consultants can influence future referrals and fractions (number of treatments). The team achieved and exceeded their target of 5,000 fractions in 2020 by strengthening its quality-led approach and nurturing relationships with referrers, consultants and patients.

Service Improvements and Refurbishments

In March 2020 the Charity **outsourced some key IT infrastructure services** as well as our service desk to Arkphire as part of our vision to transform the hospital into a more digitally enabled and efficient business. This offered us a more cost-effective route to improving and securing the IT infrastructure in a way which accelerated transformational technology deliverables. The outsourcing has provided improved service levels.

Our **2020 refurbishment plans were mostly put on hold**, as focus was shifted to adapting the clinical environment for enhanced infection control measures and health and safety protocols. However, some work was carried out including:

- Improvement of the surroundings in which patients received treatment throughout the hospital, while implementing COVID-19 pathways and systems.
- Re-opening of the first floor, after extensive modernisation which respected the history of our 1930s building. This floor was immediately purposed to support renal transplant patients from the Royal Free and other NHS hospitals.
- Programme of works in theatres including reconfiguring the robotic theatre to create efficient space, installing the new Xi robot; building a new sluice for Theatre 6, improvements to the Recovery layout as well as standard floor and decoration works including new doors.
- Taking advantage of therapies services being delivered remotely, extended and refurbished treatment rooms were put in place, the gym refurbished and the hydrotherapy pool was retiled.
- The two boardrooms were updated, with new audio/visual and IT equipment to enable enhanced communications and virtual meetings for our oncology multidisciplinary teams (MDTs).

WE HAVE RETAINED ALL OUR STANDARDS FOLLOWING
INSPECTIONS FOR THE FOLLOWING:

**Macmillan Quality
Environment Mark
(MQEM)**

CPA
for Microbiology and
Histopathology Under ISO15189

JACIE Accredited
for Stem Cell

ISO 13485
for Decontamination of
Flexible Endoscopes

MHRA Regulated
for Blood Transfusion Service

**Human Application
HTA Licence**
for Tissue and Cell Procurement,
Processing, Storage, Testing,
Distributing, Import and Export
and Research

HTA Licence
for Organ Donation and Transplant

**ISO9001:2008
Approved**
by Lloyds Register Quality
Assurance for Radiotherapy

CHKS Accreditation
for Oncology

ISO9001:2015
Radiotherapy, Medical Physics and
Radionuclide Therapy Services are
ISO9001:2015 Accredited and
Comply with Ionising Radiation
Regulations 1999 and Ionising
Radiation (Medical Exposure)
Regulations 2000

Submissions to the Private
Healthcare Information Network
(PHIN)

JAG
Accredited



Accreditations

Accreditations are official recognition that an organisation is competent to perform specific processes, activities, or tasks in a reliable, credible and accurate manner. They allow the Charity to demonstrate we are performing to a required level of practice in accordance with agreed standards of excellence. The pandemic undoubtedly changed the way inspections took place and our clinical teams adapted to virtual and remote inspections as part of the accreditation process, but many national and international accreditations were retained.

In July 2020 we awarded the **CHKS Standards for Health and Care Organisations 2020 accreditation for our radiotherapy service**. This enables a healthcare organisation to compare itself against a nationally and internationally recognised framework of organisational standards, including ISO9001:2015 certification. The Radiotherapy department opened in 2009 and has two matched Varian linear accelerators, a CyberKnife, a dedicated CT scanner and also provides Radionuclide Therapy and Intra-Operative Radiotherapy (IORT) for breast and colorectal cancers.

A CHKS inspector commented:

“Quality is well embedded at The London Clinic. Teams continuously horizon scan for possible improvements, but importantly, change is never instigated purely for the sake of change. Where lots of other organisations have let quality improvement, audits and document management slide during the pandemic, the proactive attitude of the teams of The London Clinic has ensured that progress has been continuous and meaningful. In fact, the pandemic has been used to the hospital's advantage. The work that has been done during this time has been inspiring.”

First achieved by the Endoscopy team in 2019, **JAG accreditation** was again given by The Royal College of Physicians Joint Advisory Group on gastrointestinal (GI) endoscopy (JAG) for 2020. The Endoscopy service carries out thousands of endoscopy procedures each year and many of these procedures are highly complex and specialised in nature. JAG Accreditation denotes a service delivering safe, quality care, within a patient-centered environment.

The Joint Accreditation Committee ISCT-Europe & EBMT (JACIE) demonstrates the Charity's processes and standards meet international best practice and that we have a standards-based framework for quality assurance and improvement. In addition to the JACIE accreditation already held for stem cell therapy, we are currently compiling gap analysis of the JACIE 7 standards for Chimeric antigen receptor T-cell therapy (CAR-T) and there is a key focus on internal audits. An inspection date for CAR-T therapy was planned for November 2020, but it is now planned for 2022 and will be detailed in next year's report.

United Kingdom Accreditation Service (UKAS) is the sole national accreditation body recognised by the British government to assess the competence of organisations that provide certification, testing, and inspection and calibration services. The Charity maintained UKAS accreditation in 2020. This means our laboratory processes and examinations meet international best practice standards and that we have a standards-based framework for quality assurance and quality improvement. Pathology maintained UKAS accreditation in all four disciplines: Biochemistry, Haematology (including blood transfusion and stem cell laboratory), Histopathology and Microbiology (including Immunology).

This page has been
Intentionally left blank

Key Performance Indicators

We measure our progress using a range of financial and non-financial performance indicators, all of which are aligned to our strategy. Our key performance indicators (KPIs) are shared throughout the organisation to promote accountability and to act as a management tool.

Our quality and safety assurance framework includes regular measurement of clinical key performance indicators as defined nationally and internationally, and we compare our scores

to the most relevant up-to-date benchmarks available from a variety of sources. The key indicators include six of the industry standard quality indicators reported here with the benchmarks coming from the Centre for Health and the Public Interest (CHPI), Falls and Fragility Fracture audit programme, CHKS and the NHS Safety Thermometer. We believe our outcomes sit comfortably within normal ranges for hospitals delivering the breadth and complexity of care that we provide, however, we continuously strive for improvement.

KEY CLINICAL PERFORMANCE INDICATOR	BENCHMARK	2020	2019
Patient returns to theatres	0.13%	0.53%	0.50%
Unplanned patient transfers out to other hospitals	0.17%	0.09%	0.13%
Unplanned readmission within 29 days	7.40%	0.47%	0.95%
Patient falls per 1,000 occupied bed days (OBD)	6.63%	2.53%	2.08%
Hospital Acquired Venous thromboembolism (VTE) rate	0.40%	0.40%	0.26%
Grade 2 and above pressure sores	4.50%	0.37%	0.34%
Patient satisfaction score	95%	99%	98%

As can be seen above, we have had an **increase in the KPIs for Venous ThromboEmbolism (VTE)**, patient falls and patient returns to theatres. As part of our response, the **Patient Falls Prevention Working Group** was revisited and localised falls improvement plans have been put in place with a focus on collaborative learning. This included MDT input and a review of e-learning and training schedules.

As part of our VTE improvement plans we have focused on **improving early identification and documentation of VTE risk** through training and auditing VTE assessment and reassessment compliance levels. The following measures were put in place:

- Assignment of a dedicated VTE senior nurse to focus on driving improvements
- Development of an audit tool to assist with tracking compliance levels
- VTE compliance checks are now discussed daily at morning and afternoon meetings to ensure that drug charts were adequately highlighting the VTE risks for patients
- A range of on the spot, one-on-one and group training was provided to both the day and night shift teams, focused on VTE risk assessment documentation on admission. This is in addition to a mandatory e-learning module for all nursing staff
- The VTE policy and supporting resources were made easily accessible for staff to refer to on the wards if required
- VTE leaflets were made available and printed in multiple languages to support our patients
- We established the role of VTE link nurses on the wards to provide further support to staff and drive improvement.

This activity has resulted in improvements and it is anticipated more measures will be operational by the end of 2021.

In our 2019 annual report we highlighted that we had experienced an increase in the **patient return to theatres metric** – this year's figure is in line with the 2019 performance with just a very slight increase. Analysis of the incidents has not identified any particular themes or areas of concern; the hospital continues to have a high level of complex surgeries in theatres which is the primary reason for the elevated percentage. Our surgeons and theatres team reflect on what the cause of each theatre return was and what could have been done differently. We are looking at designing a data collection tool for all returns to theatre to better identify the cause of returns. This will help to identify an appropriate benchmark, which will take into account the complex mix cases undertaken at the hospital and associated risks for 2021.

We started work on a more collaborative approach to patient safety and have augmented areas of focus into the **Harm Free Collaborative Care Initiative**. The initiative includes: pressure ulcers, falls, VTE, Catheter associated urinary tract infections and medication incidents where harm may have occurred. Every incident is reviewed in a patient-centred case review. We then consider what learnings can be taken to improve the care we provide and share the findings from this approach which underpins our culture of strong incident reporting.

At the peak of the pandemic, as we supported the NHS with surgery, the hospital recorded **5 incidents of a serious nature, including 4 'Never Events'**. Our last previously recorded Never Event was in 2017. For each of these events, we ensured absolute candour with the patient and their families was maintained. Detailed and external root cause analyses was undertaken under the Medical Director's leadership, and all actions from the learnings are either delivered or in progress.

This page has been
Intentionally left blank

Innovation and Research

Despite the pandemic and the economic environment, we continued to invest in innovative technology and research to improve the care of our patients.

Highlights include:

- In 2020, the Charity invested in the **GI Genius™**, which uses artificial intelligence (AI) to enhance the quality of colonoscopies to detect colorectal polyps, offering improved early detection of colorectal cancer. By acting as a second observer during colonoscopies, it assists doctors by analysing the video stream - identifying lesions and small mucosal abnormalities that may signal cancer.

Dr Rehan Haidry, consultant gastroenterologist, said:

“We are thrilled to introduce the GI Genius™ system at The London Clinic. The system represents an important advancement in technology and is a crucial step in the fight against colorectal cancer, supporting both patients and doctors. The technology is incredibly powerful and is proven to be extremely effective.”

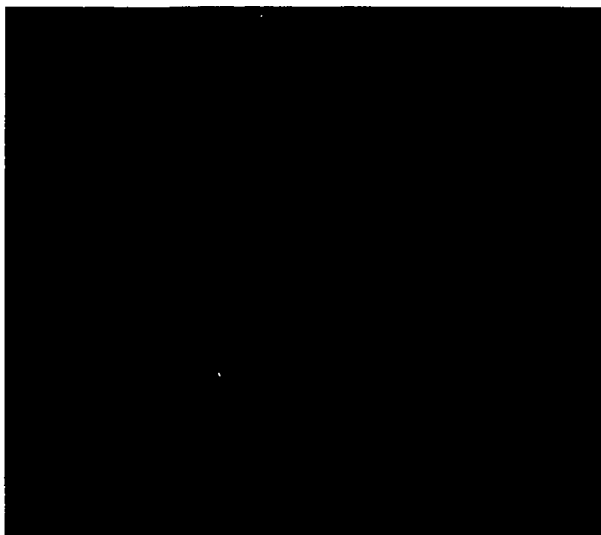
- We continued to build on the ground-breaking **Chimeric Antigen Receptor T-cell (CAR-T) Therapy**, a cutting-edge treatment for adults with diffuse large B-cell lymphoma, treating two patients in 2020.
- **Prostate brachytherapy** was reintroduced as a new service. It went live in Q3 of 2020 offering two techniques, each used by a different set of consultant groups based on their preference. One group uses the individual radioactive seeds and the second uses a chain of the seeds to implant. The result is the same in achieving a dose to cover the treatment volume.

- Our hospital was the first independent hospital to offer robotic surgery and we have become the first world-leading specialist centre dedicated to robotics. In 2020, the Charity acquired the latest robot in the **da Vinci Xi Surgical System** which has been installed in our dedicated robotic theatre. This computer enhanced surgical robot is designed to mimic a surgeon's hand and wrist movements for improved accuracy and can be used across multiple surgical disciplines including urology, orthopaedics, gastrointestinal, colorectal, ENT and gynaecology.

Professor Prokar Dasgupta, urology consultant and clinical lead for The London Clinic Centre for Robotic Surgery, said:

“I am thrilled that the new da Vinci Xi has arrived. We have had every version of this robot since its early days 15 years ago. It puts us at the cutting edge of keyhole surgery across multiple surgical disciplines, for the greater benefit of our patients.”

- In November, Mr Senthil Nathan, a consultant urological surgeon specialising in robotics and minimally invasive surgery, broadcast a live procedure from the hospital on the da Vinci Si surgical system. Over 5,000 clinicians watched the live stream which was broadcast world-wide by the European Association of Urology as part of its annual congress.



THE LONDON CLINIC RESEARCH CENTRE

The First Haemophilia Trial

In May 2020, working with colleagues at St Barts Health NHS Trust and Sigilon Therapeutics, we were able to provide the surgical aspect of the phase I/II clinical trial for Haemophilia A patients. The impact of COVID-19 on NHS services meant the surgical part could no longer be guaranteed within the NHS. The trial evaluates the safety, tolerability, and preliminary efficacy of a novel treatment in adult male patients with severe or moderately severe haemophilia A across clinical centres in the United States, the United Kingdom and the European Union. In October 2020, following months of intense trial set-up involving the Haematology team from the Royal Free London Hospital, The London Clinic's Clinical Research Centre, the theatre team, pharmacy and ward staff, we were the first centre in the world to perform the successful administration of this therapy. The patient received the treatment in theatre via a laparoscope (a keyhole approach) into the abdominal cavity. They withstood the treatment well and trial results are yet to be finalised.

■ Working with Ablative Solutions (the sponsor company) and collaborating with St Barts Health NHS Trust, we undertook a **trial investigating a new innovation for the treatment of hypertension (high blood pressure)**. We are evaluating a system kit which is designed to target nerves known to influence the body's regulation of blood pressure. This procedure is undertaken in our angio-suite and involves a catheter being advanced through a small incision in the groin and guided up to the renal arteries using angiography (X-Ray). Once in place, the system delivers a small dose of dehydrated alcohol to the region just outside the artery where these target nerves are located. In 2020 we performed 14 of these procedures, in conjunction with St Barts Health NHS, and will continue in 2021.

■ The Charity continues to be the **largest stem cell collection centre in Europe**, with our partners the Antony Nolan Trust, British Bone Marrow Registry and DKMS. We collect and store over 700 stem cell donations a year and we were the first independent hospital in the UK to gain the Joint Accreditation Committee ISCT–Europe EBMT (JACIE) accreditation accolade in recognition of our quality standards in stem cell work. In 2020, work started to increase the stem cell storage facilities to 1,000 people per year; work also started on our Apheresis expansion. During 2020, COVID-19 compliance measure were implemented enabling stem cell collection to continue as per registries and BBMT regulations.

Training and Education in 2020

The Charity continued to provide training and education to staff and our wider community in 2020. Patient and staff safety, as well as infection control measures, have prevented face-to-face training and supervision. The majority of our training is now delivered virtually, although some essential training is still required to be carried out face-to-face.

Highlights include:

- We launched **The London Clinic Training Academy** at the end of 2020 to reframe all of our learning and development opportunities, making it accessible to everyone regardless of their current role. There has been a strong focus on looking after staff wellbeing, forming learning and development processes, and ensuring we continually enhance the experience to enable flexibility and faster access to training.
- Clinical Education was separated out from the wider Learning and Development provision and significantly expanded. The **Clinical Education team** took on responsibility for ensuring our clinical staff have the correct skills now and in the future. The Learning and Development Team focuses on core skill development including leadership and management training, team support, coaching and the Senior Management Team. The teams work together to ensure learning provision is provided through our Learning Hub, a single online platform for staff.

- To strengthen safety in clinical practice, we have developed and established an **in-house Human Factors Training Programme**. During 2020 hundreds of clinical staff were trained to become more aware of the myriad of factors affecting successful clinical practice and hospital services. This has raised awareness of clinical safety when working in high performance environments with multiple clinical professionals.
- We have championed and delivered a **robust development roadmap for our healthcare assistants**. This supports their role of championing safety, leading change and putting the patient first in their care and practice. We launched the Nursing Associate Programme and started to develop the Nursing Associate Apprenticeship Programme. With our partners University of East London, two of our healthcare assistants were supported to become nursing associates, a new role created by Health Education England. This role not only provides individuals with enhanced clinical skills but reduces some of the work pressures experienced by nurses.
- Recruitment and retention have been a focus for clinical training and education. In 2020, we received **CPD accreditation status for clinical education**. This had a significant impact in shaping cancer education and courses specific to oncology nursing at the Duchess of Devonshire Wing.

TRAINEE NURSING ASSOCIATE STUDENT FEEDBACK

“Being a student at The London Clinic has been a wonderful, eye opening experience.”

“It has been very interesting; all the staff activity is incredible. There have been hectic times, but the learning experience has been wonderful.”

“I noticed how all the staff work as a team and would take on duties beside their job requirements and are always smiling with a positive attitude.”

Strategic Report

- We introduced the **Preceptorship programme** to support newly qualified nurses and allied healthcare professional's recruitment soon after they qualify. This provides a long-term education roadmap for new talents to go on and have a life-long career here with the Charity.
- In 2020, six clinical staff received funding from the Charity's **Staff Training and Education Fund** for further professional development at post-graduate level certificates or qualifications. A further seven non-clinical staff also benefited from the scheme. The pandemic impacted the number of staff supported but our aim is to revert to our usual levels in 2021.
- The Charity continues to financially support **clinical fellowships** for specialist junior doctors working toward becoming a registrar or consultant. We maintain 15 fellowships in total for oncology, intensive care, reconstructive surgery, haematology and urology.
- The Charity has two programmes funded by the **Apprenticeship Levy**; the Steps to Leadership Programme and Supervisors Academy. 14 staff members are currently on our Steps to Leadership Programme, which is a level 5 CMI qualification in leadership and management run over 18 months. We have 19 staff on our Supervisors Academy, which is a level 3 qualification.
- In 2020, we delivered a variety of GP events as part of the Charity's **GP Education Programme**, both in person before the pandemic and virtually during. The programme provides GPs with access to some of our specialist consultants, to share learning and help GPs to diagnose, manage and treat their patients within their general practice. In 2020, we delivered a range of educational events attended by 606 delegates.

Subjects covered included basic life support and study events with specialist topics such as: orthopaedics for shoulders, hip knees and spine, dietetics, cardiology, gynaecology, dermatology, a therapies showcase.

WE CONTINUE TO RECEIVE POSITIVE FEEDBACK FROM OUR GP EVENTS AND THE AVERAGE SCORE AWARDED BY A PARTICIPANT FOR THE YEAR WAS **9.3 OUT OF 10**.

112

Consultant presentations

606

GP Delegates

29

Specialities covered

“EVERY TALK

ABSOLUTELY WONDERFUL-

VERY

RELEVANT

AND VERY WELL

PRESENTED”

GP Event Attendee

42

GPs attended
Basic Life
Support training
courses

“VERY INTERACTIVE
AND
USEFUL FOR GPs”

GP Event Attendee

9.3 (out of 10)

Average rating for events

This page has been
Intentionally left blank

Strategic Report

Throughout lockdown, we provided a number of live sessions for staff in response to the changing environment and the needs of our staff. These were from a well-being perspective, but also provided a channel for vital information and communication.

71

live sessions delivered between 14 April – 26 June, averaging six sessions per week

47

staff per session attended Question Time with the Board which ran six times

26

different wellbeing live sessions were delivered, from managing emotions and mindfulness to online workouts with physiotherapy

19

live sessions delivered between 5 – 26 June in relation to COVID-19 Safety

Q+A

We also provided question times with HR, virtual coffee mornings, book and film club and Q&A sessions on helping staff return to work

400

staff was the overall attendance for the COVID-19 Safe sessions

60

staff was the highest attendance at one of the managers COVID-19 Safe sessions with the average session attendance being 34

85%

of staff stated they felt more confident having attended the COVID-19 Safe sessions

372

staff members took part in the covid safe quiz

- In 2020, the Charity launched a quarterly magazine, **The London Clinician Magazine**, and a monthly GP newsletter. Both highlight the expertise and innovation from around the hospital and share news with our GP and referrer community. They include topics of particular relevance for these audiences and highlight experts who can provide important solutions for their patients.

Training and events available for all our stakeholders

- Our monthly Clinical Education events have become popular virtual events and a key platform for all student clinical professionals to voice their opinions and share ideas which might enhance healthcare and safety in clinical practice. These publications are an opportunity for all clinical staff to anticipate and share what is new in health education in England and worldwide.
- In September the Charity hosted a meeting in partnership with Blood Cancer UK. Professor John Gribben gave a talk on the signs and symptoms of blood cancer and the support staff are able to give to their patients. A patient joined the meeting and gave insight into his experience of his disease and the treatment he received.
- Prior to the pandemic, we delivered one "Grand Round" seminar. Delivered by Professor Ian Hutchinson, consultant oral and maxillofacial surgeon, at St Bartholomew's Hospital and Chief Executive and Founder of Saving Faces. The seminar

Image: The London Clinician Magazine (Summer 2020)

on "Lessons learned from a multicentre randomised trial in surgery" was open to staff and consultants.

- The Charity continues its partnership with the Royal Society of Medicine through sponsorship of their Annual Lecture – no lectures were held in 2020, but instead a virtual lecture was scheduled for February 2021 - Robotic surgery: What can it do for surgeons? with Professor Roger Kneebone and Mr Chris Peters.
- The Charity normally offers work placements, however, we were unable to do this in 2020.
- Previously our teams have presented their research, learnings and initiatives at a number of global conferences and events. We hope to continue to contribute to advancing healthcare and sharing knowledge through these events in 2021.

Supporting our Staff throughout 2020

Learning and development played an essential role in supporting staff throughout the pandemic. It was notable some staff wellbeing was affected and there was a strong feeling of disconnection. In order to help staff to stay motivated, skilled and connected, we identified the Learning Hub as an invaluable tool to assist us all with a number of learning interventions.

Below is a summary of what we put in place:

ACTIVITY	BENEFIT
Creation of The Staff Room	A community staff forum where staff can stay connected
Uploaded new e-learning content	Quick access to learning on wellbeing, working from home, working in challenging times and leading in uncertain times
Virtual Table Talks TV series hosted on The Learning Hub	Series to help people with current issues in lockdown i.e. coping with isolation, looking after our mental health etc.
Created interactive booklets for new starters – First day booklet, Corporate Induction was in the form of an interactive booklet, COVID-19 guidance	To ensure staff still have a good experience on joining The London Clinic and feel welcomed
Furlough staff update booklet	A guide to help staff on furlough stay connected
COVID-19 Safe mandatory guidance	To prepare staff on the return to work and the 'New Normal'

As a hospital providing essential services we limited the use of furlough. We claimed furlough for staff who were formally told to shield and who could not work from home. In addition we used furlough for some commercial and administrative roles where the cessation of private treatment meant that there was no work to service.

HAVE YOUR SAY

Building a Better Workplace

Our Staff

STAFF ENGAGEMENT SURVEY AND STAFF ENGAGEMENT INITIATIVES

We continue to be proud of our response rates for the **annual employee engagement survey – ‘Have your Say’** with 94% of staff completing the survey in September 2020 (2019: 92%) and the majority of indicators were improved on the previous year and above the benchmark. Feedback about the Executive Board was strong and 79% of respondents said that they would recommend The London Clinic as a place to work (2019: 73%). Staff feeling confident to speak out if they felt that patients safety was at risk was maintained at 85% (2019: 85%) and we saw an increase in the percentage of staff that said they would recommend the hospital to friends and family as a place for treatment to 83% (2019: 77%). An area identified for improvement was ensuring there were opportunities for staff to grow and develop; we have made a recent investment in Clinical Education so it is hoped that this is reflected in next year's results. The Charity felt it important to understand how staff felt the management team had responded to the pandemic. Additional questions specifically focused on how staff felt they were looked after and support through the pandemic were included. Responses to these questions were all in the 78-81% positive

range, which was reassuring to the Executive and Trustees.

The diversity and inclusion question in our staff survey had a positive response from 74% of staff. However on analysis we have identified further areas for improvement particularly in relation to staff satisfaction based on sexual orientation and disability. Building on the **National Inclusion Standard (Bronze Level)** that the Charity obtained in 2019, a new Diversity and Inclusion Strategy was introduced with a nine-point plan to support all staff to be themselves at work. The Charity held a programme of activities for National Inclusion Week which were open to all staff, with many sessions delivered by staff themselves.

As part of the Charity's **Diversity and Inclusion initiatives**, externally facilitated unconscious bias training was provided to staff in September. The Charity invited staff to take part in the established global mentoring programme called **Mission Include** to advance diversity and inclusion in the workplace. The Charity offered spaces onto the programme for employees and encouraged those from underrepresented groups to explore the opportunity.

Strategic Report

OUR INCLUSION PLAN 2020 – 2021

The London Clinic is committed to creating an inclusive and respectful working environment for all of our people. We have listened carefully to our employees through a series of Safe Space sessions and we have developed our 2020-21 Inclusion vision incorporating some of this feedback. The Charity believes that by reflecting the communities we serve and drawing on our employee's rich and diverse perspectives, we will improve the care we deliver to our patients. **It is a time for us to create positive and impactful change.**

1 ADDRESS UNCONSCIOUS BIAS, EDUCATION AND LEARNING

We will focus on a mandatory learning programme to create a psychologically safe work environment and remove unhealthy biases. We will educate all colleagues on microaggressions and support managers on how to have conversations with diverse teams.

2 REVIEW RECRUITMENT & SELECTION

We commit to reviewing our recruitment processes with a view to challenging bias at every stage. We will continue a second phase of trialling anonymised CVs, work towards having diverse panels, and will review our advertising to ensure that we are reaching diverse candidates.

3 REMOVE BARRIERS TO PROGRESSION & ADDRESS UNDERREPRESENTATION

We plan to address lack of Black, Asian and Minority Ethnic and female representation at senior levels. We will sign up to the Race at Work Charter, continue to run BAME reverse mentor programmes and implement a support programme for women who want to progress.

4 INCLUSIVE TALENT MANAGEMENT

We will launch diverse development programmes such as external mentoring for BAME and female colleagues, creating a Head of Service level development programme for underrepresented groups, and reviewing the inclusivity of our existing Steps to Leadership programme (open to all levels).

5 MANAGE PATIENTS WHO EXPRESS DISCRIMINATORY VIEWS

The Charity will release a statement of zero tolerance of discriminatory behaviour towards staff and develop an organisational policy on patient behaviour. We will hold workshops for managing and diffusing situations where patients do not meet our standards.

6 CELEBRATE OUR DIVERSE WORKFORCE

Celebrating difference will maintain a firm place on the Charity's D&I agenda; including celebrating National Inclusion Week and Black History Month. We understand that by celebrating diversity we will continue to build cultural awareness and encourage unity.

7 CONTINUE THE CONVERSATION

The Charity will launch its first Diversity & Inclusion Network, providing opportunities to continue having constructive conversations about D&I and also to hold the organisation to account on the delivery of our D&I objectives.

8 SUPPORT OUR BAME COLLEAGUES THROUGH THE PANDEMIC

We will continue to consult our BAME Reverse Mentors on how we support our most vulnerable staff through our risk assessment process.

9 DELIVER GREATER ORGANISATIONAL AND EXECUTIVE BOARD ACCOUNTABILITY

The Executive Team will champion inclusion at work through both organisational, and individual Executive board member objectives.

The impact of global events such as the response to Black Lives Matter protests and the higher proportion of the Black Asian and Minority Ethnic population at risk from the pandemic, were felt more acutely by members of our staff community. The Charity heard from staff from underrepresented groups and launched its 'Safe Spaces' initiative to provide further support for staff during this period, and learn from staff experience. There were three virtual Safe Spaces sessions in the year headed by our Chief Executive, our Executive Sponsor for Diversity and Inclusion and our senior HR business partner lead. Anonymised feedback from these sessions were shared with the Executive Board and used to guide our Diversity and Inclusion Strategy. The Charity is supportive of **gender pay equality** and published its gender pay statistics which show a mean or average pay gap of 8.2% in 2020 (2019: 9.9%). This means that on average across all salaries men are paid 8.2% more than women, an improvement on 2019. Our median pay gap is (11.5%) (2019: (11.6%)). This indicates the midpoint of salaries paid, women are paid 11.5% more than men, similar to the previous year. The mean pay gap is a result of there being more men in higher paid roles within the organisation. The median negative pay gap is as a result of having a predominantly female workforce (66%) with a larger number of women earning salaries at the median point. Whilst the hospital has a pay gap lower than the national average, it is committed to reducing this further – this will advance more in 2021 as some actions relating to executive board pay took effect in July 2020.

We introduced **ethnicity pay gap reporting** in 2019 and whilst there is no current requirement to report this information, we have chosen to be open about this data and build a plan to address it as we do with gender pay in line with our Inclusion

Plan (see page 37). There remain some gaps in our ethnicity data which prevents full accuracy on this subject. In 2020 we see that white employees are paid on average 10.2% (2019: 10.4%) more than Black and Ethnic Minority employees and at the midpoint there is a gap of 11.4% (2019: 10.3%). We have also started to crack a **disability pay gap**. There is currently a limited amount of data held to allow this to be accurate so it is purely indicative at this stage but we wish to improve our reporting in this area. The mean gap for disabled employees is currently negligible at 0.5% (2019: no data).

The Charity takes Diversity and Inclusion seriously and use the Inclusive Employers framework to externally accredit our progress in this area which includes those with a disability. We encourage applications from people with disabilities and support people via our Occupational Health Service and make adjustments as necessary. If someone were to become disabled whilst at work our aim is to ensure they remain at work with support and adjustments as necessary. We comply with the Equality Act 2010 and support the development of people with all protected characteristics to ensure that there is representation across the Charity. We proactively produce and publish our disability pay gap each year to help us monitor our progress on this (see paragraph above).

The Staff Community Fund, was established in 2019 to fund and create activities that develop a family and collegiate atmosphere, a feeling of community and bring staff together from across the organisation. During 2020, the fund supported virtual cooking classes hosted by our Executive Chef with packages of ingredients provided for selected staff members. The fund also helped to maintain staff morale with a 12 days of Christmas raffie with amazing prizes and a chocolate advent calendar sent to every staff member.

THE ENVIRONMENT

The Charity furthered its support in reducing the impact its staff make on the environment, with the **re-launch of its cycle to work scheme and electric vehicle initiative**. This allows staff to purchase electric vehicles through salary sacrifice and the creation of a cycling club. The hospital continues to offer staff season ticket loans for public transport.

The **Energy and Environment Committee** meets monthly and early in 2020, the Committee established a working group to focus on energy reduction. Staff suggestions and feedback on environmental sustainability were sought and an action plan was put in place. This included communicating energy reduction initiatives to staff with a focus on lights and computers, lift use, waste management, computing, printing, lighting, and purchasing. This project remains the priority for the Committee during 2021 as we move towards more permanent working habits with an aim of meeting and sustaining 5% energy reduction from the 2019 baseline.

The Charity continues its partnership with the **Baker Street Quarter Partnership** business improvement district which includes in its priorities 'quality spaces and streets' and 'sustainable future' with a specific reference to improving air quality.

CARBON EMISSIONS

In line with the government's Streamlined Energy and Carbon Reporting (SECR) requirements the Charity is required to report its organisation's carbon emissions for the period **1st January 2020 to 31st December 2020**.

The reporting methodology aligns with Defra's Environmental reporting guidelines (2019) and uses the government's

greenhouse gas reporting conversion factors (2020) to quantify emissions in tonnes of Carbon Dioxide equivalent (tCO₂e). Total emissions are reported using the financial control boundary criteria. For the purposes of evaluating performance to date the Charity has compiled its emissions for the baseline year of 2020.

Further information can be found below:

EMISSIONS SOURCE	2020 (BASELINE YR)
Direct Emissions From Stationary Combustion - Natural Gas Consumption	1,289
Direct Emissions From Stationary Combustion - Other Fuel Consumption	17
Total Scope 1 (tCO₂e)	1,306
Indirect Emissions From Purchased Electricity	4,704
Total Scope 2 (tCO₂e) - Location Based	4,704
Emissions from Personal Vehicles Used For Business Purposes - Grey Fleet	1
Total Scope 3 (tCO₂e)	1
Total Scope 1 & 2 (tCO₂e) - Location Based	6,010
Intensity Metric	
Total Gross Annual £m Turnover (£)	£153.4m
Scope 1 & 2 emissions per unit (KgCO₂e/£ Revenue)	0.0392
ENERGY CONSUMPTION BY SOURCE (KWH)	2020 (BASELINE YR)
Electricity	20,176,410
Gas	7,010,507
Purchased Fuel	65,173
Renewable Generation	0
Company Car	0
Grey Fleet	2,401
Total	27,254,490

A majority of the overall energy use and absolute carbon emissions relate to electricity use across the Charity's estate, in order to reduce this a number of energy efficiency initiatives have been implement across buildings such as the roll out of LED lighting in kitchens and serveryes.

PHILANTHROPY AND COMMUNITY ENGAGEMENT

As a charitable hospital, the lion's share of our income is generated by the hospital's activities and all goes towards delivering our charitable purpose via the three principles of Ever Better Patient Care; Innovation and Research; Training and Education. Our fledgling philanthropic programme is in addition to this work but no less in support of that purpose. We do not set a target for donations as the programme is in its infancy but the strategy designed in 2019 is being implemented and starting to deliver some progress. Over the past year we have built a small network of donors who share our desire to advance health care for the benefit of the wider community and we hope in the years to come to be able to talk more about the achievements of the programme.

To date donations received have been directed towards expanding our stem cell facilities, supporting a key piece of our world class haematology provision. We have also received donations to help us on our journey to open a new outpatients centre, to focus on Women's and Men's health and rapid diagnostics, with key milestones for this project in 2021.

Of course philanthropy comes in many forms and outlined here are some of the more public activities we have carried out in 2020. This includes staff fundraising and community engagement; both raising funds for our own hospital and other charities close to our cause.

THE 2.6 CHALLENGE

The Charity took part in the 2.6 Challenge which replaced the London Marathon in 2020. To support one of our collaborative charities, we joined with Blood Cancer UK and donated 50% of funds raised to help blood cancer treatment. The other 50% will go towards the expansion of the Apheresis Unit in the Duchess of Devonshire Wing to increase annual stem cell collections to 1,000 people.

Staff, family members, patients and friends joined the 2.6 Challenge by either creating their own fundraising activity or by providing sponsorship. These activities included 26 miles of cycling or running, pancake tossing and dancing which collectively raised over £10,000 for the two charities.

During October we launched Pink Cupcake Thursdays to support Breast Cancer Awareness Month when patients and staff enjoyed a pink cupcake made by Executive Chef Paul O'Brien and his team, in exchange for a small donation. The activity raised over £500 to support breast cancer research. It also supported the start of our relationship with two of our patients, who formed their own company in 2019, 'BraSisters'. The business aims to support women who have been through breast cancer treatment and need support with bra fittings.

In October we launched our first **Philanthropy News**, an opportunity for the Charity to share news, featuring patient and donor stories, and information on the positive impact the Charity has made in the community through donor support.

Each November, the Charity hosts its **memorial service**. It is an evening of reflection and remembrance for loved ones who are no longer with us. Group activities were forbidden during the pandemic so an online service was held in its place during 2020. This featured readings by our staff, and a specially commissioned piece of music sung by members of the Charity's choir – all socially distanced in St Marylebone Parish Church.

Music and art are proven to benefit the health and wellbeing of patients. Our staff and the Charity continued work on **Creating Creative Spaces** – bringing more art and music into the hospital. The Charity has a baby grand piano (currently leased from a local supplier) which is available for staff, patients or visitors to play. It is sponsored in part by a donor through a monthly contribution.

Our partnership with The Royal Opera House which enabled live streaming of events to patient rooms was sadly not possible during 2020. It will hopefully restart once performances resume in 2021.

CASE STUDY

One of the philanthropic goals of the Charity is to create sustainable health and wellbeing groups for men and women. This enables them to network, share experiences and help establish and build sustainable support beyond treatments. This was how two former patients, and members of the Patient Forum, Sarah and Kate, met and began their friendship and business journey.

Kate and Sarah had never met until they were both diagnosed with breast cancer in 2018 and were patients of The London Clinic. Despite their different breast cancer journeys, Kate and Sarah soon became close friends, supporting and sharing their experiences with each other. This connection, determination and compassion has led them to continue their efforts through supporting other women, especially those who experienced similar mastectomy surgeries. More recently, Kate and Sarah have fondly been termed "The Bra Sisters" (the name of the company they have formed together), which provides a wide selection of bras and fitting for post mastectomy women. The Bra Sisters have been supporting London Clinic breast cancer patients, ensuring women are supported the right way in finding new bras after surgery. This helps women to restore confidence when shopping for new bras that fit correctly, are fun, colourful and comfortable. In 2021, the Charity is aiming to provide a pop-up store in the Duchess of Devonshire Wing on a bi-monthly basis, so The London Clinic breast cancer patients and ladies from the wider community, can meet in a safe and secure environment for bra fittings.

Chaplain Father Jack Noble of St Marylebone Parish Church commented:

“After a difficult year for a lot of

people, it was wonderful to see the delight on so many faces and the real difference this project made to so many. Everyone I spoke to was totally overwhelmed by the generosity of our community.”

The lockdown affected many families during the year and the Charity wished to **help families and children in disadvantaged communities**. We donated over 100 Easter Eggs to St Marylebone Parish Church who distributed them to families in the Marylebone community. In December the Charity collaborated with the St. Marylebone Parish Church to help support families, running a campaign for donors to purchase or donate food and educational gifts for those in need. The goal to support 100 families was quickly surpassed, enabling us to expand our collective outreach.

OVERALL, THE CHARITY IS PROUD TO HAVE SUPPORTED:

316

FAMILIES

with vouchers for Christmas food/gifts

100

FAMILIES

received additional London Clinic food hampers

40

FAMILIES

received a free one-hour mental health counselling session

100

CHILDREN BOOKS

were donated by local companies and sent to local schools in need

Organisations who benefitted from our donations included:

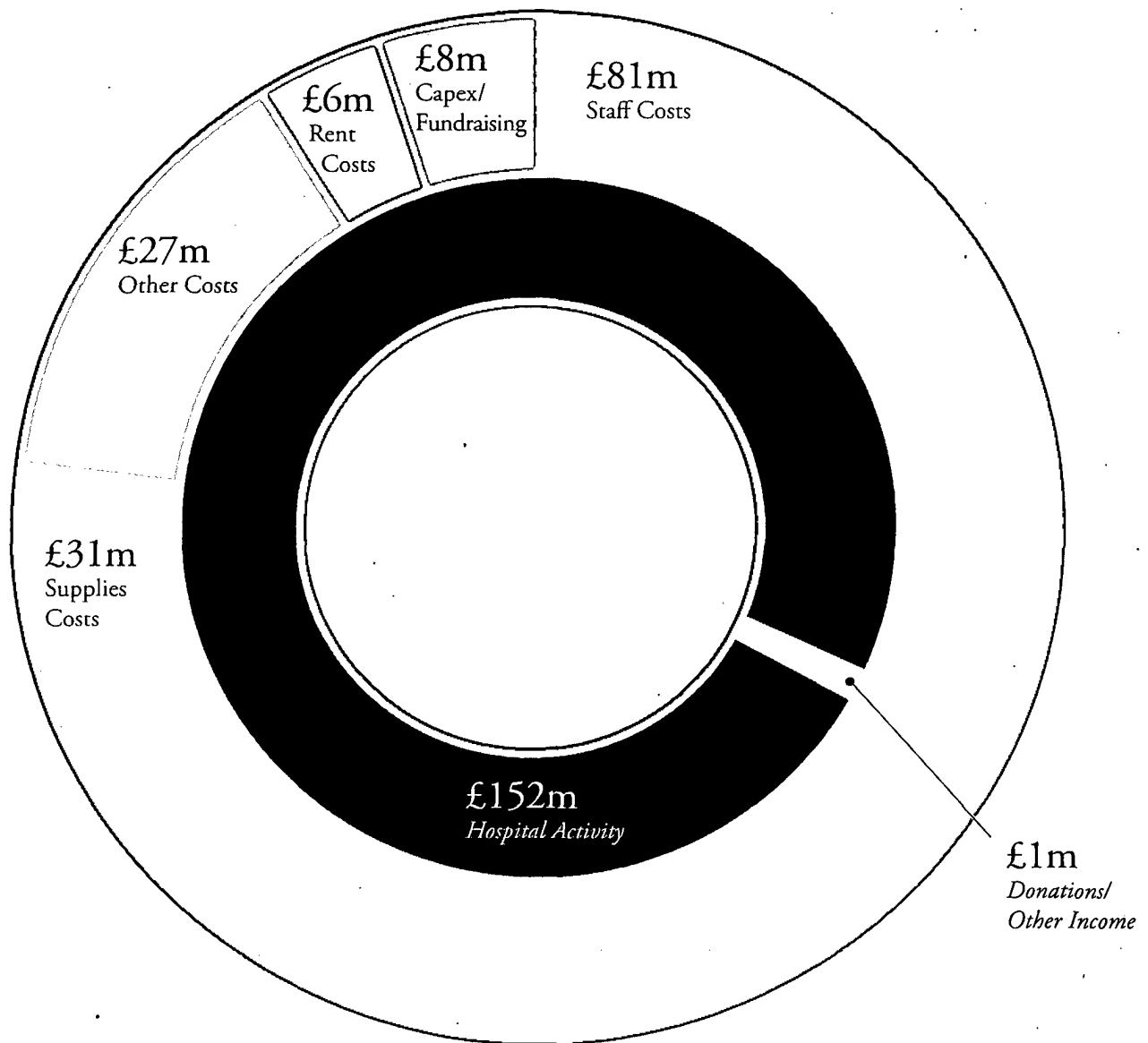
- NHS Healing Counselling Centre (mental health and wellbeing)
- The Marylebone Project
- The West London Mission
- St Paul's Rossmore Road – Food Bank and Primary Schools
- The St Marylebone Bridge (SEN) School
- The St Marylebone C of E School
- Christ Church Bentinck Church of England Primary School
- The community of Westminster, including families from Church Street

Other examples of charitable activities in 2020 included raising over £1,250 through donations for **The London Clinic Facemask**.

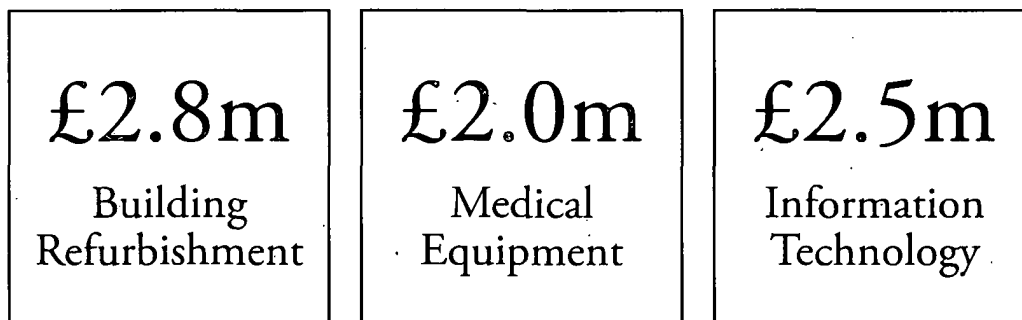
The proceeds went towards individuals and families in the community in need of mental health counselling.

In November, we launched our first **Annual Appeal** to bring awareness and raise funds for our cancer services in the Duchess of Devonshire Wing. The Charity created its first **Christmas Message Tree**, encouraging staff, patients and donors alike to leave a message or the name of someone special on a star or love heart shape, for a minimal donation. In 2020 this appeal generated over £19,000 in contributions for cancer services. The Charity used the proceeds to purchase new cooling caps for patients undergoing chemotherapy treatment.

INCOME AND EXPENDITURE



HOW WE HAVE INVESTED BACK INTO THE HOSPITAL



THE COMING YEAR

LOOKING FORWARD TO 2021

COVID-19 has had an enormous impact on the provision of healthcare, the charity industry and the business environment. The short to medium term impact of the pandemic on the hospital's strategy has been assessed at length by the Executive Board. The Charity will build on the positive operational changes brought about by the pandemic and the achievements of the three-year plan which commenced in 2018, and launch and embed a new 2025 strategy, underpinned by our efforts to drive continuous quality improvement in our governance and safety culture.

Patients and Facilities

■ Embed process improvements (continuation from 2020) and digitisation of the hospital processes

- *Enquiries to booking* – Speed up the provision of Self-Pay quotations and PMI authorisations
- *Booking* – Make it a simplified, standardised and consolidated booking process for all surgical and medical admissions
- *Imaging* – Improve the patient experience through a modified pathway from referral to results
- *Administration excellence* – Create a better patient journey and experience without any surprises

■ Implement a medical records repository upgrade, the first step to fully digitising our hospital and to deploy a single patient record to replace our electronic patient records system

■ Develop and progress plans for our new outpatient facility at 142-146 Harley Street to focus on Men's and Women's Health and provide rapid diagnostics. This strategic project includes:

- Increasing consulting room capacity and facilitate an improved efficient service
- Relocate outpatient imaging to improve efficiency, throughput and quality
- Provide an additional minimally invasive theatre creating capacity in the main day surgery theatres
- Create centres of excellence.

Innovation and Technology

■ *Robotic surgery* – expand to cover more specialties, train more consultants and increase benefits to the wider community

■ *Stem cell and virology* – expansion of virology as a result of increased demand in testing through the pandemic

■ *CRAB informatics* – the Charity continues to engage with CRAB informatics, a company that analyses clinical activity to provide statistics of activity and outcomes by consultant and by specialty

The platform also benchmark the activity against individuals/organisations with a similar case mix.

Supporting Our People

■ *Education* – gained university accreditation

■ Roll out degree Nursing Apprenticeship Programme and the Preceptorship Nursing Programme to support newly qualified nurses

■ Develop an internal coaching provision

■ Have an inclusive leadership mentoring programme to raise confidence in women, minority groups and to encourage underrepresented groups into leadership through mentoring.

FINANCIAL REVIEW

The Charity considers the below to be its key operational and financial performance indicators.

KEY CLINICAL PERFORMANCE INDICATOR	2020	2019	2018
Total admissions	18,792	23,638	22,527
Total patient days	36,974	45,429	40,570
Hospital activity income (£000)*	152,257	155,372	134,622
EBITDA margin	5.0%	11.3%	8.0%

*Excludes asset disposals, fundraising and investment income

Total admissions were down 21% in 2020, reflecting the impact of COVID-19 on hospital activity. We supported the NHS during the year and treated all the NHS patients we were allocated, whilst continuing to treat our private patients when capacity allowed. Day case admissions were down 24% and inpatient admissions, were down 10%. The number of Radiotherapy fractions increased by 13%.

The decrease in activity was seen across all payor groups with revenues from embassies, down 49%, insurance groups down 13%, and self-pay down 10%. The revenue for the year includes a contract with the NHS, allowing them full access to all our facilities and staff between March and September, and accounts for 19% of our hospital activity income. The significant reduction in hospital activity revenue, and the low margin contract with the NHS has resulted in a decrease in EBITDA margin to 5.0% and an increase cost of staffing and PPE through the pandemic.

Incoming Resources

The Charity's total incoming resources contracted by 2% to £153.2m (2019: £156.9m). As stated above, incoming resources from hospital activities (stated net of charitable and related discounts) were the key source of income. Income from donations was £0.6m (2019: £1.3m). Furlough support was £0.5m.

Net Incoming/Outgoing Resources

Net outgoing resources before other recognised gains and losses were £8.9m (2019: net outgoing resources of £1.2m). The hospital's expenditure on charitable activities of £161.4m (2019: £157.1m) increased largely due to increased IT and COVID-19 related costs.

Capital Expenditure

Tangible fixed assets, comprising buildings, equipment and construction in progress had a net book value of £190.8m (2019: £199.0m). The Charity invested £7.4m in 2020 with a focus on replacing medical equipment, this has been offset by depreciation, amortisation and disposal of assets throughout the year.

Investments

The Charity currently holds investments with a market value of £0.9m (2019: £1.1m). The Charity's investment policy is to generate income while protecting capital from the effects of inflation. It achieves this by investing in the M&G Charfund, a recognised income fund for charities. M&G is a signatory to the United Nations Principles for Responsible Investment. The policy was maintained throughout the year and is still currently in force. The hospital monitors the performance of the investment manager against various benchmarks and responds accordingly.

Working Capital and Liquidity

The Charity has generated net cash inflows from operating activities of £9.4m (2019: £5.3m). The improved cash generation is partially due to a decrease in trade debtors from Middle Eastern embassies.

The hospital produces working capital forecasts, covering a period of at least 18 months, identifying the liquidity requirements on a regular basis. These are reviewed regularly by the Executive Board and Trustees to ensure that there is sufficient cash and borrowing facilities in place to meet on going and future requirements.

At 31 December 2020, the Charity held cash and cash equivalents of £5.0m (2019: £6.7m) and had unutilised banking facilities of £27.0m (2019: £24.0m). Net debt has decreased from £19.3m to £18.0m.

The Charity has lending facilities and support from its bankers to maintain its existing operations and has in place a revolving facility maturing in 2022. Under the terms of the agreement the maturity date of the facility was extended by 12 months during the year. The cost of this extension was £0.1m which was capitalised and amortised on a straight line basis over the remaining term of the loan. Under the facility the hospital pays a variable interest rate linked to LIBOR. The interest rate cap put in place in 2016 to minimise the impact of fluctuating interest rates, expired in the year.

Taxation

As a registered charity, the Charity is potentially exempt from taxation to the extent that its income and gains are applied for charitable purposes.

Accounting Policies

The Charity adopted FRS 102 on 1 January 2015 and the principal accounting policies remain unchanged over the last period of accounts.

Current and Future Trading

Trading in 2021 continues to be impacted by COVID-19 but we expect a return towards normal levels with modest revenue growth in the second half of the year with ongoing focus on delivering cost efficiencies such that we anticipate an increase in capital investment in medical equipment, property and IT systems in support of our charitable purpose of advancing healthcare for the wider community.

GOING CONCERN

After making appropriate enquiries and reviewing the revised financial projections, the Board of Trustees has a reasonable expectation that the hospital has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 2 of the notes to the financial statements.

RELATED PARTIES

During the year, fees of £165k (2019: £133k) were paid to London Haematology Limited in respect of professional clinical services provided to the Charity to support delivery of the haematology and oncology service. An additional advance of £375k (2019: £nil) was made ahead of collaborative work on the long term strategy and service development of the haematology, transplant and transfusion services. Professor John Gribben is a Trustee of the Charity and a director and shareholder of London Haematology Limited.

During the year and after a full open tender processes, fees of £30k (2019: £nil) were paid to Claire Holmes Consulting Limited in respect of professional brand consultancy services provided to the Charity. Claire Holmes is a Trustee of the Charity and a director and shareholder of Claire Holmes Consultancy Limited.

After making enquiries, the Trustees confirm there were no further relationships with related parties to disclose.

The Trustees have followed the relevant charity omission guidance and the appropriate conflict of interest management is in place. The Trustees are assured that there were no relationships with related parties which might inhibit the Charity from pursuing independently its own charitable objectives.

RESERVES AND RESERVES POLICY

The majority of the Charity's unrestricted funds are represented by its investment in the functional fixed assets that comprise The London Clinic. These assets provide security for the bank facility that allows further investment in the Charity. The Charity has reserves of £162.9m as at December 2020 (2019: £184.3m) of which £0.1m are restricted (2019: £nil).

The reserves policy of the Charity is reviewed annually in the light of operating and capital expenditure budgets and longer-term financial projections presented to the Board of Trustees. As part of the Charity's long-term re-development and expansion programme the Trustees consider the level and appropriate forms of funding that are likely to be required. The Charity maintains a full suite of insurances including buildings and business interruption policies to protect its

functional fixed assets and believe it maintains sufficient reserves to continue to trade in furtherance of its charitable objectives.

The Charity continued proactive fundraising activity in 2020 resulting in donations of £0.6m (2019: £1.3m). The majority of funds received to date have been designated by the Trustees to be invested in the expansion of haematology services.

The designated reserves of the Charity also comprise a fund used to provide staff with access to education and training to further the Charity's mission to provide the highest quality care to its patients.

The Charity intends to maintain and develop the functional fixed assets and consequently the unrestricted reserves to a level that will ensure the Charity is able to fund capital expansion and maintain adequate working capital to operate in furtherance of its charitable objectives.

RISK MANAGEMENT

The Trustees are jointly responsible for the overall management of the administration of the Charity and for ensuring that there are appropriate systems of controls, clinical, financial and otherwise in place. The Trustees are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. Decisions by the Trustees concerning the Charity are taken by the Trustees, acting collectively. Where the Trustees delegate duties, additional controls are in place in order to ensure an appropriate level of reporting and oversight by the Trustees, and that the delegated duties are being properly discharged.

The corporate risk register is scrutinised by the Executive Board on a monthly basis, and the Audit and Risk Committee review it on a quarterly basis. Risks are reviewed by theme and actions are followed up and tracked.

The Trustees are also responsible for safeguarding the assets of the Charity and hence for ensuring that reasonable steps are taken to aid the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Charity is operating efficiently and effectively;
- The assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used for publication is reliable; and
- The Charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and an annual budget approved by the Trustees;
- Regular consideration by the Trustees of financial results, variances from budgets and non-financial performance indicators;
- Delegation of authority and segregation of duties, and
- Identification and management of risks.

The Audit and Risk Committee reviews the Trustees' annual report and the financial statements before their submission to the Board of Trustees and considers the corporate governance of the Charity. This includes consideration of the major risks to which the Charity is exposed, the effectiveness of its internal controls, the appropriateness of the going concern basis and accounting policies in preparing its financial statements and its policy on reserves. The Charity has an extensive clinical audit function and in 2020 the internal audit of financial and operational performance was supported by Grant Thornton alongside which were some internally resourced compliance audits. The Audit and Risk Committee reviews the internal audit reports, which are also circulated to the Charity's external auditor.

PRINCIPAL RISKS AND UNCERTAINTIES

Like all hospitals, the principal inherent risks faced by the Charity are clinical risks and consequently clinical risk registers are maintained across all clinical services taking an integrated and proactive approach to risk management. All risks (clinical and non-clinical) are identified through multiple channels including: risk assessments, key performance indicators, policy, complaints/claims, incident trends, assurance reviews, regulatory assessment, staff, patient and consultant surveys, external accreditation, national recommendations and audit.

Principal risks faced by the Charity include:

Clinical Risks

Managed as an integral part of the clinical governance framework which ensures key hospital decisions take into account the likelihood of unplanned events and the impact to the hospital and ensures the hospital is able to mitigate unplanned events. Monthly risk register updates are provided to clinical and non-clinical services in addition to the integrated corporate risk register.

COVID-19 Risks

The Charity has faced a number of risks because of the pandemic. The protection of patients from coronavirus infection is a primary focus, this is managed by a robust staff surveillance programme and an in-house track and trace system. Patient testing and isolation are managed through implementing Infection Prevention Controls. The risk of potential downturn in trading has been mitigated through supporting the NHS and the use of payroll support such as furlough credit.

Financial Risks

The Charity faces a number of financial risks including being subject to fluctuations in the demand for its services whilst having significant fixed costs. This creates a risk that short term cash generation would decline impacting the ability to reinvest in services and the ongoing development of the hospital. This risk is mitigated by establishing a flexible long-term borrowing facility and by adopting a prudent cash management policy within this. International business brings with it an increased risk of non-recovery of debtors. This risk is mitigated by the requirement that business conducted through overseas embassies is supported by a letter of guarantee.

Concentration and Competition Risk

The Charity operates in a very competitive London market and provides healthcare to a significant number of patients funded by a few key payors (e.g. Bupa and AXA PPP). There is a risk that other existing hospitals, new entrants or new models of healthcare provision reduce the flow of patients to the Charity. However, the risk is mitigated as the Charity seeks to diversify its customer base by building relationships with smaller insurers and by building its self-pay and international business. The current three year strategy (launched in February 2018) capitalises on the Charity's strengths. We are improving processes to deliver better operational effectiveness and asset utilisation as well as growing the number of partnerships with other charities and healthcare organisations.

Pension Arrangements Risk

The Charity has a defined benefit pension scheme whose liabilities are subject to a number of uncertainties that could increase (or decrease) the current deficit. The scheme is now closed and managed by a sole Corporate Trustee. The Charity and the pension scheme Trustee both receive external independent advice on investment strategy to assist in the management and understanding of pension risk. In 2018, the scheme implemented a plan to de-risk the investment strategy by determining to hold around half of scheme assets in liability driven investments (LDIs). At the year-end LDIs represented 48% of assets. The employer and pension fund trustee review the asset mix in their quarterly meetings with the investment manager and rebalance the portfolio when appropriate.

Information Technology Risk

Information technology is a key enabler in the delivery and administration of the Charity's activity. The core IT Infrastructure continues to be enhanced through an outsourcing relationship with Arkphire UK which has taken ownership of the Charity's offsite datacentres. These have failover capability and are being renewed and upgraded in order to keep pace with the Charity's technology requirements and market good practice. Whilst significantly mitigated, the Charity remains vigilant on matters of data and information security and is assertively improving the Charity's IT security and data related risk posture. The core patient information and application operating systems are due for replacement and remain a risk to operational effectiveness until upgraded. A plan is being developed and in the meantime system performance is closely monitored with strong support from software providers.

Political and Economic Risks

The Charity also considers UK and global political and economic risks and uncertainties as part of its risk management. The healthcare specific impact, such as on infection control and supply chains, are considered carefully, and the Charity feels it is well placed to mitigate any short term effects thereof.

Following the finalised departure of the United Kingdom from the European Union in January 2020, the Charity has not had any significant impacts affect operations or its staff.

MODERN SLAVERY

In 2015 the Government published The Modern Slavery Act (the 'Act') which required all businesses in the UK with a turnover of £36m or more to be transparent about what they are doing to tackle Modern Slavery within their organisation and supply chains.

The Charity condemns modern slavery and human trafficking. We are committed to maintaining and enforcing robust and effective systems and controls to prevent slavery within our organisation and supply chain. The Charity is dedicated to best practice in the procurement of goods and services in all areas. The Charity's supply chain management and supplier due diligence checks ensure we maintain confidence in the oversight of our compliance with the Act.

The Charity has a robust policy in place which aims to minimise the risk of modern slavery, which is supported by our Whistleblowing/Raising Concerns policy and our Safeguarding policy.

PAY POLICY FOR SENIOR STAFF

The Trustees consider that together the Board of Trustees, who are the company's statutory directors, and the Executive Board comprise the key management personnel of the Charity responsible for directing and controlling, running and operating the Charity on a day to day basis. All Trustees give their time freely, detail of Trustees' expenses are disclosed in note 5 of the financial statements.

The pay of senior staff is reviewed annually and normally increases in accordance with inflation. The recruitment of Senior Roles involves an external market review with advice from recruitment agents. The remuneration policy is to pay appropriately, not excessively, for the role. No bonuses were paid to executive team members in relation to 2020 performance. As recommended by the Charity Governance Code for Larger Charities, the process for setting remuneration of senior staff and their remuneration levels will be available publicly when the 2020 Annual Report is made available on our website in 2021. The pay policy is published on our website.

SECTION 172 STATEMENT

The Trustees take seriously their duty to promote the success of the Charity, in particular with reference to long-term impact of decisions, interests of key stakeholders and impact on the environment and community. This statement describes how the Trustees have had regard to the matters set out in section 172(1) (a) to (e) when performing their duties as required by the Companies (Miscellaneous Reporting) Regulations 2018. Section 172 (1) (f) does not apply as we do not have shareholders.

Key stakeholders include: patients, staff, consultants, GPs, embassies, private medical insurers, NHS trusts, landlord, local healthcare community, regulators, suppliers, business customers, financiers.

Engagement with key stakeholders in a variety of individualised ways including: patient satisfaction surveys; Patient Forum (page 21); annual employee engagement survey (page 36); Question Time with the Board; staff and consultant communications; consultant specialty user groups; the Medical Advisory Committee; consultant relationship management team; GP education sessions (page 32); relationship meetings with embassies, partner NHS trusts, private medical insurers, landlord, financiers, significant suppliers and major business customers; The London Clinician magazine (page 35); membership of Harley Street Medical Area organisation; membership of Baker Street Quarter Partnership.

Example of Key Decisions in the Year:

1. Replacement of Surgical Robot

The Charity made the decision to replace its existing surgical robot to maintain its leading competitive edge within this area (more on page 29). The robot could be utilised by many specialties, most commonly cancer, and there was opportunity to grow existing activity and attract new consultants with the purchase. The Robotics strategy to train and develop other surgeons on the robot were fundamental to the decision as this expertise would be taken back to NHS trusts. Consultants from The London Clinic Centre for Robotics Surgery and the Robotics Specialty User Group were key and their feedback was vital for the assessment, selection and development of the chosen robot's specifications and thus into the business case. The decision was approved by the Property, IT and Finance Committee, in line with the schedule of delegated authorities, following assessment of the business case and was expedited in order to take advantage of a six figure discount if purchased by end of Q3, supporting the duty to make the best use of charity funds.

2. Commitment to New Outpatient Facilities

Feedback from patients, families, staff and consultants had demonstrated an increasing need for more consulting room capacity, consolidated outpatient facilities (currently located in various areas across the campus), and an increase in minimally invasive theatre capacity. To combine all of these aspects a business case for a new outpatient facility to house and expand existing services was developed over 18 months in partnership with

consultants, in particular the relevant clinical leads, staff and the Charity's landlord, Howard De Walden. This was approached in stages and a fixed amount of funds allocated earlier on to allow assessment of design for a new property potentially to be acquired. Valuable feedback was received from the Trustees where the proposals were discussed frequently throughout the year at both formal and extraordinary meetings; the clinical benefits for patient care and the consultant and patient experience being central. The business case was scrutinised by the Property, IT and Finance Committee and recommended to the Board of Trustees where final approval was given in January 2021.

3. COVID-19 Decisions Impacting Staff

Throughout the year, the Charity management has acted quickly and responsively to the various dynamics of the pandemic. Decisions on safety and adjustments to facilities, processes and clinical staffing allocations were made on a daily basis via the Gold, Silver, Bronze command structure with crucial support from the consultant microbiologists and other clinical leads. Communications via daily email to staff and weekly emails to consultants were made to ensure that all were in receipt of the latest guidance. Feedback loops were key to this and whilst meetings could not happen in person, staff forums were set up online including: question time with the board, regular managers and head of service meetings and other open forums on specific topics when they arose such as our green and blue pathways and vaccination. Macro decisions affecting the workforce such as furlough, redeployment of clinical staff, working from home considerations, and mental health support were discussed at length by the executive team with significant trustee input at extraordinary meetings. All the feedback given via forums and via the raising concerns pathway was considered within the decision making process. Key issues raised and resolved were around personal protective equipment supply and user compliance, supporting the NHS via the central contract and NHS Nightingale volunteering; acquiring new pathology equipment (see page 17) to increase in-house staff surveillance testing and improve turnaround times. As outlined on page 36 the Charity received an almost universal response to its employee engagement survey and the success of the organisational handling of the COVID-19 response is clearly demonstrated in those results.

Impact of the Charity on the Community and the Environment

See pages 38-42.

Reputation for High Standards

The Charity is committed to maintaining its reputation for high standards and quality of its services which is demonstrated throughout this report. This is particularly shown by: our desire to hear from and respond to our key stakeholders as outlined in this statement; our continuous improvement agenda to better our processes (see pages 20 and 23); and the ongoing effort to ensure we retain our accreditation marks (more information on pages 24-25).

TRUSTEES' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also directors of Trustees of the London Clinic Limited for the purposes of company law) 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

Company law 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 UK 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Each of the Trustees at the date of approval of this report confirms that:

- So far as the Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware
- The Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

A resolution for the re-appointment of Deloitte LLP as the Charity's auditor was passed at the Annual General Meeting on 26 November 2020.

This Trustees' report and financial statements were approved and authorised for issue by The Board of Trustees on 27 January 2022 and were signed on its behalf by:



Hamish Leslie Melville

Chairman of the Board of Trustees

Date: 27 January 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUSTEES OF THE LONDON CLINIC LIMITED

Report on the Audit of the Financial Statements

Opinion

In our opinion the financial statements of Trustees of the London Clinic Limited (the 'charitable company') and its subsidiaries (the 'group'):

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- The consolidated statement of financial activities (including consolidated income and expenditure account);
- The consolidated balance sheet;
- The charity balance sheet
- The consolidated statement of cash flows; and
- The related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

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

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

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to Which The Audit was Considered Capable of Detecting Irregularities, Including Fraud

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

We considered the nature of the group's and the parent charitable company's industry and its control environment, and reviewed the group's and the parent charitable company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group and parent charitable company operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Charities Act, UK Companies Act, pensions legislation; and
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the group and parent charitable company's ability to operate or to avoid a material penalty. These included the charitable company's operating licence, the Charity Commission for England and Wales (Charity Commission) regulations and Care Quality Commission regulations.

We discussed among the audit engagement team and relevant internal specialists such as pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Determination of whether unsettled revenue is valid and recoverable; we tested a sample of unsettled trade debtors and accrued income to assess whether they have been recognised in accordance with the relevant accounting requirements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance.

Report on Other Legal and Regulatory Requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' report which includes the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the charitable parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the Trustees' report.

Matters On Which We Are Required to Report by Exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Gooding FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

Date: 28 January 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including consolidated income and expenditure account)

For the year ended 31 December 2020

INCOME	NOTE	UNRESTRICTED FUNDS £000	RESTRICTED FUNDS £000	2020 TOTAL £000	2019 TOTAL £000
Charitable activities		152,257	–	152,257	155,372
Provision of hospital activities					
Donations		525	118	643	1,302
Other income	6	60	452	512	98
Total income		152,842	570	153,412	156,772
EXPENDITURE	NOTE	UNRESTRICTED FUNDS £000	RESTRICTED FUNDS £000	2020 TOTAL £000	2019 TOTAL £000
Expenditure on Charitable activities		161,424	18	161,442	157,056
Provision of hospital activities					
Other Expenditure		493	–	493	945
Interest costs					
Cost associated with fundraising		172	–	172	81
Total Expenditure	3	162,089	18	162,107	158,082
(Loss)/Gain on investment assets	7	(193)	–	(193)	143
Net (Loss)/Income for the year		(9,440)	552	(8,888)	(1,167)
Transfers between funds		452	(452)	–	–
OTHER RECOGNISED GAINS/(LOSSES)	NOTE	UNRESTRICTED FUNDS £000	RESTRICTED FUNDS £000	2020 TOTAL £000	2019 TOTAL £000
Actuarial (Loss)/Gain on defined benefit pension scheme	18	(12,468)	–	(12,468)	3,830
Net movement in funds		(21,456)	100	(21,356)	2,663
Total funds at 1 January		184,303	–	184,303	181,640
Total funds at 31 December		162,847	100	162,947	184,303

The notes on pages 60-76 form part of these financial statements.

All results for the current and previous year are derived from continuing operations. In 2019 all funds were unrestricted this split is provided in note 15.

CONSOLIDATED BALANCE SHEET

As at 31 December 2020

	NOTE	2020		2019	
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	9		190,752		199,047
Cash equivalents	7,12		921		1,114
			191,673		200,161
Current Assets					
Stocks	10	4,363		3,356	
Debtors: Amounts falling due within one year	11	30,884		35,443	
Cash and cash equivalents	12	4,091		5,609	
		39,338		44,408	
Creditors: Amounts falling due within one year	13	(22,931)		(20,032)	
Net current assets			16,407		24,376
Total assets less current liabilities			208,080		224,537
Creditors: amounts falling due after one year	13		(22,810)		(26,709)
Net assets excluding pension liability			185,270		197,828
Defined benefit pension scheme liability	18		(22,323)		(13,525)
NET ASSETS INCLUDING PENSION LIABILITY	15		162,947		184,303
RESTRICTED FUNDS					
Restricted income funds	15		100		-
UNRESTRICTED FUNDS					
Designated reserve	15	2,084		2,475	
General Revenue reserve	15	182,020		194,287	
Revaluation reserve	15	1,066		1,066	
		185,170		197,828	
Unrestricted funds before pension liability			185,170		197,828
Pension deficit	18		(22,323)		(13,525)
Total funds	15		162,947		184,303

The financial statements of Trustees of the London Clinic Limited, registered number 00307579, were approved and authorised for issue by The Board of Trustees on 27 January 2022 and were signed on its behalf by:

Hamish Leslie Melville

Hamish Leslie Melville, Chairman of The Board of Trustees,
Date: 27 January 2022

CHARITY BALANCE SHEET

As at 31 December 2020

	NOTE	2020		2019	
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	9		190,752		199,047
Cash equivalents	7,12		921		1,114
Investment in subsidiaries	8		—		1,650
			191,673		201,811
Current Assets					
Stocks	10	4,363		3,356	
Debtors: Amounts falling due within one year	11	31,255		35,813	
Cash and cash equivalents	12	4,091		5,609	
		39,709		44,778	
Creditors: amounts falling due within one year	13	(22,931)		(20,032)	
Net current assets			16,778		24,746
Total assets less current liabilities			208,451		226,557
Creditors: amounts falling due after one year	13		(22,810)		(26,709)
Net assets excluding pension liability			185,641		199,848
Defined benefit pension scheme liability	18		(22,323)		(13,525)
NET ASSETS INCLUDING PENSION LIABILITY	15		163,318		186,323
RESTRICTED FUNDS					
Restricted income funds	15		100		—
UNRESTRICTED FUNDS					
Designated reserve	15	2,084		2,475	
General Revenue reserve	15	182,391		196,307	
Revaluation reserve	15	1,066		1,066	
		185,541		199,848	
Unrestricted funds before pension liability			185,541		199,848
Pension deficit	18		(22,323)		(13,525)
Total funds	15		163,318		186,323

The variance to the consolidated accounts is made up from an investment in a subsidiary of £nil (2019: £1,650k), and an intercompany receivable of £371k (2019: £370k). There are no other differences between the Charity and consolidated balance sheet.

The total incoming resources for the Charity were £153,219k (2019: £156,915k) and the net loss was £(10,538)k (2019: a loss of £(1,167)k).

The financial statements of Trustees of the London Clinic Limited, registered number 00307579, were approved and authorised for issue by The Board of Trustees on 27 January 2022 and were signed on its behalf by:

Hamish Leslie Melville

Hamish Leslie Melville, Chairman of The Board of Trustees.

Date: 27 January 2022

Financials

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	NOTE	2020	2019
		£000	£000
Net cash flows from operating activities	19	9,418	5,264
Cash flows from investing activities			
(Loss)/Gain on investment		(193)	157
Other income	6	512	98
Purchase of Charity's functional assets		(7,503)	(6,478)
Net cash flows used in investing activities		(7,184)	(6,223)
Net cash flow before financing		2,234	(959)
Repayments of borrowing		(14,445)	(7,429)
Cash inflow from revolving credit facility		10,500	6,000
Net cash flows used in financing activities		(3,945)	(1,429)
(Decrease) in cash and cash equivalents		(1,711)	(2,388)
Cash and cash equivalents at beginning of year		6,723	9,111
Cash and cash equivalents at the end of the year	12	5,012	6,723
Reconciliation to cash at bank and in hand			
Cash at bank and in hand (Current and non-current)		5,012	6,723
Cash and cash equivalents	20	5,012	6,723

NOTES TO THE FINANCIAL STATEMENTS

1. Charity Status

The Charity is incorporated in England and Wales as a company limited by guarantee not having a share capital.

Every member undertakes to contribute to the assets of the Charity in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required not exceeding £1 for the payment of the debts and liabilities contracted before he or she ceases to be a member.

The Charity is exempt from the Income and Corporation Taxes Act 2010 on its charitable activities.

2. Accounting Policies

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

A. Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102 and Charities SORP 2015) and the Companies Act 2006.

The Trustees of the London Clinic Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

B. Preparation of the Accounts on a Going Concern Basis

The Trustees have reviewed the Charity's current financial forecasts as of January 2022 as well as the associated risks and sensitivities and, following this review, have an expectation that the Charity will have adequate resources to continue in operational existence for the foreseeable future. As a result, the Trustees continue to adopt the going concern basis in preparing the Annual Report and financial statements.

The forecasts reviewed considered both historic and current financial performance and identified critical variables and trends. The forecasts were informed by a) the sequential improvement from quarter 3 2021 demonstrating improving growth and visibility across all payor groups; b) the likely outcome of cost efficiency programs initiated in 2021 at various stages of maturity; c) a continued track record of effective operational cash management and d) the ongoing need to deliver investment in people, equipment, infrastructure and strategic projects to support the Charity's objectives.

The Trustees noted that the Charity is well positioned within the London healthcare market which is underpinned by both strategic growth as well as the shorter-term benefits associated with the relaxation of Covid-19 related government travel restrictions. This is expected to support the gradual return of international patients towards 2019 levels. Additionally, the Charity expects additional profitable growth in new treatment areas including cancer care as a function of new partnerships and targeted investments in key systems and equipment. There are also growth opportunities in self-pay in response to the NHS backlog which the Charity is well-placed to benefit from. In summary the Trustees considered that the revenue and trading forecasts were achievable and reasonable given the opportunities identified.

Forecast sensitivities have been modelled in relation to the Charity's current loan facility, including downsides due to ongoing Covid-19 disruption and poorer revenue performance. In addition, the Trustees have identified a number of mitigations to the forecast including reduced capital expenditure and other operational actions, which are within the control of the Trustees. Taking these mitigations into consideration, the Trustees are confident that the charity can continue to operate, meet its obligations, and meet its loan covenants for its existing banking facility.

The Trustees noted that the current banking facility with HSBC expires in November 2022. With respect to financial resources, the Charity has received 'indicative terms' from its banking partner HSBC of a new banking facility for 3 to 5 years which will increase borrowing capacity by £15m to £65m which is in the final stages of agreeing. The Trustees are confident that this new Facility will be concluded in the coming weeks. Whilst the existing banking covenant (net borrowings / EBITDA) of the current facility was exceeded in December 2021 by 1.8x, HSBC have offered the Charity a covenant waiver which the Charity intends to accept before moving to the new facility. This new facility is expected to be on more favourable terms than the previous arrangement and offers greater headroom based on current and forecast EBITDA performance than the existing facility, supporting the targeted capital expenditure programme incorporated into the Charity's forecasts.

After considering the matters noted above, the Trustees are satisfied that the Charity will have sufficient financial resources and flexibility to operate as a going concern over at least the following twelve months from the signing of the accounts and have determined that there are no material uncertainties.

C. Significant Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Operating Lease Commitments

The Group has leases on the majority of the properties in which the hospital operates. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of the lease assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

Estimates

Pension and Other Post-Employment Benefits

The cost of defined benefit pension plan is determined using actuarial valuations. The actuarial valuation, performed by an independent actuary after discussion with management, involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the plan, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers a single equivalent discount rate for a pension scheme with a 17 year duration. The mortality rate is based on publicly available mortality tables with an adjustment to reflect the specifics of the scheme membership. Future salary increases are based on expected future inflation rates. Further details are given in note 18.

Trade Debtor Recoverability

Trade debtors for 2020 are £28.7m and are stated net of provisions for doubtful debts. The level of provisioning involves management judgement based on reviews of accounts including the aging of debtor balances and previous experience of non-recovery of debtor balances from payors. The aggregate level of provisioning is sensitive to the change in the mix of business during the year.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

D. Basis of Consolidation

The Group financial statements consolidate the accounts of the parent Company and its subsidiaries made up to 31 December 2020. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated statement of financial activities from the date of acquisition to the date of disposal.

In accordance with section 408 of the Companies Act 2006, the Charity is exempt from the requirement to present separately its own Statement of Cash Flows.

E. Income

Incoming resources from activities in furtherance of charitable objectives are included in the consolidated statement of financial activities. Incoming resources comprise fees for the provision of treatment to patients and other hospital services, and represent the total amounts receivable in the ordinary course of business for goods and services after discounts and value added tax where applicable. Donations and gifts are accounted for on receipt except where the donation is returnable in the event that the condition of the donation is not met.

Grants in the form of Coronavirus Job Retention Scheme are included as income.

F. Expenditure and Recoverable VAT

Governance costs are associated with the governance arrangements of the Charity and relate to the general running of the Charity.

These costs include audit, legal advice for the Trustees and costs associated with meeting constitutional and statutory requirements such as the cost of Trustees' meetings and the preparation of statutory accounts. Support costs are the costs which enable charitable activities to be undertaken. These include all costs within the following departments: Finance, Human Resources, Information Technology, Property Management, Marketing, Operations, Security, Clinical Governance and Corporate Services.

All expenditure is accounted for on an accruals basis. Direct charitable expenditure represents the cost of providing hospital services in furtherance of the charitable objectives.

All expenditure is recorded as costs against the activity for which the expenditure was incurred gross of VAT, the recoverable portion of VAT, which is immaterial in value, is recorded against other administrative costs.

G. Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Charity. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the lower of the fair value of the asset or the present value of the minimum payments at the inception of the contract. The corresponding liability of the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between the reduction in lease obligation and interest using the effective interest method. The assets held under finance leases are included in tangible fixed assets and are depreciated and assessed for impairment losses in the same way as owned assets.

Payments of rent are expensed annually to the SOFA in accordance with the terms of the lease.

H. Tangible Fixed Assets

Expenditure on plant and machinery and on the acquisition, alteration, and reconstruction of buildings costing £1,000 or more is capitalised at cost and depreciated over the economic useful life to be held at cost less accumulated depreciation. Depreciation is charged to write off the cost or valuation less the estimated residual value of fixed assets in equal instalments over their estimated useful economic lives as follows:

No depreciation is provided on construction in progress including sites purchased for redevelopment. Capitalised construction costs include directly attributable fees and expenses excluding costs of borrowing. Interest costs incurred from borrowings for capital projects are expensed through the SOFA.

Freehold property	50 years
Long leasehold property	Shorter of 50 years or length of lease
Building refurbishments (Included in freehold and leasehold properties)	8 – 25 years
Fixtures and equipment	3 – 15 years

In accordance with Financial Reporting Standard 102, section 35.10 the book value of assets at cost or valuation as at 30 September 1999 has been retained and these valuations will not be updated. Subsequent additions are capitalised at cost. The value below which fixed assets are not capitalised is currently £1,000.

I. Investments

Listed investments are stated at market value as at the balance sheet date. Realised and unrealised gains and losses on investments during the year are shown in the Consolidated Statement of Financial Activities (SOFA).

J. Stocks

Stocks, which comprise goods used in the provision of services to patients and other customers, are valued at the lower of cost

and net realisable value. Cost means purchase price less trade discounts. Net realisable value means estimated selling price less trade discounts and all costs of sale. Provision is made for obsolete, slow moving or defective items where appropriate.

K. Cash Flow and Liquid Resources

Cash flow comprises increases and decreases in cash. Cash and cash equivalents include cash at bank and deposits repayable on demand less overdrafts from any qualifying financial institution repayable on demand. Deposits are repayable on demand if they are available within 7 days without penalty.

L. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

M. Creditors and Provisions

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

N. Financial Instruments

The Group entered into an interest rate cap to manage its risk associated with interest rate fluctuations. The measurement basis adopted in the preparation of these financial statements is provided in note 7, the option expired in 2020.

All other financial assets and financial liabilities are of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest rate method.

O. Pension and Other Post-Retirement Benefits

For defined benefit schemes, the amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs.

The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately as Other Recognised Gains/(Losses) in the SOFA. Defined benefit scheme assets are held separately from those of the Charity.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond.

The actuarial valuation is obtained at least triennially and is updated in the accounts at each balance sheet date. The resulting defined benefit asset or liability is shown separately on the face of the balance sheet. A pensions reserve has been created within the unrestricted funds in compliance with paragraph 10.93 of the SORP.

Pension costs for the defined contribution scheme are charged to the accounts on an accrual basis in accordance with the requirements of FRS102.28 Employment Benefits. Details of the Charity's pension schemes are disclosed in note 18 to the accounts. The difference between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

P. Fund Accounting and Reserves

Unrestricted funds comprise the accumulated surpluses and deficits of the Charity, which have not been restricted for any specific purpose, and include funds invested in the functional fixed assets of the Charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

The Trustees consider the appropriateness of the reserves from time to time and may reserve funds for special purposes or against future expenditure.

3. Total Expenditure

	DIRECT CHARITABLE (HOSPITAL) £000	SUPPORT INCLUDING GOVERNANCE £000	FUNDRAISING COSTS £000	2020 TOTAL £000	2019 TOTAL £000
Provision of Hospital Activities					
Staff costs excluding defined benefit scheme interest costs	58,756	16,215	112	75,083	72,728
Net pension interest expense (note 18)	232	—	—	232	553
Gains due to benefit changes (note 18)	—	—	—	—	(995)
Staff costs (note 5)	58,988	16,215	112	75,315	72,286
Auditor's remuneration base fee	—	62	—	62	62
Depreciation of fixed assets (note 9)	15,660	—	—	15,660	17,843
Impairment of fixed assets (note 9)	—	—	—	—	1,904
Operating leases – Other	6,120	—	—	6,120	5,679
Stock	28,987	—	—	28,987	28,356
Other operating expenses	16,526	18,884	60	35,470	31,007
	126,281	35,161	172	161,614	157,137
Expenditure on Raising Funds					
Bank Interest Payable	476	—	—	476	896
Finance charge in respect to finance leases	—	17	—	17	49
	476	17	—	493	945
Total expenditure	126,757	35,178	172	162,107	158,082

Auditor's remuneration for audit work for the period was £62k (2019: £62k) and remuneration for non-audit work, relating to IT and tax related consultancy services was £nil (2019: £nil).

For a further breakdown of 2019 please see note 23.

Financials

4. Analysis of Governance and Support Costs

	2020 TOTAL £000	2019 TOTAL £000
Auditor's remuneration base fee (auditing the financial statements)	62	62
Salaries, wages and related costs – Allocated on time	115	112
Other operating expenses – Legal advice	80	37
Total Governance costs	257	211
Salaries, wages and related costs – Allocated by department	16,100	17,420
Other operating expenses – Allocated by department	18,804	13,060
Total Support costs	34,904	30,480

5. Staff and Trustees

	2020 TOTAL £000	2019 TOTAL £000
Staff costs comprise:		
Wages and salaries	57,992	52,696
Social security costs	5,988	5,651
Agency & Contractors	6,427	9,657
Pension Costs	3,500	2,619
Other staff costs	1,408	1,663
	75,315	72,286

Redundancy and contract termination costs are expensed as incurred through the SOFA. During the year, redundancy and termination costs of £529k were expensed (2019: £328k).

	2020	2019
Average monthly number of employees during the period	1,226	1,152

All staff in 2020 and 2019 were employed in fulfilling the provision of medical services, which is the purpose of the Charity.

The key management personnel of the Charity comprise the trustees and the members of the Executive Board. The total employee benefits of the key management personnel was as follows:

	2020 TOTAL £000	2019 TOTAL £000
Emoluments	2,701	2,524
Pension contributions	162	105
	2,863	2,629

Accommodation has been provided within the hospital premises, without charge to Al Russell, Chief Executive to enable him to fulfil his duties.

The Trustees received no emoluments from the Charity during the period (2019: £nil).

The Charity reimbursed travelling and other expenses of 2 Trustees for £1,393 (2019: 3 Trustees for £4,580).

In 2020 the Charity had related party transactions of £570k (2019: £133k) further details can be found on page 47.

5. Staff and Trustees (Continued)

The emoluments of employees earning over £60,000, excluding pension contributions, fell within the following ranges:

	2020 No.	2019 No.
£60,001 – £70,000	91	85
£70,001 – £80,000	41	25
£80,001 – £90,000	17	12
£90,001 – £100,000	11	9
£100,001 – £110,000	2	3
£110,001 – £120,000	2	3
£120,001 – £130,000	–	2
£130,001 – £140,000	3	1
£150,001 – £160,000	1	–
£160,001 – £170,000	1	–
£170,001 – £180,000	2	1
£180,001 – £190,000	–	1
£200,001 – £210,000	–	1
£210,001 – £220,000	–	1
£220,001 – £230,000	1	–
£230,001 – £240,000	1	1
£250,001 – £260,000	1	–
£260,001 – £270,000	2	–
£270,001 – £280,000	1	–
£290,001 – £300,000	–	1
£390,001 – £400,000	–	1
£510,001 – £520,000	1	–
Total	178	147

In the period, the provision of money purchase benefits were provided to 173 employees of the above (2019:142 employees) and the contribution paid was £993k (2019: £786k). There are 6 employees who are part of the defined benefit scheme (2019:4 employees). Further details of the Charity's pension schemes are given in note 18. The 2019 executive team bonus was paid in February 2020. The London Clinic's Remuneration Policy is published on the Charity's website.

6. Other Income

	UNRESTRICTED FUNDS £000	DESIGNATED FUNDS £000	RESTRICTED FUNDS £000	2020 £000	2019 £000
Interest on bank balances	12	–	–	12	42
Return on fixed asset investments	–	48	–	48	56
Grant income*	–	–	452	452	–
	12	48	452	512	98

*Grant income relates to the Coronavirus Job Retention Scheme.

Financials

7. Fixed Asset Investments

Group and Charity

At 1 January

Listed investments (Cash Equivalent)

Interest rate cap

Total at 1 January

Fair Value Gains and Losses

Listed investments

Interest rate cap fair value loss

Total (Losses)/Gains

Interest rate cap impairment

Total (Losses)/Gains

2020		2019	
COST £000	VALUE £000	COST £000	VALUE £000
564	1,114	564	955
487	–	487	21
1,051	1,114	1,051	976
–	(193)	–	159
–	–	–	(16)
–	(193)	–	143
–	–	–	(5)
–	(193)	–	138

INVESTMENTS CARRIED AT FAIR VALUE AT 31 DECEMBER

Listed investments

Total at 31 December

2020	2019
£000	£000
921	1,114
921	1,114

Listed Investments

Listed investments relate entirely to the staff training and education fund which is a designated fund for the training and education of staff from all disciplines. The fund is financed by the investment income generated by the managed M&G investment, Charifund, which is based in the UK, and donations received by the Charity. £921k (2019: £1,114k). This has been included as a cash equivalent as it is a highly liquid asset.

8. Subsidiary and Associate Undertakings

	GROUP		CHARITY	
	2020 £000	2019 £000	2020 £000	2019 £000
Investment in subsidiary	–	–	–	1,650

The investment in the associate was disposed of with a striking off date of 14 January 2020.

None of the undertakings have a material effect on the group accounts. A list of subsidiary undertakings can be obtained from the Charity's principal address at 20 Devonshire Place, London, W1G 6BW. The subsidiaries as at December 2020 are owned in full and are all registered in England and Wales.

The Charity has the following subsidiary undertakings which were wholly owned and registered in England and Wales at 20 Devonshire Place, London W1G 6BW.

London Clinic Development Limited	paid up share capital of £99	Company was non-trading through the period ended 31 December 2020
LC Medical Admin Limited	paid up share capital of £2	The company was non-trading through the period ended 31 December 2020
LC Medical Services Limited	paid up share capital of £2	The company was non-trading through the period ended 31 December 2020

9. Tangible Fixed Assets

	FREEHOLD PROPERTY £000	LONG LEASEHOLD £000	FIXTURES & EQUIPMENT £000	CONSTRUCTION IN PROGRESS £000	TOTAL £000
Group Cost or Valuation					
1 January 2020	4,459	247,089	102,317	12,026	365,891
Additions	–	1,959	4,144	1,262	7,365
Transfers	–	402	609	(1,011)	–
Disposals	–	–	(1,189)	–	(1,189)
31 December 2020	4,459	249,450	105,881	12,277	372,067
Depreciation					
1 January 2020	885	89,315	76,644	–	166,844
Provided during the year	89	7,570	8,001	–	15,660
Disposals	–	–	(1,189)	–	(1,189)
31 December 2020	974	96,885	83,456	–	181,315
Net Book Value					
At 31 December 2020	3,485	152,565	22,425	12,277	190,752
At 31 December 2019	3,574	157,774	25,673	12,026	199,047

Transfers represent completed capital expenditure projects which have been transferred from construction in progress to relevant fixed asset categories during the period.

In January 2013, a mortgage debenture between the Charity and its bankers was sealed, creating a charge on the above properties with a current revolving credit facility of £23.0m (2019: £26.0m).

In 2019 the Charity reviewed and made changes to its hospital development plans. In doing so it assessed the carrying value of previously capitalised design and development fees and made an impairment of £1.9m. The design and development costs were recorded under construction in progress since inception and had not been depreciated.

The net book value of the asset purchased via a finance lease is £1.7m (2019: £2.7m).

Financials

10. Stock

Raw materials and consumables

GROUP AND CHARITY	
2020 £000	2019 £000
4,363	3,356

11. Debtors

Amounts falling due within one year

Trade debtors

Other debtors

Prepayments and accrued income

GROUP	
2020 £000	2019 £000
28,051	32,533
549	523
2,284	2,387
30,884	35,443

Amounts owed to the Charity by subsidiary undertakings totals £371k (2019: 370k). This consolidates to £nil at a Group level.

12. Cash and Cash Equivalents

Investment

Cash

Total

GROUP AND CHARITY	
2020 £000	2019 £000
921	1,114
4,091	5,609
5,012	6,723

13. Creditors: Amounts Falling Due Within One Year

	GROUP AND CHARITY	
	2020 £000	2019 £000
Trade creditors	7,307	5,976
Taxation and social security	2,247	2,145
Other creditors	3,399	3,027
Accruals*	9,033	7,955
Obligations under finance leases	945	929
	22,931	20,032

*Includes the year end capital accrual of £0.9m (2019: £1.1m) and a redundancy provision of £0.2m (2019: £nil).

Creditors: Amounts Falling Due After One Year

	GROUP AND CHARITY	
	2020 £000	2019 £000
Revolving credit facility due 2 - 5 years	23,000	26,000
Obligations under finance leases 2 - 5 years	—	945
Borrowing costs capitalised	(190)	(236)
	22,810	26,709

In November 2015 the Charity extended the lending facility secured in January 2013 for a 5 year term, maturing in 2020. In February 2019 and again in February 2020 the option to extend by a further year was taken. The loan facility now expires in November 2022.

The costs of securing the financing facility for the Group are being amortised over the remaining term of the facility.

The finance lease will expire within 5 years.

14. Reserve Movements For Year

	REVALUATION RESERVE £000	DESIGNATED RESERVE £000	RESTRICTED RESERVE £000	GENERAL RESERVE £000	TOTAL £000
Group					
1 January 2020 per prior year financial statements	1,066	2,475	–	180,762	184,303
Net incoming resources/(deficit)	–	(198)	552	(9,047)	(8,693)
Asset disposal	–	–	–	–	–
Gain/(Loss) on investment assets	–	(193)	–	–	(193)
Actuarial loss on defined benefit pension scheme	–	–	–	(12,468)	(12,468)
Transfers between funds	–	–	(452)	452	–
At 31 December 2020	1,066	2,084	100	159,697	162,947

The Charity has reserves of £163,318k as at December 2020 (2019: £186,323k). The variance to the Group reserves are outlined in notes 8 and 11 of the notes to the financial statements.

Restricted Grant income for the Coronavirus Job Retention Scheme has been transferred, offsetting the related staff costs where full costs have been shown as unrestricted.

As at December 2020 the Restricted reserves were £100k (2019: £nil).

15. Analysis of Net Assets by Fund

2020	REVALUATION RESERVE £000	DESIGNATED RESERVE £000	RESTRICTED RESERVE £000	GENERAL RESERVE £000	TOTAL £000
Group					
Fixed asset investments	–	921	–	–	921
Other fixed assets	1,066	–	–	189,686	190,752
Non-current liabilities	–	–	–	(22,810)	(22,810)
Current assets	–	1,163	100	38,075	39,338
Current liabilities	–	–	–	(22,931)	(22,931)
Total funds excluding pension liability	1,066	2,084	100	182,020	185,270
Pension liability	–	–	–	(22,323)	(22,323)
Total net assets	1,066	2,084	100	159,697	162,947
Charity net assets	1,066	2,084	100	160,068	163,318
2019	REVALUATION RESERVE £000	DESIGNATED RESERVE £000	RESTRICTED RESERVE £000	GENERAL RESERVE £000	TOTAL £000
Group					
Fixed asset investments	–	1,114	–	–	1,114
Other fixed assets	1,066	–	–	197,981	199,047
Non-current liabilities	–	–	–	(26,709)	(26,709)
Current assets	–	1,361	–	43,047	44,408
Current liabilities	–	–	–	(20,032)	(20,032)
Total funds excluding pension liability	1,066	2,475	–	194,287	197,828
Pension liability	–	–	–	(13,525)	(13,525)
Total net assets	1,066	2,475	–	180,762	184,303
Charity net assets	1,066	2,475	–	182,782	186,323

16. Capital Commitments

	GROUP AND CHARITY	
	2020 £000	2019 £000
	3,621	1,442
Committed and contracted		

Additional capital expenditure has been approved for 2021 and the total capital expenditure forecast is £16.0m for 2021 (2020: £17.1m).

17. Operating Lease Commitments

The Group's future minimum lease payments under non-cancellable operating leases to the term of the lease are as follows:

LAND & BUILDINGS

Within one year
Between one and five years
After five years

GROUP AND CHARITY	
2020 £000	2019 £000
6,059	5,550
24,489	22,201
458,188	455,881
488,736	483,632

The leases relate to the land and buildings of the main Clinic sites in London. They have been classified as operating leases since inception and continue to be treated as such under FRS 102 criteria.

18. Pension schemes

The Charity operates a UK-based defined contribution scheme, providing benefits at retirement and on death-in-service. The funded defined benefit scheme was closed to new employees and replaced with a defined contribution scheme with effect from 1 January 2002.

Costs and liabilities of the scheme are based on an actuarial valuation. A full independent actuarial valuation is undertaken every three years, details of the latest independent valuation of the scheme are given below. The Charity gets an independent actuary to update this valuation for purpose of the determining the company obligation under FRS 102.

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others was published on 26 October 2018, and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effect of the GMPs between men and women. As the scheme was only contracted out after 5 April 1997 it does not have GMP and so is unaffected by this legislation.

The assumptions that have the most significant effect on the results of the valuation are those relating to the overall expected rate of return on assets, the mortality of its members and the rate of increase in salaries and pensions. It was assumed that the long term return on plan assets is a weighted average of the expected long term return for equity securities, debt securities, and other assets.

At the date of the valuation the actuarial value of the scheme assets was sufficient to cover 83% of the benefits that had accrued to the members after allowing for future increases in earnings.

During the year the employer contributed an additional £3,902k in respect of past service benefits. The current deficit recovery plan anticipates the scheme deficit will be eliminated by 31 December 2025. This plan will be reviewed with the scheme trustee as part of the triennial valuation which will be performed at 1 January 2020.

The employer expects to contribute £1,900k to the defined benefit plan in the year to 31 December 2021. At 31 December 2020 there were no outstanding contributions due to the defined contribution scheme.

Total pension charge for the year including the defined contribution scheme was £3,500k (2019: £2,619k).

The actuarial valuation has been updated by an independent qualified actuary to take account of the requirements under FRS 102 in order to assess the liabilities of the scheme at 31 December 2020. The projected unit method is used to value the liabilities of the defined benefit pension scheme. As the defined benefit scheme is closed to new employees the current service costs under the projected unit method will increase as the members of the scheme approach retirement.

In 2017 the employer added a salary sacrifice scheme to its existing stakeholder schemes. The schemes offer a range of employer pension contributions, from a minimum of 3% to a maximum of 10%, dependent on the employee's own contribution rate. In order to obtain the maximum employer contribution of 10% the employee contributes 7%.

From April 2019 new employees are offered a salary sacrifice scheme where the employer matches the employee contributions from 4% to 10%.

The defined benefit obligation increased in the year by £21.8m from £107.6m in Dec 19 to £129.4m in Dec 20. A large proportion of the growth is the result of more up to date demographic assumptions following the triannual valuation undertaken in 2020. If the updated assumptions were applied to the Dec19 position then the defined benefit obligation would have been £117m in Dec 19 compared to £129.4m in Dec 20. The remaining growth of £12.4m in the defined benefit obligation is due to the market conditions. Over this period our assets grew by £13.0m resulting in a like for like marginal reduction in our deficit of £0.6m which stands at £22.3m in Dec 20 compared to £13.5m in Dec 19.

The Charity remains dedicated to its pension deficit reduction programme and clearing the deficit by 2025/6 and confidence in this plan is supported by a reduction in our annual deficit reduction payments from £3.9m to £1.9m as agreed with the Pension Trustee.

Employee Benefit Obligation

The amounts recognised in the Balance Sheet are as follows:

	2020 £000	2019 £000
Fair value of plan assets	107,113	94,120
Present value of funded obligations	(129,436)	(107,645)
Net liability	(22,323)	(13,525)

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2020 £000	2019 £000
Interest cost	(2,112)	(2,915)
Interest income	1,880	2,362
Interest expense net of return on assets	232	553
Gains due to benefit changes	–	(995)
Total included in staff costs	232	(442)
Gain during the year on plan assets	13,194	10,180

Changes in present value of the defined benefit obligation are as follows:

	2020 £000	2019 £000
Opening defined benefit obligation	(107,645)	(106,459)
Interest cost	(2,112)	(2,915)
Actuarial (Loss)/gain	(23,782)	(3,988)
Benefits paid	4,103	4,722
Gains due to benefit changes	–	995
Closing defined benefit obligation	(129,436)	(107,645)

Changes in fair value of plan assets are as follows:

	2020 £000	2019 £000
Opening fair value of plan assets	94,120	84,760
Interest income	1,880	2,362
Actuarial gain/(loss)	11,314	7,818
Contributions by employer	3,902	3,902
Benefits paid	(4,103)	(4,722)
Closing fair value of plan assets	107,113	94,120

Analysis of actuarial (losses)/gains recognised in Other Comprehensive Income:

	2020 £000	2019 £000
Return on plan assets excluding net interest cost gain/(loss)	11,314	7,818
Experience gains/(losses) on benefit obligation	3,834	(105)
Effect of assumptions changes on benefit obligation	(27,616)	(3,883)
Total actuarial (loss)/gain recognised:	(12,468)	3,830

The main categories of plan assets as a percentage of total plan assets are as follows:

	2020 %	2019 %
Equities (including property)	30%	31%
Bonds	8%	8%
Other	11%	11%
LDI (Liability Driven Investment)	49%	48%
Cash	2%	2%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020 %	2019 %
Discount rate at 31 December	1.3%	2.0%
Expected return on plan assets at 31 December	1.3%	2.0%
Future salary increases	2.3%	2.0%
Future pension increases	3.1%	2.8%

Amounts for the current and previous four periods are as follows:

	2016 £000	2017 £000	2018 £000	2019 £000	2020 £000
Defined benefit obligation	(124,155)	(116,207)	(106,459)	(107,645)	(129,436)
Plan assets	80,465	85,418	84,760	94,120	107,113
(Deficit)	(43,690)	(30,789)	(21,699)	(13,525)	(22,323)
Experience adjustment on obligation	343	821	(1,027)	(105)	3,834
Actuarial gain/(loss) on plan assets	3,983	5,185	(1,562)	7,818	11,314

19. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

GROUP	2020 £000	2019 £000
Net (loss) for the year	(8,888)	(1,167)
Interest received	(512)	(98)
Depreciation of tangible fixed assets	15,660	19,747
Impairment of interest rate cap	—	5
Loss/(Gain) on investment assets	193	(143)
Net retirement benefit charge less contributions	(3,670)	(4,344)
(Increase) in stock	(1,007)	(514)
Decrease/(Increase) in debtors	4,559	(9,814)
Increase in creditors	3,083	1,592
Net cash inflow from operating activities	9,418	5,264

20. Analysis of Changes in Net Debt

	AT 1 JAN 2020 £000	CASH FLOWS £000	AT 31 DEC 2020 £000
Cash and cash equivalents	6,723	(1,711)	5,012
Debt due within one year	—	—	—
Debt due after one year	(26,000)	3,000	(23,000)
Total	(19,277)	1,289	(17,988)

21. Taxation

Trustees of the London Clinic Limited is a registered charity and as such is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

22. Events After the Reporting Period

There have been no events subsequent to 31 December 2020 which materially impact on the results reported.

23. Total Expenditure 2019

	DIRECT CHARITABLE (HOSPITAL) £000	SUPPORT INCLUDING GOVERNANCE £000	FUNDRAISING COSTS £000	2019 TOTAL £000
Provision of Hospital Activities				
Staff costs excluding defined benefit scheme interest costs	55,175	17,532	21	72,728
Net pension interest expense (note 18)	553	–	–	553
Gains due to benefit changes (note 18)	(995)	–	–	(995)
Staff Costs (note 5)	54,733	17,532	21	72,286
Auditor's remuneration	–	62	–	62
Depreciation and impairment of fixed assets (note 9)	17,843	–	–	17,843
Impairment of fixed assets (note 9)	1,904	–	–	1,904
Operating leases – Other	5,679	–	–	5,679
Stock	28,356	–	–	28,356
Other operating expenses	17,850	13,097	60	31,007
	126,365	30,691	81	157,137
Expenditure on Raising Funds				
Bank Interest Payable	896	–	–	896
Finance charge in respect to finance leases	–	49	–	49
	896	49	–	945
Total expenditure	127,261	30,740	81	158,082

This page has been
Intentionally left blank

REFERENCE AND ADMINISTRATIVE DETAILS

Advisers and Principal Addresses:

Principal Address	Trustees of the London Clinic Limited 20 Devonshire Place London W1G 6BW	Bank	HSBC PLC City of London Branch 60 Queen Victoria Street London EC4N 4TR
Auditor	Deloitte LLP 3 Victoria Square Victoria Street St Albans Hertfordshire AL1 3TF	Solicitors	Addleshaw Goddard Milton Gate 60 Chiswell Street London EC1Y 4AG

During the period, the Patron was:
Her Royal Highness the Duchess of Cornwall

During the period, the Life President was:
The Duchess of Devonshire DL

During the period, the Trustees were:

Hamish Leslie Melville (Chairman)

Has served as Chairman or Director of a number of UK public and private companies. A former Chairman of The National Trust for Scotland.

Manish Chande

Senior Partner of Clearbell Capital LLP, a fund management business specialising in the property sector. Co-established the Trillium Group and was Chief Executive prior to its acquisition by Land Securities, after which he joined its main board. As a Commissioner of English Heritage, he assisted in a number of important historic buildings restorations in central London. Previously a Trustee of The Canal and River Trust.

Professor John Gribben

Graduated from the University of Glasgow in 1980, trained in Haematology at University College London and in Medical Oncology at the Dana-Farber Cancer Institute, Harvard Medical School. Chair of the international workshop on non-Hodgkin's lymphoma (iwnhl) and President of the European Haematology Association (EHA) (2019-2021). He was elected as a Fellow of the Academy of Medical Science in 2009. Specialist in haematological cancers including lymphomas, leukaemias and bone marrow transplantation.

Nicholas Melhuish

Graduated from New College, Oxford in 1991. He is currently Fellow and Bursar at Corpus Christi College, Oxford. He has 27 years of financial experience in the investment and pension fund industry and is a qualified Financial Analyst. He is also a Trustee and Chairman of the Finance Committee at the Trusthouse Charitable Foundation, a UK based grant making organisation as well as being a Trustee of the Pate Foundation, an educational charity in Cheltenham, UK.

Claire Holmes

Marketing professional with over 20 years' experience. Joined WPP's Ogilvy Group in 1995 and helped businesses transform how they communicated, as well as leading the communications strategy on some of GSK's and Unilever's most recognisable brands. Moved to Lambie-Nairn in 2004 as a brand consultant and led the brand strategy team across EMEA working on agencies key clients including International Olympic Committee, UCL, Telefonica & O2, Natural History Museum and The Royal Foundation (Heads together campaign and Invictus Games). Joined the Executive Leadership team at Superunion (Lambie-Nairn merged into Superunion 2017); now runs own consultancy.

Dr Michael Sinclair (appointed February 2020)

Held a number of appointments at teaching hospitals in London; registrar in Psychiatry at the Maudsley Hospital and Institute of Psychiatry of London University; more than 40 years of experience in the healthcare business. During his career he has developed and operated 17 hospitals, over 120 primary healthcare facilities, 5 nursing homes and 5 retirement communities internationally.

Commodore Inga Kennedy was appointed a Trustee in April 2021**Philippa Hardwick was appointed a Trustee in July 2021****The Company Secretary is: Georgina Holtby**

The members of the Executive Board as at 31 December 2020 were as follows:

Al Russell	Chief Executive
Sophie Auld	Clinical Services Director
Satya Bhattacharya	Medical Director
Jonathan Coad	Property and Strategic Programmes Director
Geoff Cox	Operations and HR Director
Mark Hawken	Commercial Director
Georgina Holtby	Company Secretary/Director of Legal
James Maunder	Chief Information Officer
Theresa Murphy	Matron/Director of Nursing (resigned June 2021)
Gerard Smith	Chief Financial Officer (appointed July 2020)*

*Simon Reiter retired as Chief Financial Officer in July 2020.

All members of the Executive Board are Key Management Personnel.



Trustees of the London Clinic Limited

**A Company Limited by Guarantee and Registered in England and Wales No. 00307579
A Registered Charity No. 211136**