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LONDON
CLINIC

Trustees of the London Clinic Limited

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021



Table of Contents

INTRODUCTION

Chairman's Statement	4	About Us	6
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THE CHARITY'S FRAMEWORK

Structure, Governance and Management	9	Objectives and Activities	11
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STRATEGIC REPORT

Achievements and Performance	16	Risk Management	41
Financial Review	39	Principle Risks and Uncertainties	41
Going Concern	40	Modern Slavery	42
Related Parties	40	Pay Policy for Senior Staff	43
Reserves and Reserves Policy	40	Section 172 Statement	44

FINANCIALS

Trustees' Responsibilities Statement	46	Consolidated Balance Sheet	51
Independent Auditor's Report	47	Charity Balance Sheet	52
Consolidated Statement of Financial Activities	50	Consolidated Statement of Cash Flows	53
		Notes to the Financial Statements	54

APPENDIX

Reference and Administrative Details	70
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Chairman's Statement

I am pleased to provide The London Clinic's Annual Report for 2021. This report outlines the essential activities carried out by the hospital and staff, as well as notable achievements during the year and showcases the continued resilience and dedication of our people in what will undoubtedly be remembered as a one of the most remarkable periods in healthcare history.

As we begin to emerge from the unique challenges of the pandemic, we remain true to our purpose – to support our community and develop healthcare so it may benefit others. I am very proud of what has been achieved in these very difficult circumstances.

Whilst the effects of the pandemic are still felt in the hospital every day, 2021 is the year in which we transitioned from supporting the national emergency response – in which we played a key role – into re-establishing the 'new normal' of post pandemic life for The London Clinic. Along with many other institutions, we faced unprecedented challenges in 2021 as we navigated this transition. The pandemic has forced us to look carefully at our operating model and refocus on our strategy to deliver our charitable objectives.

Our strategy

In 2021 we launched our new strategy. The Executive team, led by Al Russell, took time to engage with different stakeholders across the business in refining and augmenting our plans to ensure that the hospital meets the needs of our patients and community. The new ambitious strategic 5-year plan ensures that we are able to maximise our impact as a charity, by building on our strengths as a world class hospital and ensuring our long-term financial sustainability. In particular, we have an opportunity to contribute to the national crisis with cancer, which has been increased by the pandemic. We intend to do this by directly supporting the community through screening and rapid diagnostics, with a significant new facility launching in 2023, as well continuing our pursuit of education and research.

In 2021 we have made significant improvements to our clinical governance which have been recognised by the Care Quality Commission in their most recent visit to us in November 2021. Our ambition to achieve outstanding governance is an underpinning pillar of our new strategy and we continue to drive for excellence in this area.

Our patients

During the year we introduced ways to better support those wishing to self-fund treatment. We have also been pleased to see the gradual return of our international patients.

Throughout 2021 our patient feedback has remained some of the strongest in the sector, with 98% of our patients saying that they would recommend us to a friend or family member and 99% of our patients rating their experience as either good or very good. This is testament to our commitment to holistic patient care and the quality of the teams that deliver this.

Our people

For many, 2021 was in some ways more challenging and stressful than 2020. Recovery from an extended period of crisis has been hard for all who work in healthcare – both personally and professionally.

Recognising the impact that the pandemic has had, we have introduced a number of measures to support wellbeing and we have continued to ensure that our people have access to the best resources and support.

Innovation and patient care

There have been many innovative developments in the hospital during the year. This has included deep brain stimulation to treat tremors, new surgical robots, and new treatments for pancreatic cancer (more on page 25-26). There has also been more holistic work around the patient treatments and experience which go further to support the aims in our new strategy of delivering a more complete kind of care for our patients.

Our trustees

During the year our Trustees have worked closely with management, bringing their knowledge and experience to bear for the benefit of the Charity and our patients.

Thank you

Each time I come into the hospital, I am reminded in many different ways that The London Clinic is made up of many wonderful, dedicated and passionate people. I give my deepest thanks to each and every one of our staff, consultants and supporters who have worked tirelessly throughout the year. There has been no let-up in the demands of healthcare and our people have continued to rise to that challenge.

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.

Our Heritage and History

In 1928, a group of leading medical specialists joined together to plan the establishment of a new nursing home 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.

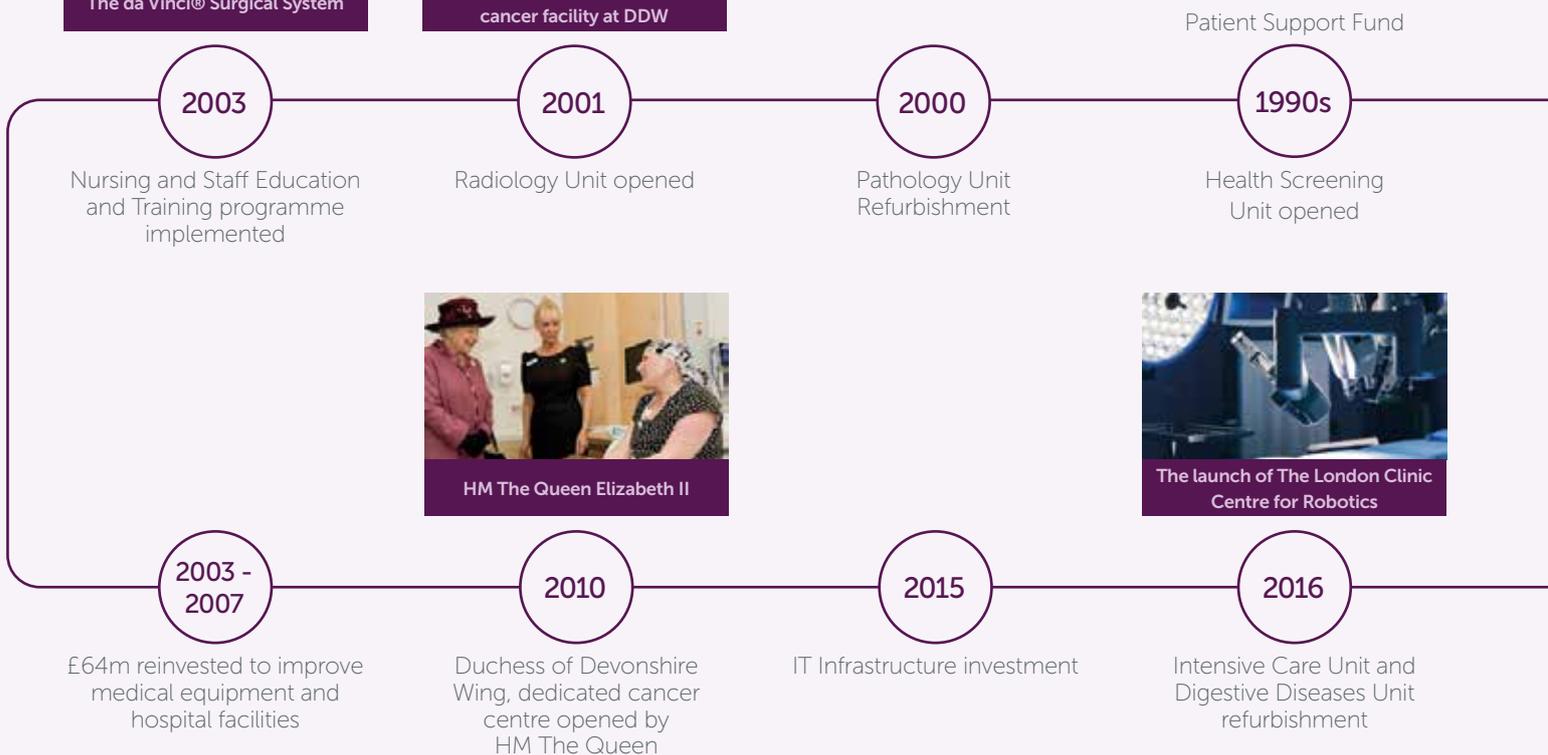
The London Clinic was granted charitable status in 1935, and ever since has been committed to reinvesting its financial surplus to help improve health for patients and the wider medical community. These were the early origins of The London Clinic, a hospital that over the next 89 years would develop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



The da Vinci® Surgical System



The new state-of-the-art cancer facility at DDW



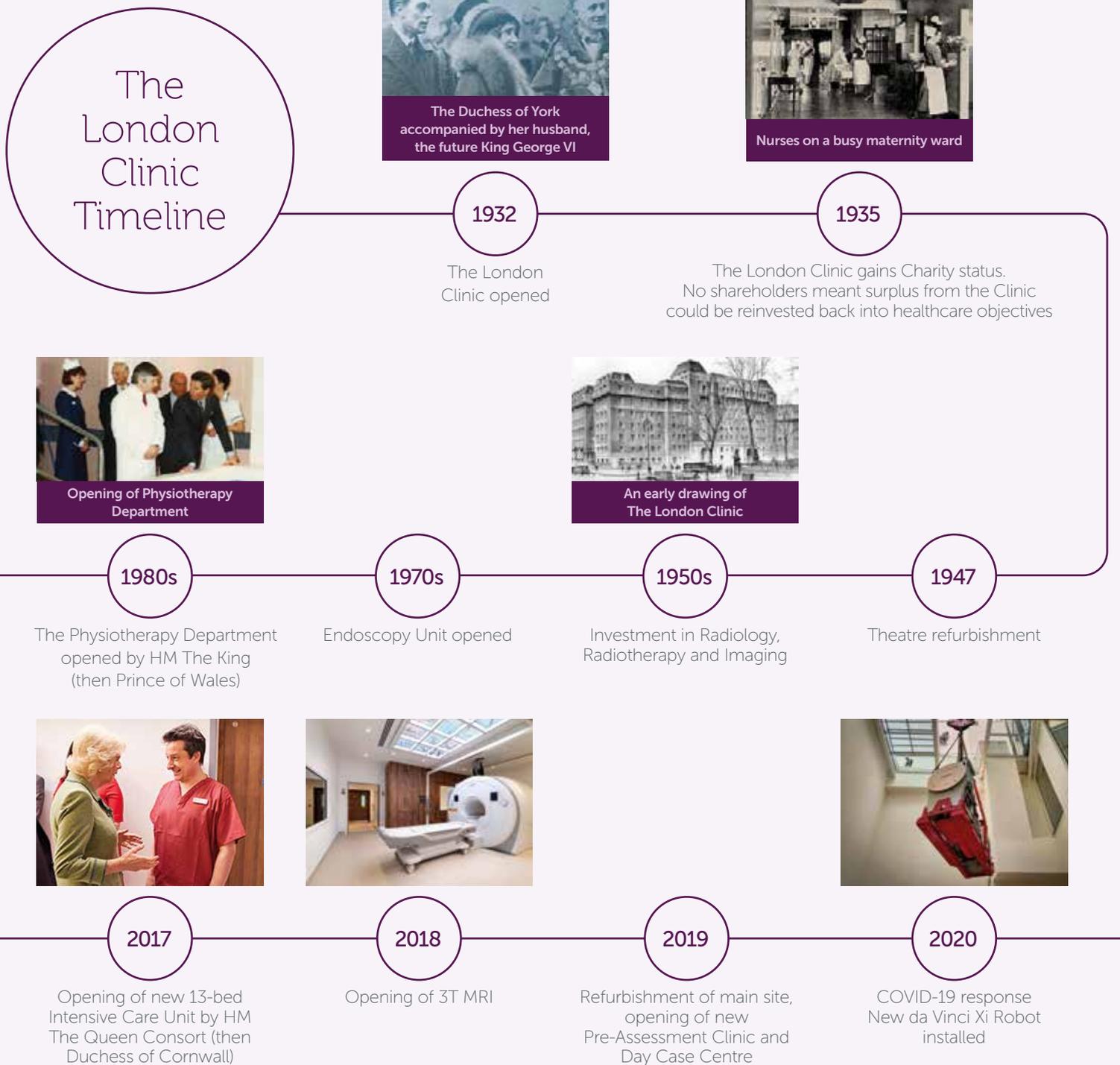
HM The Queen Elizabeth II



The launch of The London Clinic Centre for Robotics

Assisted by circa 1,300 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 across 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.



THE CHARITY'S FRAMEWORK

During 2021, work was undertaken to update our branding which included reviewing the Charity's mission, vision and values. Following stakeholder engagement, the updated branding was launched in early 2022 alongside the new strategy (see page 14) and will be reflected in next year's annual report. The mission, vision and values in place in 2021 are outlined below.

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 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 drives and 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 driving yet further advances in healthcare. 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 Charity (No.211136) registered 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 Charity 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. The Charity provides Directors & Officers indemnity for its trustees. 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 seven times during 2021.*

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

During 2021, a review of the governance framework was commenced; the first step being to integrate the clinical and corporate governance of the hospital into one department. The newly formed Governance team led a ground up review of the committee and meeting structure which has developed a new Governance framework and committee structure for the hospital. This work continues into 2022 and the new structure will be included in the 2022 annual report.

Nominations and Remuneration Committee

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 regarding 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 43). Manish Chande, Hamish Leslie Melville and Professor John Gribben are members of the committee. *The Remuneration Committee met once in 2021. The Nomination Committee met once in 2021.*

Audit and Risk Committee

This committee was chaired by Nicholas Melhuish, with Hamish Leslie Melville and Al Russell as members. The membership of the CEO was temporary until a third trustee member was recruited. During the year, Nicholas Melhuish indicated that he would step down as chair and member of the committee. Following the recruitment process led by the Nominations Committee, Philippa Hardwick was appointed part way through the year as member, taking over as chair from Nicholas Melhuish at the end of 2021. The committee 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 as well as external and internal audit, in support of the Charity's objectives. *The committee met three times during 2021.*



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 is a member of this committee; Nicholas Melhuish stepped down as member during the year; and Michael Sinclair was appointed to the committee part way through the year. *The committee met four times in 2021.*

Clinical Safety and Quality Committee

This committee is chaired by Inga Kennedy, with Hamish Leslie Melville, Professor John Gribben and Dr Carmel Curtis as members. 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, with particular oversight of the CQC Inspection outcomes. *The committee met three times during 2021.*

Charity Governance

The Trustees are committed to safeguarding the good governance of the Charity and recognise this 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 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 has shown further improvement against the 2021 position with, with 92% of practices fully embedded (2020: 88%) with a further 12% (2020: 12%) requiring minor updates. Elements of the Code that the Charity has not applied are explained in the Annual Report – 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 specialist support to the Charity can serve longer, though their appointments are subject to a more rigorous review. Manish Chande has served 14 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 12 years as a Trustee, the last five 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. In our recruitment processes the Charity is also looking at succession planning for all trustees. All other Trustees have served five years or less. To encourage diversity and combat the risk of overfamiliarity, the Charity has continued actively to recruit new Trustees at the rate of one a year and the Board had 8 trustees members during 2021 with a further trustee post being actively recruited for in 2022.

Trustee recruitment is managed internally with support of a specialist recruitment agency. Open advertising of Trustee vacancies (as recommended in the Code) has commenced in 2022.

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 annual 'Diversity and Inclusion Week' in 2021. It maintained a Bronze Award from the National Inclusion Standard (more detail on page 30).

A list of Trustees, key management personnel, advisors and principal addresses can be found on pages 70-71.

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 principal 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.

Delivering our core purpose

5,961

Number of inpatient admissions



15,831

Number of day case admissions



23,538

Number of patient days



32,450

Number of diagnostic scans performed



66,215

Number of drugs dispensed



4,266

Number of radiotherapy fractions delivered



1,268

Number of employees



980

Number of consultants
(as at 31st December 2021)



638

Number of stem cell collections



69,461

Number of physiotherapy sessions



2,987

NHS inpatient days and
266 NHS day case patients



49,150

Number of COVID -19
PCR tests run





Our Strategy

As reported in the 2020 Annual Report, the Executive team had taken time to review the Charity’s strategy, looking through to 2025. Whilst anticipated to launch in 2021, the decision was taken to further augment this strategy to ensure it was fit for the changing healthcare market and competitive environment. The opportunity was also taken to fully engage and respond to feedback from stakeholders. This new strategy was then finalised and launched the first half of 2022 alongside the new 2022 branding, vision and values.

Our 2025 Strategic Framework

The healthcare market has gone through seismic changes in the last few years with new challenges, competitors, digital transformation of healthcare and changes in consultant and salary models alongside a draining pandemic, NHS waiting lists and self-pay growth. We are operating in an increasingly fast changing world where patients are taking more control of their health and demanding more from their healthcare providers. We are large enough to attract the best clinicians and access the latest technology, enabling us to deliver complex care across a wide

range of specialties, whilst being small enough that we can truly personalise care. The new brand promise, ‘A more complete kind of care’, builds on this position. We will utilise our unique range of capabilities to build stronger relationships with our communities and help them understand that we are the best place for their healthcare.

Our 2025 strategic framework:



JOURNEY TO A PAIN-FREE LIFE

After being diagnosed with Complex Regional Pain Syndrome (CRPS) as a child, Ruby (now 21 years old) has suffered from increasingly debilitating pain that has prevented her from taking part in many of the everyday activities many of us may take for granted – including sleeping for more than 30 minutes at a time.

CRPS is a rare condition that occurs when minor trauma to soft tissue in the body causes sensation to nerves in that region. An individual's tissue will heal from the trauma, but the sensitivity experienced to the nerves in that region will continue, transforming into pain signals received by the brain.

“ The pain experienced is as 'real' as any other pain, but the mechanisms are different to that experienced by a broken bone, for example. It might feel to the patient that they are trapped in their own body and have no control over it. This can result in frustration and a negative impact on their mental health.

The implant provided to Ruby can be thought of as a pacemaker for the spinal cord – it works by sending counteracting electrical signals to the brain through spinal cord simulation.” says Dr Moein Tavakkoli, Ruby's specialist.

Below is her recollection of her experience at The London Clinic:

“Although the surgery was a big undertaking, it has massively exceeded my expectations. There isn't a finite cure for CRPS, so I still struggle with pain every day and I still have to manage my symptoms.

But the surgery has meant I am no longer reliant on my wheelchair and walking aids. In some parts of my body, my pain levels have fallen by 70%. It's incredible.

My time at The London Clinic was great, especially considering my operation took place during a pandemic. My doctor, Dr Tavakkoli, was so calm, which put me at ease from day one.

As an extra benefit, now, I can even take the dogs out for a walk, which has proved to be a huge boost for my mental health.”

“Although it sounds like a cliché, the operation has truly allowed me to live again – everything has changed. I feel like I now have all this time to think and just enjoy life. I've even started studying again remotely for my economics degree. ”





Achievements and performance

Transitioning out of the pandemic crisis has enabled us to deliver on some of the projects that had been paused due to COVID-19. Developments in the delivery of patient care and holistic services are at the forefront underpinned by process, infrastructure and building projects. The Charity has maintained all accreditations and we remain focused on the pursuit of outstanding governance with lessons learned from our external inspections and the embedding of our new governance framework to improve standards of patient care and safety. Innovation continues to thrive at the hospital alongside the important and ever-developing training provisions for staff.

Ever Better Patient Care

Following the launch of Connect in 2020, **digital consultations continued to be a welcome patient choice for consultations in 2021**. There were 2083 Consultant appointments held on the digital platform in 2021 and 2421 physiotherapy appointments. Connect takes patients through a GMC recommended consent process for a digital consultation and the platform also allows for up to 5 people to participate. This enables the patient to have a relative, their local doctor if an international patient and an interpreter to attend the consultation. We continue to use Connect across

a wide range of therapies including; Physiotherapy, Occupational Therapy, Dietetics, Speech and Language Therapy, Clinical Rehabilitation, Clinical Psychology and Counselling supporting improved/rapid access for patients all over the country/internationally to our services. As we emerge from the pandemic, we were able to reintroduce face to face appointments; and have seen a steady rise in demand for Physiotherapy and hands on intervention. However, by continuing to offer Connect we can be responsive to patient need and improve patient choice and access against the ever-changing healthcare climate and patients work/life commitments.

In terms of clinical developments, there were **12 new protocols approved in 2021 for treatment of haematological malignancies**. 58% of which are for treatment of Multiple Myeloma where Daratumumab in different combinations is becoming at standard of care in patients with relapsed/refractory disease. Belantamab and Selinexor were also introduced on a named patient basis and the Clinic was one of the first private organisations to offer these treatments to their Multiple myeloma patients. A new CAR-T product was introduced for patients with relapsed Mantle cell lymphoma meaning there are now 2 CAR-T products approved for administration at the Clinic and we treated 2 patients with CAR-T therapy in 2021. We saw **novel therapies like Polatuzumab and Acalabrutinib** being used for lymphoma and chronic leukaemia patients. In partnership with DKMS donor registry we started to supply Filgrastim (granulocyte stimulating factor) for donors to self-administer for 4 days prior to donating their stem cell at the hospital. This has led to **increased number of donors now self-administering Filgrastim at home** which lowers the cost for the donor registry and gives more flexibility to the donors.

Within oncology in 2021 there was the **addition of 17 new chemotherapy protocols**, which included two compassionate use schemes under instruction from the manufacturer. These schemes are for when a patient meets the treatment eligibility criteria but where the therapy is not yet licensed for commercial use. There was a broad increase in the use of immunotherapies and targeted therapies such as Tyrosine Kinase Inhibitors (TKI's) in line with the wider national practice based around the treatment of non-immune suppressing agents within the context of COVID-19. The **Pharmacy aseptic services suite has also benefitted from the project upgrades** implemented in late 2020 meaning that throughout 2021 there has been significant improvement in the capacity management and governance associated within our aseptic services chemotherapy production.

We are delighted to be the **first UK hospital to offer an in-house oncology skin and nail care service** supporting our patients throughout their entire journey. In 2021 we made the move to build an in-house complementary therapy service and employed our first permanent Complementary Therapist as part of our Health and Well-Being Therapy team. The oncology skin and nail care services support the management of some of the side effects of cancer treatment, improving both the patient's physical and emotional well-being. Prior to the introduction of this service there was a gap in the holistic care for our patients, requiring the MDT to refer externally for similar services. The introduction of this service mitigates this gap and allows the service to be responsive to our patients' needs.



Patient Story from the Therapies Team

One of our Wellbeing Therapists, Fiona, met patient Mrs C in December. She is currently receiving palliative care treatment. Mrs C had previously had chemotherapy and she suffered from moderate peripheral neuropathy in her hands, as well as the skin around her nails splitting – she wasn't even able to cut an apple.

This was one of her biggest concerns when starting her chemotherapy again, as she is a costume maker and had been asked to make the costumer for the lead role in Swan Lake at the Royal Opera House. She said this was a once in a lifetime opportunity to be offered such a dream job. Fiona explained the therapies we offer and Mrs C booked the hand therapy package.

Mrs C has had four hand therapy sessions alongside a homecare regime. Fiona has been treating her with aromatherapy for the neuropathy, combined with the hand therapy treatments.

Mrs C has finished the costume and here are the results. She was delighted and wanted to send her thanks to Fiona, saying that she couldn't have done it without her help.

OUR CONTINUED COVID-19 RESPONSE

Throughout the year the Charity continued to have a focus on the management of the COVID-19 virus with continually evolving processes, initiatives and essential infection control measures to help keep everyone safe whilst patient care continued.

The coronavirus pandemic continued to make our 2021 objectives difficult to achieve and we worked throughout the year to mitigate this and to keep our people safe and support our community.

Throughout the COVID-19 pandemic, **the hospital has provided a variety of cancer services and treatments for NHS patients**, including robotic prostatectomies, using the new da Vinci Xi robot; and urgent surgeries in adrenal, hepato-pancreato-biliary, colorectal and gynaecological cancer.

This collaboration between the NHS and The London Clinic began in March 2020 to enable NHS cancer patients in London to continue receiving the vital care and treatment they needed at this time of unprecedented strain on resource.. One year on, the approach has been deemed hugely successful for both the patients and the clinical staff involved.

"It wasn't a good time to find out during COVID-19 that something was wrong. What I wanted was treatment and I'm delighted to say that I have been able to receive this at The London Clinic, with really fantastic people looking after me. Teams from the NHS and The London Clinic are working so collaboratively – it's very reassuring and the care is second to none."

Many patients may have been hesitant to seek medical help due to the risk of exposure to COVID-19 and concern about putting pressure on the NHS. The Charity and the NHS therefore collaborated to produce a film *'Keep Cancer Services Running During COVID-19'* to further reassure patients about coming forward to receive medical help.

Following the pandemic we successfully re-introduced the **clinician lead educational "moving on" survivorship programme** for our patients who have completed their cancer treatment. These free of charge, health and wellbeing sessions returned to be face to face offering the opportunity for our patients to network and support each other, helping them to transition to a new way of life. In 2021 we also successfully recruited to our first permanent speech and language therapy role, introducing and establishing a successful speech and language therapy led video fluoroscopy clinic to rapidly assess and treat patient swallowing difficulties, personalising the care approach.

As trailed in 2020's annual report, **we supported the launch of the Bra Sisters**, a bespoke bra fitting service for breast cancer patients. As part of Breast Cancer Awareness Month, the Charity provided both venue and catering free of charge to the business for a pop-up shop so that our patients were able to benefit from this valuable service.



It was anticipated that we would be able to launch a patient community programme in 2020 but understandably the pandemic meant that this had to be paused. We aimed to develop **networks of patients, past and present**, who wanted to come together to support each other as they progressed with their treatment or lives after treatment. This is now underway and was managed initially through private social media channels and virtually through online video networks but the network managed to me

Dying Matters Awareness Week is an important annual event that raises awareness about dying and an opportunity for people to start talking about what would matter to them most when the time comes. We ran a campaign on social media to encourage conversations, sharing thoughts of some of our experts around the hospital about why it matters to talk about dying and how we can ensure we are prepared and in a good place to die.

“I'd like for people to understand that talking about dying can be hugely helpful, whether you're at your end of life or not. After all, death is not the opposite of life, but part of it.”

Rachel Caesar, Psychological Therapist

Patient satisfaction 2021



These figures are based on opinions of 3278 inpatients responding during 2021

SOCIAL MEDIA STATS



As of 31 December 2021, our score was 4.1/5



27,691 followers at end of 2021.
We 'collected' 5,988 followers in 2021



We formed our **Patient Forum** three years ago and are grateful to our dedicated group of patient representatives. In 2020, the Forum met four times, providing valuable feedback on topics such as nutrition and catering for patients who were suffering with lack of taste or smell due to their treatment; pilots of patient registration cards; and strategy for supporting patients with dementia. The plan for 2022 is to broaden the scope of patient involvement within our patient experience strategy outside of attendance at the Forum. Our **Patient-Led Assessment of the Care Environment** programme remained suspended during 2021 due to the ongoing restrictions in the hospital as a result of COVID-19. Plans to recommence the assessment are in place for 2022 and will be reported on in the next annual report.

Service Improvements and Refurbishments Technology

In 2021 important progress was made towards becoming a more agile organisation, with resources focused increasingly on the rapid delivery of innovation. The Charity has continued its investment into key IT network and infrastructure resulting in improved reliability, security, and resilience of foundational IT. This included commencing replacement of the on-site network and a transformation investment in our infrastructure and broader network to address long-standing risks and issues.

We have **improved clinical services through system upgrades** driven in part by Windows 10, notably impacting systems in endoscopy, pharmacy and

oncology and improved patient safety through the installation of a new Bleep system which went live as the year closed. Work to aid and **improve patient engagement** was commenced with a new Customer Relationship Management system and website development (with a go live date in early 2022) which provide the foundations to build patient and consultant portals in the future.

The project to implement a **medical records repository upgrade** was commenced in 2021. This is the first step to fully digitising our hospital and to deploy a single patient record to replace our electronic patient records system. (More on page 44). A **focus on using data to drive improvements in care and outcomes** has taken a front seat – this has focussed on the configuration of Crab Informatics software during the year and engaging with external regulatory bodies. A full data strategy will be developed in 2022, under the supervision of the Data Steering Group.

During the year the Charity continued to build on the opportunities presented by our access to The **Health and Social Care Network** (HSCN). We now have pilot access to the NHS Summary Care Record Application which, amongst other things, allows us to view key clinical and demographics data for patients with an NHS record that choose to come us for care provision ensuring our clinical and administrative staff has access to their up-to-date NHS data sets. We will soon further extend our use of HSCN to support broader data exchange with other HSCN users via the Messaging Exchange for Social Care and Health (MESH) service alongside other key milestones on our HSCN roadmap.



Process improvements

We ran a pilot for **patient registration cards** in early 2020 however, this was paused and is under review following feedback during COVID-19 – with reticence around handling a card being the main stumbling point. This may be reintroduced in future with e-card in line with our digitisation strategy being considered.

In 2021, we introduced a **dedicated and separate team to handle Self-Pay enquires**. The focus of this team on the Self-Pay market, has resulted in more patients receiving quotations for their treatments more quickly. By introducing this team, the process has been streamlined and the time from initial inquiry to admission has been reduced for Self-Pay patients. We have also provided our self-pay patients enhanced ability to pay for their treatment at the time of their visit and so reduce the levels of late charges that are billed.

As part of our continued digital transformation, we **launched a new online payments system** at the very end of the year. This system provides an improved easy and secure payment solution for patients, allowing them to: make full or partial payments online 24/7; manage their balances; raise queries and notify of any changes to their contact details. Additionally, patients also receive text or email alerts notifying them of new invoices.

We have **centralised the booking processes for Endoscopy, Pre-assessment, Therapies and Oncology & Haematology appointments** in our Customer Contact Centre. These additional booking processes supplement the bookings already undertaken in this team, which include consultations, Radiology, Surgical and Medical admission. Having one team being responsible for these bookings has allowed us to review, align and streamline processes providing the best patient and consultant experience. We have also created **new and improved bookings forms to improve the quality of data** whilst providing consultants with a single point of access for surgical bookings which captures preassessment; physiotherapy requirements, equipment requests and pharmacy prescriptions in one step.

Following the initial pilot rollout of Centralised Patient Registration in 2020, **a new process to register patients in our hospital systems prior to their consultation appointment has been introduced**. All patients attending their initial consultations are now being registered in this way, thus ensuring that we are meeting all our CQC and health and safety requirements.

Building Infrastructure

In 2021, the main focus for our Property team was on compliance related and infrastructure upgrade projects including fire protection equipment replacements and refresh works and other health and safety related works. Behind the scenes, **our project teams were busy undertaking design work associated with some key strategic projects which will be delivered in 2022**.

- Designs for 142 Harley Street comprising a diagnostics centre in the basement and consulting rooms on the upper floors which will improve and make patient pathways simpler.
- Plans for a new Virology Lab (which was constructed in 2022).
- Blood Sciences laboratory refurbishment including new Managed Equipment Service contract which replaces the existing track and equipment. Phase 1 of this project commenced in Q2 2022.
- Linear accelerator replacement project (more on page 44).

The planning for **our new Outpatient Centre at 142 Harley Street** continued throughout 2021 following approval from the Board of Trustees. The building, comprised of three listed buildings from 142-146 Harley Street, spans 15,655 sqft at the top of Harley Street, conveniently opposite the main hospital. Our plans will increase consulting room capacity with 18 new consulting suites for existing and new consultants. The building will be a hub to provide rapid access to diagnostics such as 3T MRI and breast imaging and support key specialisms in Men and Women's Health including gynaecology, breast and urology. We will use the centre to improve ease of access for patients with increased GP presence and have designed it specifically to support patients' needs in the outpatient setting providing improved patient experience.

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)



Accreditations and inspections

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 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.

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. 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). Further we were UKAS assessed and additionally accredited against ISO15189 and DHSE regulations for COVID-19 testing and sampling.

Comments from UKAS **Blood Sciences report**:

“There is a very good understanding of the requirements of ISO15189: 2012 and the laboratory continues to demonstrate ongoing improvement year upon year.”

Quote from UKAS assessment report for Histopathology and Microbiology

“Staff within the organisation are competently managing and delivering the service under significant workforce pressures, especially noted with the Pandemic. There is clear vision and evidence of good leadership that ensure continued delivery of the level of service. Good clinical service and reporting pathway.”

Work continued to ensure that the Duchess of Devonshire Wing **maintained its 5 (excellent) rating for its Macmillan Quality Environment Mark (MQEM)**. The team reviewed the recommendations made in the 2019 assessment to further improve our treatment of patients affected by cancer. Improvements since the last assessment include: Healing through Arts Music and Culture initiative (more on page 36); iPads that control lighting and heating installed in all the Duchess of Devonshire Wing's bedrooms; and a new patient information management system. Confirmation that the Charity had exceeded the level required to retain the 5 rating was confirmed following the inspection in February 2022.

In April 2021 the Charity, conscious of the cluster of serious incidents during the pandemic in 2020, **invited the Royal College of Surgeons (RCS) to undertake a review of our theatres**. The review included looking at patient admission and consent, safety checks in theatre, team working and team ethos and safety protocols for dealing with unexpected situations. The final report from the RCS made a series of 13 recommendations to further improve best practice in surgery and 8 recommendations for service improvement. All recommendations have been implemented.

The **Care Quality Commission (CQC) attended for an unannounced inspection in June 2021**. This was a targeted inspection to review surgical pathways and clinical governance. It was the first visit by the regulator since 2016. Following the two-day inspection, the regulator shared certain adverse findings in relation to Clinical Governance. The final report was issued in September 2021. The hospital rating remained Good overall, although Surgery was rated Requires Improvement. The conclusions of the CQC were reviewed and reflected on constructively by both the Executive and Trustees and appropriate remedial action taken. On the follow up visit from the CQC in November 2021, the inspectors found significant improvements had been made and confirmed that it was satisfied that the hospital was now meeting the compliance requirements for good governance. Improvements were made particularly in the area of governance including revitalising the complaints management system; creating a new 'Good Governance' module for staff; providing a new platform to track and monitor clinical audit and moving the risk registers onto a new software platform. Action plans and key measures of success were developed to demonstrate improvements in assurance. A plan for system improvements would be developed with governance and IT teams.

Work has not stopped there. The Charity, in parallel with the actions in response to the CQC findings, took the decision to review its governance framework, to drive improvements that are coherent, sustainable and long term. This was initiated by **integrating the corporate and clinical governance structures within the business**. The aim was to build a strong foundation against which the Charity can deliver its longer-term objective of Outstanding Governance (see Strategy on page 14).



Clinical 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 below are six of the industry standard quality indicators reported here. We believe our outcomes continue to 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	2021	2020
Unplanned patient returns to theatres (% of theatre procedures)	<1%	0.14%	0.53%
Unplanned readmission within 29 days (% total admissions)	<1%	0.44%	0.43%
Patient falls per 1,000 bed days	3.92	0.23	0.22
Hospital Acquired Venous thromboembolism (VTE) rate per 1,000 bed days	0.40	0.04	0.08
Grade 2 and above pressure sores per 1,000 bed days	0.60	0.06	0.07
Patient satisfaction score (friend and family test)	95%	98%	99%

The Harms Free Care Group has continued to focus on key areas of patient safety. 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.

Following an increase in 2020, we are pleased that our KPI for **Venous ThromboEmbolism (VTE) has halved in rate**. The VTE improvement plans implemented in 2020 have supported this improvement.

Whilst the rate of falls, and rate of falls with harm are well below the national average (3.92 falls per 1,000 bed days in medical/surgical units¹), we continually strive to reduce these levels in the hospital. The Fall Prevention annual report identified that predominantly we saw the most falls in patient bedrooms and our main areas of concern is falls that occur while patients are in the bathroom. For reasons of privacy and dignity, patients often request that staff leave them for showers/toileting but then might not use the call bell at the end to be assisted back to their bed. Accordingly, the Falls learning package for staff was updated, and patient information leaflet/poster around falls prevention has been reviewed and made accessible for printing directly from the wards.

Our **patient return to theatres metric has decreased** notably compared to 2020 and is well below the target. Analysis of the 2021 incidents has not identified any particular themes or areas of concern; the hospital continues to have a high level of complex surgeries in theatres. Our team reflect on what the cause of each theatre return was and what could have been done differently.

Healthcare associated infections have been consistently low at the hospital for many years.

There were no MRSA infections and only one MSSA infection during the year. Total bacteraemia infections were less than 1% of admissions. Full investigations were undertaken for each bacteraemia infection with support from our consultant microbiologists. The post infection review would highlight any lapses in case which allow us to learn and improve our practice. No lapses of care or themes were identified in 2021, and areas of good practice were noted. COVID-19 infections also affected less than 1% of admissions. Surgical site infections remained extremely low and the hospital was not an outlier in any of the categories it participates in.

There was one 'never event' that took place during the year. We took care to ensure we investigated thoroughly, took action from the lessons learned from the investigation. There have been no further such events.

Innovation and Research

In June 2021 we announced that a patient with tremor had successfully undergone a **pioneering form of deep brain lesioning surgery** at the hospital. This was a first for a UK private hospital and a milestone in our hospital's commitment to providing patients with access to the latest treatment technologies. Targeting a part of the brain called the thalamus, the surgery, called a thalamotomy and undertaken by Professor Tipu Aziz and Mr Erlick Pereira, improved the patient's severe, disabling tremor.

As the UK's only private hospital with a robotic centre of excellence, in August 2021 **we expanded our capabilities with a fourth system; the Excelsius GPS Spinal Robot** from Globus Medical. The new robot will be used to support patients with scoliosis and other spinal deformities. Its exceptionally detailed imaging and advanced computer software offer improved accuracy, meaning smaller incisions, less pain for patients and a faster recovery. Feedback from consultants was extremely positive and The London Clinic was nominated as an exclusive Excelsius GPS Premier Robotic Spine Centre for the Training of UK and European Spine surgeons.

“It's a ground-breaking step in terms of improving our surgery, our safety and the experience for the patients. There are few times you come across things that make such a difference to the journey the patient goes through and to the quality of care that they receive. I can't wait to get started.”

Bob Chatterjee, Consultant Spinal Surgeon at The London Clinic.

Having been pioneers in robotic surgery since 2005, the Charity **invested in the state of the art Da Vinci™ XI**. As innovative and multi-talented as its namesake, the new da Vinci™ Xi robot is being used in countless minimally invasive surgical procedures across multiple specialities at the hospital. We were one of the first to adopt the da Vinci™ system in the UK and our talented team of robotic surgeons have remained at the forefront of the field ever since. Da Vinci™ XI offers: greater surgical precision; Less pain and scarring; lower risk of infection or complications; reduced hospital stays and faster return to normal activities.

1 Lake ET, Shang J, Klaus S, et al. Patient falls: association with hospital magnet status and nursing unit staffing. Res Nurs Health 2010;33:413-25.

The Radiotherapy department commenced a transformation project to **replace its two linear accelerators** (LINACs). These iXLinac first treated patients in December 2009 and the project to upgrade to two new machines, the TrueBeam by Varian, would take nine months – the first patient was treated on the new machine on 24 May 2022.

We are the first UK hospital to offer OncoSil™ to **improve outcomes for people with locally advanced pancreatic cancer**. OncoSil™ is a single-use brachytherapy device used to deliver radiation directly into cancerous tissue. Intended for use alongside chemotherapy, it increases opportunities for curative resection of tumours previously considered too large or complex for traditional surgery, potentially extending five-year survival from ~5% to >20%. Consultants at the hospital now offer OncoSil™ treatment as part of patient pathways where appropriate.

Dr Zarni Win, Consultant Radiologist and Nuclear Medicine Physician at The London Clinic, said:

“I am particularly excited about this new therapy, as it now offers a much higher chance for pancreatic cancer patients with locally advanced disease to undergo curative surgery following OncoSil therapy, compared to a more pessimistic outcome with conventional treatment.”

Following our success in working with Ablative Solutions in collaboration with St Barts Health NHS Trust, we continued investigating another innovative treatment for hypertension (high blood pressure) with a new Sponsor – ReCor Medical on two studies. We are **evaluating the Paradise Renal Denervation System** to treat the blood vessels leading to the renal arteries to disable the nerves surrounding the vessels aiming to lower blood pressure using ultrasound energy via a generator. The ultrasound energy heats and destroys the nerves nearby, whilst the water moving through the balloon protects the blood vessel walls. This procedure is undertaken in our angi-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). We have completed 22 Renal Denervation procedures over a 16-month period. The studies continue.

We work alongside Queen Mary University (QMUL) and several other NHS sites on **two Research Tissue Banks namely, Pancreatic Cancer Research Fund Tissue Bank and Cancer Tissue Bank**. Both tissues banks are a resource that will help develop new treatments and bring these to patients much faster. Patients who are

being investigated for a possible cancer are asked if they would like to take part in this research. Once consented, applicable biological samples are collected, processed and stored temporarily at our hospital, then transferred to the main hub at QMUL. To date, 44 patients have been recruited, with over 2000 samples collected and processed. Both projects continue.

Transoral Incisionless Fundoplication (TIF), a new addition to our gastrointestinal services, is transforming outcomes for people with chronic gastroesophageal reflux disease (GORD), who cannot tolerate or who have failed to respond to medication. This advanced endoscopic technique requires no surgical incision. It uses an endoscopic surgical stitching tool to fold and secure tissue at the base of the oesophagus. This strengthens or creates a physical barrier, preventing the escape of stomach acid and providing relief from the unpleasant symptoms of acid reflux.

In response to patient demand **we have increased the availability of two of our innovation treatment for prostate conditions**

Brachytherapy – used in the treatment of early detected prostate cancer, this novel therapy replaces conventional, external radiotherapy with targeted, in-situ, low-dose radiation, sparing damage to surrounding healthy tissue. In the minimally invasive procedure between 60-90 tiny radioactive iodine (I-125) seeds, less than a centimetre long and a millimetre wide, are implanted directly into the prostate. Ultrasound guidance and treatment planning software are used to position the seeds in a bespoke pattern in the location of the cancer. The seeds then deliver very localised, low-dose radiation for a period of three months before becoming effectively non-radioactive after around nine months. For some patients, the treatment is a substitute for prostate removal and offers a much shorter recovery time than surgery. Carried out in a single session, it is also more convenient for patients, replacing multiple weekly sessions of conventional radiotherapy.

Aquablation – this minimally invasive, surgical technique lowers the risk of life-altering side effects for men requiring surgical intervention for Benign Prostate Hyperplasia (BPH). It combines highly detailed imaging with a robot-driven, high-velocity water jet in the removal of prostate tissue. Multi-dimensional images of an individual's prostate generated by the integrated cystoscope and ultrasound system allow surgeons to map out a personalised plan for tissue resection. The plan guides the AQUABEAM robotic system in resecting the prostate tissue, ensuring a high degree of accuracy that helps avoid damage to continence and ejaculatory function.

The Charity's **first sponsored study, in collaboration with the Addison's Disease Self Help Group**, aims to improve hydrocortisone injection options for patients with Addison's disease. Enrolment is now underway and will continue throughout 2022.

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 whereby we collect, analyse and distribute nearly 700 stem cell donations a year. 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. We have been increasing our storage facilities for cryopreserved units but the Stem cell laboratory expansion plans formulated in 2020 have been superseded as the designs proved not to have the longevity we required and thus new designs are being considered for future proofing the laboratory services. A small expansion to our Apheresis beds was completed during the year.

Addison's disease occurs due to a lack of cortisol and aldosterone hormones. These two vital steroids, usually produced by two adrenal glands located just above the kidneys, help the body respond to physical and emotional stress. Although no cure is currently available, Addison's disease can be treated with medication that replaces the missing hormones. If cortisol levels fall significantly in someone with Addison's disease, they are at risk of an adrenal crisis and their symptoms worsening dramatically. If this happens, an emergency hydrocortisone injection is required immediately, usually self-injected into the upper thigh. This injection can be painful and it is awkward to access the upper thigh if required in a public space. With this in mind and to ultimately empower patients to self-manage their condition in a way that is comfortable for them, this study compares the clinical benefits of different types of injection.

Stem cell donation made headlines during the UEFA Euro 2020, with thousands more people signing up to donate, thanks to one of our patients. While football and stem cell donation might not seem a likely pairing, that all changed when 24-year-old Sam Astley walked through our doors. Despite being a huge football fan, Sam had given up tickets to the Euro semi-final at Wembley, which saw England defeat Denmark, so that he could donate bone marrow at The London Clinic. His partner, Beth, had won the tickets in a competition and both had been looking forward to a once-in-a-lifetime opportunity. However, Sam, who had joined the donor registry with Anthony Nolan, turned the tickets down without hesitation when he received the call to say that a patient in need of his bone marrow had been found.

"Life is more important than a football game at the end of the day. No football game beats saving someone's life," he said.

Sam travelled to London from his hometown of Sedgley, West Midlands, on the day of the match, with the procedure taking place the following morning. After being interviewed for a local newspaper, the story quickly picked up momentum online, with many suggesting that 'hero' Sam should be gifted tickets to the final for his selfless act.

Fortunately, the internet prevailed. BBC football presenter Gary Lineker tweeted Sam's story to his 8 million followers – and the rest is history. Sam and Beth were awarded tickets to the final. While they didn't get the win they had hoped for at Wembley, Sam and Beth

certainly made a huge difference in raising awareness for stem cell donations. They were interviewed by many major news outlets, highlighting how easy and painless Sam's time in the hospital was, and the responsibility he felt in knowing that his donation could save somebody's life."



Training and Education

The Charity continued to provide training and education to staff and the wider community in 2021. Patient and staff safety, as well as infection control measures, continued to prevent face-to-face training and supervision in many cases. The majority of training was delivered virtually, although some essential training is still required to be carried out face-to-face and we hope that more in person training can be brought back in 2022.

Highlights include:

- At the end of **2020, The London Clinic Training Academy** launched and continued to develop throughout 2021 accessible development opportunities for all staff with a strong focus on looking after staff wellbeing.
- The Charity launched a major programme to enhance knowledge and skills for **Good Governance** in a healthcare setting with over 350 front line healthcare workers attending the programme within six months.
- The Charity continued to support its staff with their professional development in order to achieve its mission to advance healthcare. In 2021, 31 staff members received financial support to study postgraduate and higher-level qualifications.
- The Charity supported two senior members of the Human Resources team to develop **coaching skills** which could be used to develop talent within the Charity.
- The Charity provided 6 mentors for the external **Mission Include** programme which aimed to connect learners from diverse backgrounds with mentors who would be able to help them develop their confidence and careers.

“Mission Include was an invaluable experience, providing insights and tools that have helped me better understand how I can support diversity and inclusion within my team and The London Clinic more widely. The highlight though were the sessions with my mentee. Hearing about his experiences, the impact that colleagues’ actions had to his mental health and career opportunities, drove home just how important a diverse and open culture is.”

Neil Wilkins, Head of Marketing and Mission Include mentor



- With our partner University of East London, **two of our healthcare assistants continued their study to become nursing associates**, a new role created by Health Education England.
- The Charity took time to restructure training and clinical education under single leadership. Combined with the ongoing COVID-19 pandemic, there was unfortunately pause to some initiatives, such as **gaining university accreditation**. We refocused on clinical training to develop our own internal provision of services to patients.
- 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. Our Supervisors Academy, which is a level 3 qualification, completed at the end of 2021 with 3 delegates completing the entire programme.

We continue to provide a range of GP events as part of our **established GP Education Programme**. The programme provides GPs, Physiotherapists and AHPs with access to some of our world leading consultants and specialists, to share learning and help diagnose, manage and treat patients within their practice. In 2021, our educational events attracted 2231 delegates. With a variety of subjects on offer, such as: Orthopaedics (covering Hip, Knee and Spine), Gastroenterology, Neurology, Rheumatology, Cardiology, Gynaecology and Dermatology, these courses include Basic Life Support training as well as study events. We continue to receive positive feedback from our attended events with comments received:

“Clear and informative presentation.no improvement needed.”

“Very clear after watching. the quiz was excellent. very clear, very engaging.”

“Outstanding presentation.”

“Very interesting and inspiring presentations.”

“Excellent relevant talk and superb question time afforded.”

Our medical news magazine, **The London Clinician**, goes from strength to strength alongside our monthly GP newsletter. These publications highlight the expertise and innovation from around the hospital and share news with our GP and referrer community. Topics covered in 2021 included: launch of new treatments such as Oncosil (more on page 26); ‘Case Notes’ highlighting patient stories and topical stories such as the impact of COVID-19 on musculoskeletal health.



Other training activity:

- The Charity continues its partnership with the Royal Society of Medicine through sponsorship of their Annual Lecture. A virtual lecture took place in March 2021 entitled *Robotic surgery: What can it do for surgeons?* led by Professor Roger Kneebone and Mr Chris Peters.
- The Charity normally offers work placements, however as in 2020, we were unable to do this in 2021 but it is planned to restart in 2022.
- Previously our teams have presented their research, learnings and initiatives at a number of global conferences and events. The wide programme of conference within the industry is starting to return and we hope to continue to contribute to advancing healthcare and sharing knowledge through these events in 2022.

167
GP Events
(BLS training, Webinars, Lunch & Learn sessions, Networking and others)

2,231
Delegates
(537 New faces)

35
Specialties covered

229
GPs attended our Basic Life Support training courses



Our Staff

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 2021 (2020: 94%). 72% of our staff felt engaged with working at The London Clinic with high scores linked to clear expectations of what is expected of them (87%) and respect from their line manager (89%). The Charity places great emphasis on speaking up if staff do not feel that something is safe or right through its Freedom to Speak Up initiative; 88% of respondents said that they felt able to do this (up from 85% in 2021).

The diversity and inclusion question in our staff survey had a positive response from 78% of staff (74% in 2020). Building on the **National Inclusion Standard (Bronze Level)** that the Charity obtained in 2019, and the nine-point Diversity and Inclusion Plan that was launched in 2020, we continued to push forward a positive agenda for inclusion amongst our staff. We also launched a comprehensive Wellness Hub on its learning portal for all staff to access mental health and wellbeing resources.

Events run by staff and visitors to support the inclusion agenda:

- National Inclusion Week
- Mental Health Awareness Week
- LGBT+ History Month
- Black History Month
- Transgender Day of Visibility





Our inclusion plan 2020 – 2021

The London Clinic is committed to creating an inclusive and respectful working environment for our people. Our 2020-21 Inclusion Plan continued into its second year, continuing to create a positive impact for staff and the community. We believe that by reflecting the communities we serve and drawing on our employees' rich and diverse perspectives, we will improve the care we deliver to our patients.

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 Charity is supportive of **gender pay equality** and in 2021 developed its Gender Pay Report into an Inclusion Pay Report, widening the scope to include an Ethnicity Pay Report and Disability Pay Report. Our gender pay gap was 9.8% in 2021 (8.2% in 2020 and 9.9% in 2019). This means that on average across all salaries men are paid 9.8% more than women. Our median pay gap is -5.8% (2020: -11.5% 2019: -11.6%). This indicates the midpoint of salaries paid, women are paid 5.8 % more than men. 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 with a larger number of women earning salaries at the median point.

The mean Ethnicity Pay Gap was 10.5% (11.4% in 2020). This means that the gap closed slightly between white and non-white employees. However, the median gap was 15.8% (10.2% in 2020). This is because there are proportionally more BAME employees in the lower pay quartiles.

Our Disability pay gap was 0.9%, stable compared to 0.5% in 2020, however we have a limited amount of data on which to base this report, but we aim to continue to grow our information to provide more transparency. We encourage applications from people with disabilities and support people via our Occupational Health Service and make 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.

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 2021, the fund supported: virtual cooking classes hosted by our Executive Chef with packages of ingredients provided for selected staff members; a wide variety of free exercise classes including yoga, boxercise, and Muay Thai; and a special event overnight at ZSL London Zoo. For the second year running, the fund also helped to maintain staff morale with a 12 days of Christmas raffle with amazing prizes.

The environment

The Energy and Environment Committee meets monthly, and the energy reduction project remained a priority for the Committee during 2021. This moves the Charity towards more permanent working habits with an aim of meeting our Independent Healthcare Providers Network target to achieve net zero for scope 1 and 2 emissions by 2035 (both direct and indirect emissions) and for scope 3 (supply chain emissions) by 2045. We feel that the targets can be achieved by the initiatives that have been put in place (see below) and new supply agreements for green renewable energy. Initiatives in place and in progress include:

- Work toward reducing packaging, waste and single use plastic in supplies and use of recycled plastic for solid medicine waste bins.
- Use of lower environmental impact anaesthetic gases
- Installation of LED lighting across the estate, reduction in the use of portable fans, heaters and air-conditioning units and changes to building temperature controls and plant run times.
- Green travel plans, cycle to work scheme and remote working policy
- More paperless systems in line with digitisation plans, such as in Pharmacy.

The Charity has a representative on the Board of the Harley Street Area Partnership business improvement district. Created in 2019, the partnership brings key stakeholders together with the shared value of seeing the Harley Street Area develop and grow into a sustainable, secure and globally recognised business improvement district. This includes focusing on greening projects, zero/low emissions suppliers and business sustainability.

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 **1 January 2021 to 31 December 2021**.

The reporting methodology follows the GHG Reporting Protocol and uses the government's greenhouse gas reporting conversion factors (2021) to quantify emissions in tonnes of Carbon Dioxide equivalent (tCO₂e). Total emissions are reported using the financial control boundary criteria. This is our second reporting period and our emissions for 2020 have been included for comparison. The report shows an increase in carbon emissions in 2021 compared to 2020; this was expected as a result of the 3 month lockdown period in 2020 due to the COVID-19 pandemic when the hospital was operating at a reduced capacity and many non-clinical staff worked from home.

Emissions Source	2021	2020
Natural Gas and Burning Oil - Scope 1 - kgCO ₂ e	1,361,716	1,305,772
Total Scope 1 - kWh	7,407,037	7,075,679
Total Scope 1 - kgCO ₂ e	1,361,716	1,305,772
Total Scope 1 - tCO ₂ e	1,362	1,306
Electricity - Scope 2 - Location Based		
Total Scope 2 - kWh	20,197,081	20,176,410
Total Scope 2 - kgCO ₂ e	4,288,446	4,703,928
Total Scope 2 - tCO ₂ e	4,288	4,704
Transport Fuels - Grey Fleet - Scope 3		
Total Scope 3 kWh	n/a	2,401
Total Scope 3 kgCO ₂ e	n/a	612
Total Scope 3 tCO ₂ e	n/a	1
Total Scope 1 & 2 kWh	27,604,118	27,252,089
Total Scope 1 & 2 kgCO ₂ e	5,650,162	6,009,700
Total Scope 1 & 2 tCO ₂ e	5,650	6,010
Intensity Metric		
Total Gross Annual Turnover (£m)	£155.6	£153.4
(KgCO ₂ e/£ Revenue) (Scope 1 & 2 Emissions)	0.0364	0.0392



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. Whilst we do not set a target for donations, we found that 2021 was a difficult year for fundraising as the pandemic continued to impact everyone's ability to come together. We have continued to build a small network of donors who share our desire to advance healthcare for the benefit of the wider community. The Charity undertakes all fundraising activity itself and does not use professional fundraisers or commercial participators. There were no complaints around fundraising activity received.

Our staff took part in the **100 Challenge fundraiser for the second year running** with individuals taking part in personal challenges which raised money for both The Captain Tom Foundation and the Physiotherapy service within the Charity.

The 2020 initiative for **Creating Creative Spaces** evolved in 2021 into **Healing through Arts Music and Culture**; a programme delivered by previous patients and philanthropic supporters. The Charity has a grand piano (currently leased from a local supplier and supported by a monthly donation) which is available for staff, patients or visitors to play. There is now a regular schedule and patients are often found listening to the performers. In December 2021, the Charity **launched an art gallery** within the Duchess of Devonshire Wing of the hospital with artwork created and donated by patients and supporters. This space provides a beautiful space for relaxation, and it is intended that the pieces will be auctioned in 2022 for the benefit of advancing healthcare and supporting cancer care patients.

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. In November 2021, this was able to return to an in-person service which was held at St James' Roman Catholic Church in London. The service featured readings by our staff, and a specially commissioned piece of music sung by members of the Charity's choir.

We continued to **help families and children in disadvantaged communities**. In December the Charity collaborated once again with the St. Marylebone Parish Church to help support families, running a campaign to obtain food donations from the Charity's suppliers in order to distribute and support over 100 families at Christmastime.

50 food boxes of ingredients were provided to staff and the local community to **join an online cookery class** run by its Executive Chef with the aim to improve the

skills of people in developing healthy and nutritious food. Our catering team also **provided over 100 lunches for NHS staff running mass vaccination programmes** for healthcare workers including those at UCLH and St Mary's Hospital.

Across 2021, we worked with several local partners to ensure a focused and innovative impact was made on the lives of people living and working in our community. This included partnerships with the St Marylebone Parish Church, The Harley Street Partnership, and the Howard de Walden Estate on key initiatives which staff members from The London Clinic played a key role in shaping and delivering.

Over the past two years, we have led on an important **Christmas Stocking appeal** to raise vital funds to support Marylebone families in need during the festive period. Donations of over £16,000, including support from many of our suppliers, ensured we were able to support over a thousand people across Westminster. Donations were transformed into vouchers, food hampers and books for individuals, families and children and given out in the week before Christmas with the help of local churches, charities and foodbanks. We were particularly proud of our achievements during challenging times of the pandemic for our team.

The **Marylebone HCC Psychotherapy Centre** is located yards from our hospital. They employ over 30 part-time psychotherapists and offer a bursary fund to allow individuals on lower incomes to access low cost and no cost mental health therapy. It is an innovative centre supporting hundreds of people a year, therapy is offered once a week for up to two years. The Charity supported the bursary fund through fundraising initiatives. We also ensured our own colleagues had heavily subsidised access to the service, to support their own health and wellbeing throughout the pandemic.

The Charity offered support to the **'What Makes Marylebone' film launch** in September 2021. The film was part of a wider '1000 Londoners' project and was created as an educational experience by local children from the Fourth Feathers Youth Group in Church Street, along with a film production company. The 40-minute movie told the story of what it is like to work and live in Marylebone today through the eyes of local people. The film will become an important part of historical archives and educational tool. The Clinic team supported the launch night with staff, volunteers and food for community guests prepared by our wonderful Kitchen staff.

The **Marylebone Bridge School** is one of the only Church of England Special Needs Schools in the country and has an outstanding reputation. The children have a wide range of speech and language needs, which can sometimes mean finding suitable work experience

placements is difficult. The Charity worked with the school to place a handful of students on a **work placement scheme** across a number of departments at the hospital. The feedback from the students was tremendous and we will continue to develop the scheme in coming years.

The Charity supported a **Carols by Candlelight Evening** at St Marylebone Parish Church in December 2021. The evening offered food and musical carols sponsored by the Charity, to bring members of our communities together for a moment of tranquility and reflection.

The coming year - looking forward to 2022

The last two years have continued to severely impact the provision of healthcare, the charity industry and wider business pressures have not alleviated. Timescales for objectives have in many cases had to be extended due to resource being required elsewhere in the hospital. The executive has continued to test and adjust the strategy and objectives of the charity regularly to respond to the ever-changing landscape and requirements of our patients and staff. Many of the objectives for the year to come are continuations of projects already underway which build on the capabilities of the charity and its people. Accordingly, this has consolidated our objectives into a lean package that positions us as partners with other healthcare organisations and focuses on delivering outstanding care, governance and patient experience.

Patients and Facilities

- Pathology process transformation plan and expansion (blood sciences and virology lab upgrade)
- Launch new branding and website with patient experience improvements
- Finalise plans for 142 Harley Street and commence works.

Innovation and Technology

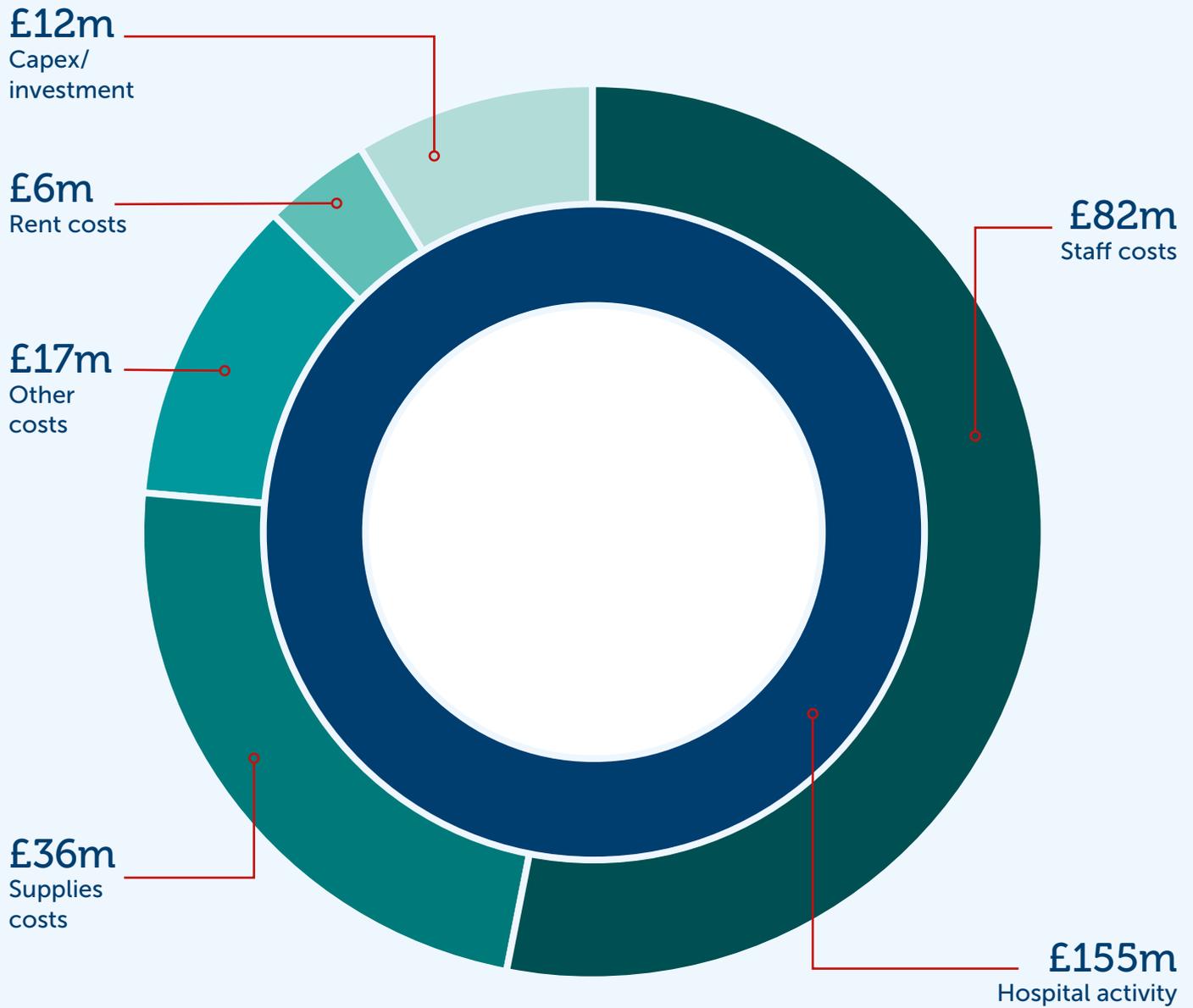
- Linear accelerator installation and commissioning
- Deliver phase one of new medical records repository OnBase with second phase in 2023
- Further develop and roll out a new integrated governance framework
- Work to improve network infrastructure security and resilience.

Supporting our people

- Evolve the Equality Diversity and Inclusion strategy and action plan – with development of network
- Listening to our people about the culture of The London Clinic and developing our values and organisational behaviours
- Reviewing how we support people in work through Occupational Health
- Reviewing our organisational structure to be efficient for the patient at the centre of our care model.



Income and Expenditure



How we have invested back into the hospital



Financial review

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

KEY OPERATIONAL PERFORMANCE INDICATOR	2021	2020	2019
Total admissions	21,792	18,792	23,638
Total patient days	39,369	36,974	45,429
Hospital activity income (£000)*	155,276	152,257	155,372
EBITDA margin	1.1%	5.0%	11.3%

*Excludes asset disposals, fundraising and investment income

Due to the impact of the COVID-19 pandemic, 2020 was exceptional and thus comparison to 2019 is reflected where appropriate in the following narrative in order to be more transparent to readers.

Total admissions were up 16% in 2021, reflecting the start of the post-pandemic recovery, as 'normal' services were resumed. However, patient days were only up 6%, due to reduced procedure complexity driving an increase in day case surgery. International patient revenues contracted 47% compared to 2020 and were 73% down on 2019, impacted mostly by travel restrictions, but activity did improve significantly in the final quarter as restrictions eased and patient confidence returned. Self-pay annual growth of 35% was a major highlight in the year. The Charity has continued to support the NHS throughout the year in an attempt to reduce their waiting lists, and this accounts for 7% of our hospital activity income in 2021. Despite revenue hitting pre-pandemic levels, the impact of fewer long stay international patients, combined with additional staffing and PPE costs linked to COVID-19 and further IT investment, has reduced our EBITDA margin to 1.1%.

Incoming Resources

The Charity's total incoming resources grew by 1.4% to £155.6m (2020: £153.4m). 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 £50k (2020: £0.6m). Furlough support was £0.2m (2020: £0.5m).

Net (Loss) / Income for the Year

Net loss for the year before other recognised gains and losses were £13.6m (2020: net loss for the year of £8.9m). The hospital's expenditure on charitable activities of £168.6m (2020: £161.4m) increased 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 £188.6m (2020: £190.8m). The Charity invested £12.3m in 2021 with a focus on improving the estate, including our new Outpatient and Diagnostic centre at 142

Harley Street, plus additional IT infrastructure and the replacement of medical equipment. This has been offset by depreciation, amortisation and disposal of assets throughout the year.

Intangible assets

In 2021 the Charity acquired the assets of London Spine Clinic Limited for £0.8m to enable us to continue to grow our orthopaedics offering.

Investments

The Charity currently holds financial investments with a market value of £1.0m (2020: £0.9m). The Charity's investment policy is to generate income while protecting capital, including from the effects of inflation. It achieves this by investing in the M&G Charifund, 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 £18.7m (2020: £9.4m). The improved cash generation is partially due to restructuring of our property leases.

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 2021, the Charity held cash and cash equivalents of £8.5m (2020: £5.0m) and had unutilised banking facilities of £31.5m (2020: £27.0m). Net debt has decreased from £18.0m to £10.0m.

The Charity has lending facilities and support from its bankers to maintain its existing operations and had in place a revolving facility maturing in 2022. The banking facility was renegotiated and an updated three-year facility was agreed and signed in June 2022. Under the facility the hospital pays a variable interest rate linked to SONIA.

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 2022 has met current forecasts as we return to more usual business levels post pandemic.

We predict 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, the Board of Trustees 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 £103k (2020: £165k) 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 payment of £375k (2020: £375k) 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, fees of £92k (2020: £30k) 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.

During the year, fees and expenses of £18k (2020: £nil) were paid to I J Kennedy Healthcare Consultancy Ltd in respect of clinical governance advisory services. Inga Kennedy is a Trustee of the Charity and a director and shareholder of I J Kennedy Healthcare Consultancy Ltd.

After making enquiries, the Trustees confirm there were no further relationships with related parties to disclose. The Trustees have followed the relevant Charity Commission 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 £155.3m as at 31 December 2021 (2020: £162.9m) of which £32k is restricted (2020: £100k). At 31 December the Charity had fixed assets of £190.4m (2020: £191.7m).

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 2021 resulting in donations of £50k (2020: £0.6m). 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 organisational level risks are held under review by the Executive Board, and the Audit and Risk Committee has oversight. Risks are reviewed by theme and actions are followed up and tracked. This process will be updated in 2022 in line with changes made to the Governance Framework.

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 and mitigations, 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 the internal audit of financial and operational performance is supported by external firms alongside some internal resource for compliance audits. Due to resource constraints the decision was taken to pause the internal audit programme until 2022. The Audit and Risk Committee reviews internal audit reports, which are also circulated to the Charity's external auditor.

Principal risks and uncertainties

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

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.

These are 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. It ensures the hospital is best able to mitigate unplanned events. Risks are discussed at clinical and non-clinical meetings as standard part of the agenda and are escalated to executive and trustee level as required.

COVID-19 Risks

The Charity has faced a number of risks because of the pandemic. The protection of patients from coronavirus infection continued to be 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 Charity also recognised other indirect risks arising from the pandemic affecting areas of operation such as staffing.

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. Inflation, particularly the rising energy crisis is likely to have a significant impact on future cash generation, but the Charity aims to mitigate via long term contracts where possible.

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, by building its self-pay service and expanding its international business across different payors and countries. The introduction of new services such as trauma rehab which are less well provided in London offer higher patient volumes given the reduced competition. We are also 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 June 2021, a new fiduciary manager of the scheme was appointed and a journey plan containing suggested asset allocations for the portfolio of the scheme was agreed and implemented. These strategies have been compiled based upon on the funding level at a given period in time, and are subject to change if a certain funding level has been reached. As at 31 December 2021, the target of the scheme was to hold c.33% of scheme assets in return enhancement assets (equities and alternatives etc.) and c.67% of scheme assets in risk management assets (liability driven investments, UK Credit and cash etc.). At the year-end, risk management assets represented 65% of assets.

Information Technology Risk

Information technology is a key enabler in the delivery, administration, and transformation of the Charity's activity. The core IT Infrastructure continues to be enhanced through an outsourcing relationship with a third party which took ownership of the Charity's offsite datacentres, and networks in 2020. 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 transformational strategy has been developed, and a five-year programme of digital system renewal is slated to commence in 2023. 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 although supply chain issues have had to be mitigated.

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. Trustees are not paid for being trustees and give their time freely, detail of Trustees' expenses is 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 2021 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 this 2021 Annual Report is made available on our website in 2022. 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 (f) when performing their duties as required by the Companies (Miscellaneous Reporting) Regulations 2018. We consider our trustees to be our only members.

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 20); annual employee engagement survey (page 30); 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 29); relationship meetings with embassies, partner NHS trusts, private medical insurers, landlord, financiers, significant suppliers and major business customers; The London Clinician magazine (page 29); membership of Harley Street Area Partnership business improvement district (page 34).

Example of Key Decisions in the Year:

1. Replacement of Linear Accelerators

The Charity made the decision to replace its two linear accelerators at a cost of more than £5.8m for clinical and competitive reasons despite a backdrop of capex pressures. The radiotherapy department and delivery of cancer care is fundamental to the strategy and purpose of the Charity. Consultants from within the specialty were key and their feedback was vital for the assessment, selection and development of the chosen machine 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.

2. Replacement medical records repository (OnBase)

Feedback from staff and consultants had demonstrated an increasing need for improved digitisation within the medical records repository software provision. A strategic investment in an Enterprise Document Management (EDM) solution was approved by the Property, IT and Finance

Committee during the year. This would allow data to be managed more effectively and improve data quality and security; it also supported cost saving initiatives and critical business transformation projects including de-risking the electronic patient record replacement. A full market review had been undertaken with an RFP; and representatives from clinical departments, medical records and the consultant body were involved in the decision making around the chosen product and implementation approach. Considerations was given to the capex constraints and the Trustees, mindful of their responsibility to ensure best use of charity funds, received assurance that the investment would not hinder ability to invest in other prioritised technology projects.

3. Brand position and proposed changes for 2022

Decision was made to review the previous brand position for a few key reasons: Digitisation was rapidly changing the way people engage with their health; with patients wanting greater control over their health journeys and data; the competitive landscape was becoming more complex; our current brand position focused on supporting referrers and there was a clear need to re-focus on patients. An effective tender process to identify the most suitable partner agency was undertaken and insight gathered from several stakeholder groups including patients, consultants, GPs/referrers business partners and staff members. Three initial suggestions were developed and taken to the Executive team and then refined to a final version which was approved by the Executive and then the Board of Trustees.

Impact of the Charity on the Community and the Environment

See pages 34 - 36.

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 page 21); and the ongoing effort to ensure we retain our accreditation marks (more information on pages 22-23).



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 27 January 2022. Deloitte LLP subsequently resigned and RSM UK Audit LLP were appointed on 11 March 2022.

This Trustees' report and financial statements were approved and authorised for issue by The Board of Trustees on 23rd September 2022 and were signed on its behalf by:

Hamish Leslie Melville
Chairman of the Board of Trustees

Independent auditor's report to the members of Trustees of the London Clinic Limited

Opinion

We have audited the financial statements of Trustees of the London Clinic Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which the Consolidated Statement of Financial Activities (including the consolidated Income and Expenditure Account), the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions 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 or 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 and Consolidated Financial Statements other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report and Consolidated Financial Statements. 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.

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 Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 46, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory frameworks;

inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact

on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are the charitable company's operating licence and the Care Quality Commission regulations. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

Nicholas Sladden (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

23rd September, 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Including consolidated income and expenditure account)

For the year ended 31 December 2021

INCOME	NOTE	UNRESTRICTED FUNDS £000	RESTRICTED FUNDS £000	2021 TOTAL £000	2020 TOTAL £000
Charitable activities					
Provision of hospital activities		155,276	–	155,276	152,257
Donations		9	40	49	643
Other income	6	50	197	247	512
Total income		155,335	237	155,572	153,412

EXPENDITURE	NOTE	UNRESTRICTED FUNDS £000	RESTRICTED FUNDS £000	2021 TOTAL £000	2020 TOTAL £000
Expenditure on Charitable activities					
Provision of hospital activities		168,495	108	168,603	161,442
Other Expenditure					
Interest costs		555	–	555	493
Cost associated with fundraising		175	–	175	172
Total Expenditure	3	169,225	108	169,333	162,107
Gain / (Loss) on investment assets	8	123	–	123	(193)
Net (Loss)/Income for the year		(13,767)	129	(13,638)	(8,888)
Transfers between funds		197	(197)	–	–

OTHER RECOGNISED GAINS/(LOSSES)	NOTE	UNRESTRICTED FUNDS £000	RESTRICTED FUNDS £000	2021 TOTAL £000	2020 TOTAL £000
Actuarial (Loss)/Gain on defined benefit pension scheme	19	6,000	–	6,000	(12,468)
Net movement in funds		(7,570)	(68)	(7,638)	(21,356)
Total funds at 1 January		162,845	100	162,945	184,301
Total funds at 31 December		155,275	32	155,307	162,945

The notes on pages 54-69 form part of these financial statements.

All results for the current and previous year are derived from continuing operations.

CONSOLIDATED BALANCE SHEET

As at 31 December 2021

	NOTE	2021		2020	
		£000	£000	£000	£000
Fixed Assets					
Intangible assets	7		4,545		-
Tangible assets	10		184,820		190,752
Cash equivalents	8,13		1,044		921
			190,409		191,673
Current Assets					
Stocks	11	3,767		4,362	
Debtors: Amounts falling due within one year	12	31,963		30,884	
Cash and cash equivalents	13	7,472		4,091	
		43,202		39,337	
Creditors: Amounts falling due within one year	14	(45,355)		(22,932)	
Net current (liabilities) / assets			(2,153)		16,405
Total assets less current liabilities			188,256		208,078
Creditors: amounts falling due after one year	14		(18,414)		(22,810)
Net assets excluding pension liability			169,842		185,268
Defined benefit pension scheme liability	19		(14,535)		(22,323)
NET ASSETS INCLUDING PENSION LIABILITY	16		155,307		162,945
RESTRICTED FUNDS					
Restricted income funds	16		32		100
UNRESTRICTED FUNDS					
Designated reserve	16	2,000		2,084	
General Revenue reserve	16	166,744		182,018	
Revaluation reserve	16	1,066		1,066	
		169,810		185,168	
Unrestricted funds before pension liability			169,810		185,168
Pension deficit	19		(14,535)		(22,323)
Total funds	16		155,307		162,945

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 23rd September 2022 and were signed on its

behalf by:
Hamish Leslie Melville, Chairman of The Board of Trustees,
Date: 23rd September 2022

CHARITY BALANCE SHEET

As at 31 December 2021

	NOTE	2021		2020	
		£000	£000	£000	£000
Fixed Assets					
Intangible assets	7		4,545		-
Tangible assets	10		184,820		190,752
Cash equivalents	8,13		1,044		921
			190,409		191,673
Current Assets					
Stocks	11		3,767		4,362
Debtors: Amounts falling due within one year	12		32,335		31,255
Cash and cash equivalents	13		7,472		4,091
			43,574		39,708
Creditors: amounts falling due within one year	14		(45,355)		(22,932)
Net current (liabilities) / assets			(1,781)		16,776
Total assets less current liabilities			188,628		208,449
Creditors: amounts falling due after one year	14		(18,414)		(22,810)
Net assets excluding pension liability			170,214		185,639
Defined benefit pension scheme liability	19		(14,535)		(22,323)
NET ASSETS INCLUDING PENSION LIABILITY	16		155,679		163,316
RESTRICTED FUNDS					
Restricted income funds	16		32		100
UNRESTRICTED FUNDS					
Designated reserve	16		2,000		2,084
General Revenue reserve	16		167,116		182,389
Revaluation reserve	16		1,066		1,066
			170,182		185,539
Unrestricted funds before pension liability			170,182		185,539
Pension deficit	19		(14,535)		(22,323)
Total funds	16		155,679		163,316

The variance to the consolidated accounts is made up of an intercompany receivable of £372k (2020: £371k) and has an equal impact on the general revenue reserve. There are no other differences between the Charity and consolidated balance sheet.

The total incoming resources for the Charity were £155,695k (2020: £153,219k) and the net loss was £(13,638)k (2020: a loss of £(10,538)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 23rd September 2022 and were signed on its behalf by: Hamish Leslie Melville, Chairman of The Board of Trustees.
Date: 23rd September 2022

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	NOTE	2021	2020
		£000	£000
Net cash flows from operating activities	20	18,689	9,418
Cash flows from investing activities			
Gain / (Loss) on investment		123	(193)
Other income	6	247	512
Purchase of Charity's functional assets		(10,530)	(7,503)
Purchase of Goodwill		(525)	-
Net cash flows used in investing activities		(10,685)	(7,184)
Net cash flow before financing		8,004	2,234
Repayments of borrowing		(13,000)	(14,445)
Cash inflow from revolving credit facility		8,500	10,500
Net cash flows used in financing activities		(4,500)	(3,945)
Increase / (Decrease) in cash and cash equivalents		3,504	(1,711)
Cash and cash equivalents at beginning of year		5,012	6,723
Cash and cash equivalents at the end of the year	13	8,516	5,012
Reconciliation to cash at bank and in hand			
Cash at bank and in hand (Current and non-current)		8,516	5,012
Cash and cash equivalents	21	8,516	5,012

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 2019) and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts shown in these financial statements are rounded to the nearest £'000.

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 July 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.

The forecasts reviewed considered both historic and current financial performance and identified critical variables and trends. A new 3-year banking facility was completed in June 2022, providing increased borrowing capacity and greater headroom than the previous facility. Forecast sensitivities have been modelled in relation to this facility including downsides due to increased interest rates and higher inflation.

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 19.

Trade Debtor Recoverability Trade debtors for 2021 are £27.2m and are stated net of provisions for doubtful debts. The level of provisioning involves management judgement based on reviews of accounts including the ageing 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 2021. 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 Financial Activities. No 'Charity only Statement of Cash Flows' has been prepared as advantage has been taken of the reduced disclosure framework at paragraph 1.12 of FRS 102.

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. Income is recognised when treatment or other hospital services have been provided to the patient. 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. These grants are recognised on application of the grant by the Charity.

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:

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

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 Consolidated Statement of Financial Activities (SOFA).

Prior to the charity's conversion to FRS102, the accounting policy for property assets was to include them in the financial statements at their revalued amount. Following the introduction of FRS102 these revalued amounts for property assets have been adopted as deemed cost.

I. Intangible Fixed Assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the depreciable amount of the assets to their residual values over their estimated useful lives. Intangible assets comprise goodwill which is amortised over 10 years and software that is amortised over 3-5 years.

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

J. 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 SOFA.

K. 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.

L. 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.

M. Debtors

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

N. 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.

O. Financial Instruments

All 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.

P. 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.

Q. 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	2021 TOTAL £000	2020 TOTAL £000
Provision of Hospital Activities					
Staff costs excluding defined benefit scheme interest costs	60,148	15,479	115	75,742	75,083
Net pension interest expense (note 19)	277	–	–	277	232
Staff costs (note 5)	60,425	15,479	115	76,019	75,315
Auditor's remuneration base fee	–	62	–	62	62
Depreciation of fixed assets (note 10)	13,232	–	–	13,232	15,660
Amortisation of intangible fixed assets (note 7)	1,186	–	–	1,186	–
Operating leases – Other	6,409	–	–	6,409	6,120
Stock	33,278	–	–	33,278	28,987
Other operating expenses	20,662	17,870	60	38,592	35,470
	135,192	33,411	175	168,778	161,614
Expenditure on Raising Funds					
Bank Interest Payable	538	–	–	538	476
Finance charge in respect to finance leases	–	17	–	17	17
	538	17	–	555	493
Total expenditure	135,730	33,428	175	169,333	162,107

Auditor's remuneration for audit work for the period was £62k (2020: £62k) and remuneration for non-audit work was £nil (2020: £nil).

For a further breakdown of 2020 please see note 24.

4. Analysis of Governance and Support Costs

	2021 TOTAL £000	2020 TOTAL £000
Auditor's remuneration base fee (auditing the financial statements)	62	62
Salaries, wages and related costs – Allocated on time	126	115
Other operating expenses – Legal advice	1	80
Total Governance costs	189	257
Salaries, wages and related costs – Allocated by department	15,353	16,100
Other operating expenses – Allocated by department	17,869	18,804
Total Support costs	33,222	34,904

5. Staff and Trustees

	2021 TOTAL £000	2020 TOTAL £000
Staff costs comprise:		
Wages and salaries	59,263	57,992
Social security costs	6,330	5,988
Agency & Contractors	5,599	6,427
Pension Costs	3,666	3,500
Other staff costs	1,161	1,408
	76,019	75,315

Redundancy and contract termination costs are expensed as incurred through the SOFA. During the year, redundancy and termination costs of £679k were expensed (2020: £529k).

	2021	2020
Average monthly number of employees during the period	1,268	1,226

All staff in 2021 and 2020 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:

	2021 TOTAL £000	2020 TOTAL £000
Emoluments	2,238	2,701
Pension contributions	194	162
Contract termination and other payments	143	–
	2,575	2,863

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 (2020: £nil). The Charity reimbursed travelling and other expenses of 3 Trustees for £1,981 (2020: 2 Trustees for £1,393).

5. Staff and Trustees (Continued)

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

	2021 No.	2020 No.
£60,001 – £70,000	88	91
£70,001 – £80,000	49	41
£80,001 – £90,000	23	17
£90,001 – £100,000	17	11
£100,001 – £110,000	2	2
£110,001 – £120,000	4	2
£120,001 – £130,000	2	–
£130,001 – £140,000	1	3
£150,001 – £160,000	–	1
£160,001 – £170,000	–	1
£170,001 – £180,000	1	2
£180,001 – £190,000	1	–
£190,001 – £200,000	2	–
£210,001 – £220,000	1	–
£220,001 – £230,000	–	1
£230,001 – £240,000	–	1
£250,001 – £260,000	1	1
£260,001 – £270,000	–	2
£270,001 – £280,000	–	1
£290,001 – £300,000	1	–
£330,001 – £340,000	1	–
£410,001 – £420,000	1	–
£510,001 – £520,000	–	1
Total	195	178

In the period, the provision of money purchase benefits were provided to 188 employees of the above (2020:173 employees) and the contribution paid was £1,133k (2020: £993k). There are 7 employees who are part of the defined benefit scheme (2020:6 employees).

Further details of the Charity's pension schemes are given in note 19.

6. Other Income

	UNRESTRICTED FUNDS £000	DESIGNATED FUNDS £000	RESTRICTED FUNDS £000	2021 £000	2020 £000
Interest on bank balances	–	–	–	0	12
Return on fixed asset investments	–	50	–	50	48
	–	50	–	50	60
Grant income*	–	–	197	197	452
	–	50	197	247	512

* Grant income relates to the Coronavirus Job Retention Scheme.

7. Intangible Fixed Assets

Group and Charity Cost	GOODWILL £000	SOFTWARE £000	CONSTRUCTION IN PROGRESS £000	TOTAL £000
At 1 January 2021	–	–	–	–
Additions	775	890	91	1,756
Transfers	–	55	(55)	–
Transfer from fixed assets	–	14,022	218	14,240
Disposals	–	(152)	–	(152)
31 December 2021	775	14,815	254	15,844
Amortisation				
At 1 January 2021	–	–	–	–
Transfer of accumulated depreciation from intangible assets	–	10,265	–	10,265
Provided during the year	39	1,147	–	1,186
Disposals	–	(152)	–	(152)
31 December 2021	39	11,260	–	11,299
Net book value as at 31 December 2021	736	3,555	254	4,545

Goodwill arising during the 2021 year relates to the acquisition of the London Spine Clinic and is being amortised over 10 years on a straight line basis.

In 2021 software has been transferred from fixed assets to better reflect its nature.

The amortisation is included within the 'Provision of hospital activities' balance in the SOFA.

8. Fixed Asset Investments

Group and Charity	2021		2020	
	COST £000	VALUE £000	COST £000	VALUE £000
At 1 January				
Listed investments (Cash Equivalent)	564	921	564	1,114
Total at 1 January	564	921	564	1,114

Fair Value Gains and Losses				
Listed investments	–	123	–	(193)
Total Gains/(Losses)	–	123	–	(193)

INVESTMENTS CARRIED AT FAIR VALUE AT 31 DECEMBER	2021 £000	2020 £000
Listed investments	1,044	921
Total at 31 December	1,044	921

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. £1,044k (2020: £921k). This has been included as a cash equivalent as it is a highly liquid asset.

9. Subsidiary and Associate Undertakings

None of the undertakings have a material effect on the group accounts.

The Charity has the following subsidiary undertakings as at 31 December 2021 which are 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	The Company was non-trading through the period ended 31 December 2021
LC Medical Admin Limited	paid up share capital of £2	The Company was non-trading through the period ended 31 December 2021
LC Medical Services Limited	paid up share capital of £2	The Company was non-trading through the period ended 31 December 2021

10. Tangible Fixed Assets

	FREEHOLD PROPERTY £000	LONG LEASEHOLD £000	FIXTURES & EQUIPMENT £000	CONSTRUCTION IN PROGRESS £000	TOTAL £000
Group and Charity Cost or Valuation					
1 January 2021	4,459	249,450	105,881	12,277	372,067
Additions	–	1,387	5,657	4,231	11,275
Transfers	–	226	673	(899)	–
Transfer to intangible assets	–	–	(14,022)	(218)	(14,022)
Disposals	–	–	(1,659)	–	(1,659)
31 December 2021	4,459	251,063	96,530	15,391	367,443
Depreciation					
1 January 2021	974	96,885	83,456	–	181,315
Provided during the year	89	7,193	5,950	–	13,232
Transfer of accumulated depreciation to intangible assets	–	–	(10,265)	–	(10,265)
Disposals	–	–	(1,659)	–	(1,659)
31 December 2021	1,063	104,078	77,482	–	182,623
Net Book Value					
At 31 December 2021	3,396	146,985	19,048	15,391	184,820
At 31 December 2020	3,485	152,565	22,425	12,277	190,752

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

In 2021 software has been transferred to intangible assets to better reflect its nature.

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 £18.5m (2020: £23.0m). This was replaced with a new facility in June 2022.

The net book value of the asset purchased via a finance lease is £0.8m (2020: £1.7m).

11. Stock

	GROUP AND CHARITY	
	2021 £000	2020 £000
Raw materials and consumables	3,767	4,362

12. Debtors

	GROUP	
	2021 £000	2020 £000
Amounts falling due within one year		
Trade debtors	27,177	28,051
Other debtors	298	549
Prepayments and accrued income	4,488	2,284
	31,963	30,884

Amounts owed to the Charity by subsidiary undertakings totals £372k (2020: 371k). This consolidates to £nil at a Group level.

13. Cash and Cash Equivalents

	GROUP AND CHARITY	
	2021 £000	2020 £000
Investment	1,044	921
Cash	7,472	4,091
Total	8,516	5,012

14. Creditors: Amounts Falling Due Within One Year

	GROUP AND CHARITY	
	2021 £000	2020 £000
Trade creditors	12,352	7,308
Taxation and social security	4,072	2,247
Other creditors	19,282	3,399
Accruals*	9,649	9,033
Obligations under finance leases	–	945
	45,355	22,932

* Includes the year end capital accrual of £2.7m (2020: £0.9m) and a redundancy provision of £0.1m (2020: £0.2m).

Creditors: Amounts Falling Due After One Year

	GROUP AND CHARITY	
	2021 £000	2020 £000
Revolving credit facility due 2 - 5 years	18,500	23,000
Borrowing costs capitalised	(86)	(190)
	18,414	22,810

A new facility was agreed in June 2022 for a term of 3 years replacing the existing Revolving Credit Facility, therefore it was deemed appropriate to disclose as being due in 2-5 years.

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

15. Reserve Movements For Year

	REVALUATION RESERVE £000	DESIGNATED RESERVE £000	RESTRICTED RESERVE £000	GENERAL RESERVE £000	TOTAL £000
Group					
1 January 2021 per prior year financial statements	1,066	2,084	100	159,695	162,945
Net incoming resources/(deficit)	–	(207)	129	(13,683)	(13,761)
Asset disposal	–	–	–	–	–
Gain/(Loss) on investment assets	–	123	–	–	123
Actuarial loss on defined benefit pension scheme	–	–	–	6,000	6,000
Transfers between funds	–	–	(197)	197	–
At 31 December 2021	1,066	2,000	32	152,209	155,307

The charity has reserves of £155,679k as at December 2021 (2020: £163,316k). The variance to the Group reserves are outlined in note 12 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 2021 the Restricted reserves were £32k (2020: £100k).

16. Analysis of Net Assets by Fund

2021	REVALUATION RESERVE £000	DESIGNATED RESERVE £000	RESTRICTED RESERVE £000	GENERAL RESERVE £000	TOTAL £000
Group					
Fixed asset investments	–	1,044	–	–	1,044
Other fixed assets	1,066	–	–	188,299	189,365
Non-current liabilities	–	–	–	(18,414)	(18,414)
Current assets	–	956	32	42,214	43,202
Current liabilities	–	–	–	(45,355)	(45,355)
Total funds excluding pension liability	1,066	2,000	32	166,744	169,842
Pension liability	–	–	–	(14,535)	(14,535)
Total net assets	1,066	2,000	32	152,209	155,307
Charity net assets	1,066	2,000	32	152,581	155,679

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	–	–	189,684	190,750
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	182,018	185,268
Pension liability	–	–	–	(22,323)	(22,323)
Total net assets	1,066	2,084	100	159,695	162,945
Charity net assets	1,066	2,084	100	160,066	163,316

17. Capital Commitments

	GROUP AND CHARITY	
	2021 £000	2020 £000
Committed and contracted	6,012	3,621

Additional capital expenditure has been approved for 2022 and the total capital expenditure forecast is £16.0m for 2022 (2021: £16.0m).

18. 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	GROUP AND CHARITY	
	2021 £000	2020 £000
Within one year	7,526	6,059
Between one and five years	32,736	24,489
After five years	520,331	458,188
	560,593	488,736

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.

19. 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 defined benefit 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 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.

The date of the last triennial valuation was 31 December 2019 at this time 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 £2,065k 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. The employer expects to contribute £1,755k to the defined benefit plan in the year to 31 December 2022. At 31 December 2021 there were no outstanding contributions due to the defined benefit scheme.

Total pension charge for the year including the defined contribution scheme was £3,666k (2020: £3,500k).

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 2021. The projected unit method is used to value the liabilities of the defined benefit pension scheme. 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%.

Employee Benefit Obligation

The amounts recognised in the Balance Sheet are as follows:

	2021 £000	2020 £000
Fair value of plan assets	109,261	107,113
Present value of funded obligations	(123,796)	(129,436)
Net liability	(14,535)	(22,323)

19. Pension schemes (Continued)

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

	2021 £000	2020 £000
Interest cost	(1,656)	(2,112)
Interest income	1,379	1,880
Total included in staff costs	277	232
Gain during the year on plan assets	4,178	13,194

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

	2021 £000	2020 £000
Opening defined benefit obligation	(129,436)	(107,645)
Interest cost	(1,656)	(2,112)
Actuarial Gain / (Loss)	3,201	(23,782)
Benefits paid	4,095	4,103
Closing defined benefit obligation	(123,796)	(129,436)

Changes in fair value of plan assets are as follows:

	2021 £000	2020 £000
Opening fair value of plan assets	107,113	94,120
Interest income	1,379	1,880
Actuarial gain/(loss)	2,799	11,314
Contributions by employer	2,065	3,902
Benefits paid	(4,095)	(4,103)
Closing fair value of plan assets	109,261	107,113

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

	2021 £000	2020 £000
Return on plan assets excluding net interest cost gain/(loss)	2,799	11,314
Experience gains/(losses) on benefit obligation	(767)	3,834
Effect of assumptions changes on benefit obligation	3,968	(27,616)
Total actuarial gain / (loss) recognised:	6,000	(12,468)

19. Pension schemes (Continued)

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

	2021 %	2020 %
Equities (including property)	30%	30%
Bonds	0%	8%
Other	0%	11%
LDI (Liability Driven Investment)	67%	49%
Cash	3%	2%

Principal actuarial assumptions at the balance sheet date:

	2021 %	2020 %
Discount rate at 31 December	1.8%	1.3%
RPI Inflation	3.6%	3.1%
CPI Inflation	2.8%	2.3%
Future pension increases	2.8%	2.3%

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

GROUP	2021 £000	2020 £000
Net (loss) for the year	(13,638)	(8,888)
Other income	(247)	(512)
Depreciation of tangible fixed assets	13,232	15,660
Amortisation of intangible fixed assets	1,186	–
Loss/(Gain) on investment assets	(123)	193
Net retirement benefit charge less contributions	(1,788)	(3,670)
Decrease/(Increase) in stock	595	(1,007)
(Increase)/Decrease in debtors	(1,079)	4,559
Increase/(Decrease) in creditors	20,551	3,083
Net cash inflow from operating activities	18,689	9,418

21. Analysis of Changes in Net Debt

	AT 1 JAN 2021 £000	CASH FLOWS £000	AT 31 DEC 2021 £000
Cash and cash equivalents	5,012	3,504	8,516
Debt due within one year	–	–	–
Debt due after one year	(23,000)	4,500	(18,500)
Total	(17,988)	8,004	(9,984)

22. 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.

23. Events After the Reporting Period

There have been no events subsequent to 31 December 2021 which materially impact on the results reported.

24. Total Expenditure 2020

	DIRECT CHARITABLE (HOSPITAL) £000	SUPPORT INCLUDING GOVERNANCE £000	FUNDRAISING COSTS £000	2020 TOTAL £000
Provision of Hospital Activities				
Staff costs excluding defined benefit scheme interest costs	58,756	16,215	112	75,083
Net pension interest expense (note 19)	232	–	–	232
Staff Costs (note 5)	58,988	16,215	112	75,315
Auditor's remuneration	–	62	–	62
Depreciation of fixed assets	15,660	–	–	15,660
Operating leases - Other	6,120	–	–	6,120
Stock	28,987	–	–	28,987
Other operating expenses	16,526	18,884	60	35,470
	126,281	35,161	172	161,614
Expenditure on Raising Funds				
Bank Interest Payable	476	–	–	476
Finance charge in respect to finance leases	–	17	–	17
	476	17	–	493
Total expenditure	126,757	35,178	172	162,107

25. Related parties

During the year, fees of £103k (2020: £165k) 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 payment of £375k (2020: £375k) 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, fees of £92k (2020: £30k) 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.

During the year, fees and expenses of £18k (2020: £nil) were paid to I J Kennedy Healthcare Consultancy Ltd in respect of clinical governance advisory services. Inga Kennedy is a Trustee of the Charity and a director and shareholder of I J Kennedy Healthcare Consultancy Ltd.

After making enquiries, the Trustees confirm there were no further relationships with related parties to disclose. The Trustees have followed the relevant Charity Commission 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.

APPENDIX

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:

**RSM UK Audit LLP,
25 Farringdon Street,
London,
EC4A 4AB**

Solicitors:

**Addleshaw Goddard,
Milton Gate,
60 Chiswell Street,
London,
EC1Y 4AG**

Patron: HM The Queen Consort (formerly HRH the Duchess of Cornwall)

Life President: 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, Telefónica & 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

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.

Inga Kennedy CBE (appointed April 2021)

Over 40 years' experience as a healthcare professional, she recently retired from the Royal Navy where she was the Head of the Medical Services, developing and delivering medical capability to the Royal Navy, Royal Marines and Royal Fleet Auxiliary. Honoured to be recognised as a Commander of the Order of the British Empire (CBE) in the New Year's Honours of 2017. Now a non-executive director at Portsmouth Hospitals University NHS Trust and the Isle of Wight NHS Trust. Also a Trustee of the White Ensign Association, supporting those who are transitioning from the Royal Navy to civilian life.

Philippa Hardwick (appointed July 2021)

Holds a portfolio of appointments (legal and non-legal) focusing on regulation, standards, professional discipline, public health, governance and risk. As a barrister, she practiced from Fountain Court Chambers and handled a broad range of advisory and representative work, civil litigation, arbitration and mediation. She has served in a regulatory capacity on the Financial Reporting Council's Conduct and Supervision Committees and continues to sit on their Advisory Panel. In a quasi-judicial capacity, she has served on the Cabinet Office's Security Vetting Appeals panel since 2015. She is also a Trustee of the Trusthouse Charitable Foundation, a grant-giver supporting projects addressing issues facing the vulnerable and isolated. She has wide experience of regulatory processes, main boards, audit committees, investment committees, adjudication panels, and case management processes.

The Company Secretary is: Georgina Holtby

The members of the Executive Board during 2021 were as follows:

Al Russell	Chief Executive
Sophie Auld	Clinical Services Director
Satya Bhattacharya	Medical Director (resigned April 2022*)
Jonathan Coad	Property and Strategic Programmes Director
Geoff Cox	Operations and HR Director (resigned August 2022**)
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

*Professor Julia Wendon appointed as Medical Director in April 2022

** Luis Pedro appointed as Operations Director May 2022

± Tonya Kloppers appointed as Director of Nursing in January 2022

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