



**Chelsea and Westminster Health Charity
Trustees' Annual Report and Accounts
For the year ended 31 March 2013**

Charity registration number 1067412

Contents

	Page No.
Trustees' Annual Report	i-viii
Statement of Trustees' Responsibilities	1
Independent Auditors' Report	2
Statement of Financial Activities	3
Balance Sheet	4
Notes to the Accounts	5-14

Trustees' Annual Report for the year ended 31 March 2013

About Chelsea and Westminster Health Charity

Chelsea and Westminster Health Charity is the official NHS Charity for Chelsea and Westminster Hospital. We change the lives of 360,000 patients treated at Chelsea and Westminster Hospital every year. We fund projects which enhance the care, comfort and support offered to patients and their families.

Our Vision

To deliver a new patient-centred model of outstanding care, built on collaboration and innovation. This vision will be realised through transforming the experience of the Hospital's patients and being a catalyst to significant medical advances.

Key Strategic Objectives

- **Arts for Life** – remaining a pioneer in developing and using the arts to improve patient experience, while developing outstanding arts fundraising events and initiatives.
- **Borne** – lead a £1.9 million appeal to establish Borne, a new initiative which aims to prevent disability and death in childbirth and create lifelong health for mothers and babies.
- **Burns Research** – secure £387,000 for a centre of excellence in burns research - the first of its kind in the UK.
- **Chelsea Children's Hospital** – successful completion of this £1.2 million appeal to create a leading paediatric surgery and care centre in London which sees 85,000 patients each year.
- **Research and Development** – partnering with the Hospital to build its core capacity to deliver clinical innovations and patient-centred action research.

Next year, we will continue to set ambitious fundraising targets and utilise long term capital funds to realise these objectives.

Achievements, Performance and Impact

Arts for Life

Chelsea and Westminster Health Charity (the Charity) launched its revitalised arts programme, "Arts for Life" at the Serpentine Gallery and established an influential Arts Advisory Board of artists, collectors and curators. Our main commission was for Chelsea Children's Hospital and we held a successful memorial art sale in honour of Mary Fedden which generated £50,000. We established a strong relationship with Christie's which led to being chosen as their charity partner for the Multiplied Print Fair as well as having pro bono support for cataloguing and valuing our collection. The collection and performing arts programme provides a positive impact on patients' experience in hospital.

Next year

- Trustee and Chair of the Arts Advisory Board, Susan Hayden, will organise a special auction and dinner as part of Arts for Life. Over 20 leading contemporary artists, including Anish Kapoor,

Tony Cragg, Antony Gormley and Zaha Hadid, have generously donated works for an auction which will take place at Christie's and aims to generate up to £500,000 for Borne.

- In advance of the auction, a preview dinner will be held at Saatchi Gallery, supported by CVC Capital Partners, the KT Wong Foundation and UBS.

Borne

Premature birth is responsible for over 70% of long term disability and death in new born babies. In the UK alone, more than 1 in 10 babies are born too soon. Worldwide, 1.1 million babies die from complications of premature birth and over 250,000 women die during pregnancy or childbirth. Borne has been established to prevent disability and death in childbirth and create lifelong health for mothers and babies. The team of doctors, midwives and researchers will improve pregnancy outcomes the world over through research, treatment and education.

The Charity has raised £381,000 in the year for this Appeal and has secured pledges for a further £451,000.

Next year, we will:

- host a series of events in aid of Borne, including a Wonderland dinner, a fashion breakfast with Harvey Nichols and a Borne Walk;
- develop a new stream of research along the continuum from womb to birth to early childhood;
- build awareness for Borne through a new website, marketing materials and merchandise;
- share the impact of Borne's research and education efforts to our community of supporters.

Burns Research and Care

We are supporting a research project which will create the UK's first centre of excellence for basic and applied burns research, at the Hospital. The project will significantly advance research into the three key areas of inflammation, pain management and lung injury. This will enable us to provide the same excellent standards of clinical care that this vulnerable set of patients so deserve and that other non-burns related patients currently receive.

The Charity has underwritten the full £387,000 costs, and aims to generate 50% of the funding from external sources. We raised £38,000 this year.

Next year, we will:

- continue our fundraising and develop marketing materials to support this;
- engage with institutional funders to establish a centre based on this initial proof of concept.

Chelsea Children's Hospital Appeal

The Charity has now secured funding for the facilities enhancements, equipment and support services (including art and music therapy) which will have a major impact on Chelsea Children's Hospital's delivery of outstanding levels of care, comfort and support for 85,000 children a year as well as their families and carers.

Next year, we will:

- support the Hospital in their plans to install a MediCinema which will cost £600,000. This 46 seat, 7 wheelchair, 4 bed capacity auditorium will screen the latest film releases, free of charge to patients, their families and carers. It will also serve as a paediatric teaching space and hub for our music, dance and theatre projects.

Research and Development

Collaboration for Leadership project in Applied Health Research and Care ('CLAHRC')

The Charity has awarded a fifth grant of £100,000 to support the National Institute of Health Research Collaboration for Leadership project in Applied Health Research and Care ('CLAHRC') in Northwest London. Our particular focus has been patient involvement in clinical decision making and self-management. We supported action research projects and training workshops across breathlessness, frailty and early years.

Joint Research Committee

The Charity has invested £100,000 in the Joint Research Committee as a commitment to support medical research activity at the Hospital. The four Fellowships and PhDs supported this year covered:

- Evaluation of immune responses and viral fitness in HIV-1⁺ individuals displaying different rates of disease progression.
- Is Xenon a potential treatment for traumatic brain injury?
- Development of a blood test to discriminate between active and latent tuberculosis (TB) infection.
- Characterisation of the metabolic phenotype of the infant of a mother with diabetes.

Special fund Payments

The Charity holds 100 special purpose funds in support a range of activities across the Hospital. The Charity made commitments of £139,000 from these funds in the year. Commitments support a wide range of activities, including staff welfare, patients' welfare, medical equipment, education and training. Fund advisers, who are specialists in the field of activity for each fund, advise the Charity on the most appropriate use of the funds.

Next year, we will:

- launch 'Enterprising Health' – an initiative to support clinical and educational innovations which advance patient care and are financially self-sufficient;
- Work with the Hospital to advance its plans on patient experience.

Impact report

Further detail of impact, including an impact report is available on the Charity's website.
www.chelwestcharity.org.uk

Supporting Activities

Fundraising

The Charity doubled its voluntary income in 2012/2013 to £786,000 which was a strong performance. In 2013/2014 we anticipate that fundraising income will continue to grow well.

The principal focus of activity will be to develop relationships with a wide range of major donors who wish to support our activities. We will engage with people through a wide range of events and activities.

The Charity's fundraising goals are outlined above.

Building Charity Infrastructure

With the support of the Trustees, the Chief Executive has this year made key senior appointments with a new Arts Director, Communications Director and Finance Director. The Charity is also investing in its development capacity and external relations.

Next year, we will:

- conduct a Board Review based on the Charity Commission's Hallmarks of a Well Run Charity;
- develop a new website for the Charity;
- produce the Charity's first e-newsletter and twice yearly magazine for supporters.

Investing Activity

The Charity's Long Term Capital fund delivers the resources to enable it to considerably increase its fundraising capacity and substantially increase its impact. This income allows 100% of voluntary income to be delivered directly to support the Charity's key strategic objectives.

Financial Review

Total income for the year at £1.207 million represented an increase of £256,000 (27%) on the previous year. The total of 'Voluntary Income' and 'Activities for Generating Funds' increased from £383,000 in 2011/12 to £786,000 in 2012/13. Income was buoyed by highly successful fundraising initiatives, principally supporting Chelsea Children's Hospital and Borne, but also touching on a wide range of important areas in the Hospital.

A change in investment policy to focus on total returns, rather than income, led to a decrease in investment income. Gains on investment assets amounted to £2.138 million (2012 - £125,000).

There was a decrease in overall support costs from £349,000 to £306,000, mainly in general management costs. The Charity continues to be satisfied that such costs are being appropriately controlled. The costs of generating income increased from £187,000 in 2012 to £301,000 in 2013. This increase follows the Trustees' decision to invest in the Charity's fundraising capabilities to generate significantly more voluntary income. This has been a success.

Charitable activities are split between Grants payable - £1.242 million (2012 - £744,000) and Arts - £316,000 (2012 - £250,000). This includes the support costs allocated to charitable activities of £142,000 (2012 - £162,000). As in the past these costs have been apportioned on the basis of the activity level in each category and time spent on them.

Governance costs of £90,000 (2012 - £120,000) represent 4.5% of total expenditure excluding charitable transfers (2012 - 8.7%).

The Charity's arts collection was re-valued by Christies at £2.736 million as at 31 March 2013 (2012 - £1.32 million)

The Charity manages its finances to balance its unrestricted fund income and expenditure annually. To do this the Charity transferred £582,000 from Long Term Capital to Free Reserves.

The Charity also committed £387,000 to a three year grant to fund burns research. This £258,000 difference between the £130,000 annual expenditure budget and the three year commitment has been separately identified in unrestricted funds.

After taking into account these adjustments Free Reserves showed a surplus for the year of £14,000 (2012 - £0). Restricted funds showed a net decrease of £30,000 (2012 - net decrease of £57,000).

Structure, Governance and Management

Objects

The principal objects of the Charity are set out in two governing instruments:

- the Charity Commission scheme dated 26 March 2002 (as affected by statutory instrument 2005 no. 2427 and resolution dated 20th September 2005), relating to funds deriving from the Special Trustees of Westminster and Roehampton Hospitals, with objects as stated in section 93(2) – (3) NHS Act 1977 (now section 220 (3) – (5) NHS Act 2006) – that is, purposes relating to hospital services (including research) or to any other part of the NHS associated with any hospital; and

- a declaration of trust dated 27 November 1997 (as effected by the Charity Commission scheme dated 26 March 2002), the objects being charitable purposes relating to the NHS wholly or mainly for the services provided by the Chelsea and Westminster NHS Foundation Trust.

The Trustees also hold other charitable funds on trust for specific purposes connected with Chelsea and Westminster NHS Foundation Trust and the wider NHS, a number of which are registered with the Charity Commission as part of the Trustees' group.

The group name for all the charities which the Trustees administer is "Chelsea and Westminster Health Charity (and related charities)"; they are all registered with the Charity Commission under number 1067412. "Chelsea and Westminster Health Charity" is recognised by the Charity Commission as the working name for the group.

Governance

The Charity is governed by the governing instruments referred to above (and, in relation to the other related charities, as shown on the Charity Commission register).

The Chelsea and Westminster Health Charity has an independent Board (currently seven Trustees). The Chairman and Vice Chairman of the Charity are elected on an annual basis by the Trustees. The Trustees of Chelsea and Westminster Health Charity are appointed for four year terms by the NHS Trust Development Authority on behalf of the Secretary of State under Section 51 NHS Act 2006. The trustee body itself is incorporated by the Charity Commission under the Charities Act 2011 (formerly Charities Act 1993). Trustees may be reappointed for a second four year term.

New Trustees receive an induction pack and have a series of orientation meetings. All Trustees are updated on current issues and are invited to attend relevant seminars and conferences. In addition to attending quarterly meetings of the Board of Trustees, each Trustee is a member of at least one of these committees:

- Arts Advisory Board,
- Finance and Investment, and
- Performance and Impact.

The Committees meet at least four times a year and make recommendations to the Board of Trustees. The minutes of the Committees are formally recorded and submitted to the Board of Trustees.

The Arts Advisory Board helps to make artistic connections, bring in resources, and providing guidance and ideas on curatorial strategy.

Management

Day-to-day operations of the Charity are managed by the Chief Executive, who reports to the Board of Trustees. The heads of the Charity's functional departments Arts, Communications, Finance and Fundraising all report to the Chief Executive.

Risk Management Policy

In order to meet their obligations for risk management in relation to the Charity, the Trustees have adopted a framework under which they monitor and identify risks. The Charity carries out a formal risk assessment resulting in the preparation of a detailed risk map. The procedures entail the following:

- Development of a clear link between the Trustees' business plan objects for the Charity and the identification of risks;
- Preparation of an impact analysis once risks are identified;
- Quarterly review of existing and proposed business activities to ensure that new risks are identified and that existing documented risks are revised or removed if no longer appropriate.

Using this process the Trustees have carefully examined the major strategic and operational risks which the Charity faces, and confirm that systems have been established to manage those risks effectively.

Grants and Distributions Policy

Grant applications are considered at the Performance and Impact Committee and recommendations made to the Board of Trustees. The Trustees have agreed to proactively focus on the initiatives described in this report. These are in the long term interests of the Hospital's beneficiaries - patients.

Reserves Policy

The Charity plans the distribution or designation of all its free reserves through its charitable activities. It therefore does not plan the long term retention of undesignated free reserves. The Charity will transfer funds from the Capital Fund if necessary to meet its spending targets.

Funds

Unrestricted funds

The Charity holds £26.4 million in unrestricted funds. It has designated the majority of these for different purposes. The breakdown is shown in notes 10.3 to the accounts.

Designated Funds:

- *Long Term Capital*
The Long Term Capital Fund has been established for many years to provide for both current and future needs of the patients and communities served by the Hospital and the Charity. The £23.6m Long Term Capital Fund is invested to provide stability and liquidity for the Charity's activities in the long-term. The fund will also provide major funding for charitable activities. The Trustees do not plan future accumulations in real terms to this fund.
- *Hospital Arts-General*
The £2.74 million fund represents the art on display in and around the Hospital. It is not readily realisable and therefore does not constitute free reserves.
- *Hospital Arts-Rhapsody Project*
This represents funding from the Arts Council for a project to commission new pieces from composers for audio guide trails.
- *Burns Research*
The fund is currently in deficit indicating that £258,000 remains to be raised to support the Trustees commitment to capacity building in Burns Research.
- *Chelsea Children's Hospital*
The £250,000 fund is set aside for the benefit of the Chelsea Children's Hospital.

Restricted funds

Restricted funds (also known as Special Purpose Funds) are reserved for specific purposes. The Charity held 100 funds totalling £2.4 million at the year end. Details of the larger funds are shown in note 10.2. A full list of the funds is available on request from the Charity.

Endowment funds

£77,000 originated from the closed Parkwood Convalescent Hospital. It is used to support discharged or convalescent patients. The Charity is looking at other ways to use this fund.

Investment Policy

The Charity invests its long term capital fund in accordance with its investment Policy Statement ('IPS'). This is summarised below.

The primary financial objectives are to:

- Preserve and enhance the real (inflation-adjusted) purchasing power of the Portfolio, and
- Provide a stream of relatively predictable, consistent earnings in support of annual budgetary needs.

A real return target of 4.5% of Long term Capital has been identified as a performance target over the long-term. It is expected that portfolio risk, as measured by the standard deviation of annual returns, will be in the range of 10-13%.

The Charity will target a spending rate of 3.0% of Long Term Capital. To preserve the Portfolio's long term value the target spend rate is smoothed over a 3 year time period to ensure that spending volatility is managed within an acceptable range. The Trustees may increase spending up to 4.5% in any one year.

The asset allocation is:

<i>Investment Category</i>	<i>Policy Target</i>	<i>Target Investment Range</i>	<i>% Investment at 31 March 2013</i>	<i>Benchmark</i>
Property	25%	20-25%	25.5%	IPD UK Property Index
Passive Global and Active Equities	42.5%	35-55%	44.7%	MSCI World Index
Emerging Markets Equities	7.5%	5-10%	9.6%	MSCI Emerging Markets Index
Absolute Return	15%	10-20%	14.3%	HFRI Fund of Funds Index
Global Fixed Income	9%	5-15%	5.9%	Hedged Sterling Citigroup WGBI (Hedged)
Cash	1%	0-2%	0%	LIBID 7 day Sterling

The IPS is a long term strategic document and will remain in effect unless altered by resolution of the Board of Trustees, based upon the recommendation of the Charity's Finance and Investment Committee and the Charity's appointed investment consultants, Cambridge Associates.

Investment Performance

The Trustees are pleased to report that the portfolio had returned 12% in the year ended 31 March 2013 versus the benchmark of 9.8%. Over three years the annualised return is 8.3% versus a policy benchmark of 6.7%.

The Charity enjoyed gains on its investments of £2.138 million in the year to 31 March 2013 (2012 - £125,000).

Subsidiary Undertaking

The Charity has a non-charitable wholly owned subsidiary company, CWHC Trading Limited. The intention was to use this company to undertake non-charitable activities connected to the Charity. The Company did not trade in the financial year. Details can be found in note 7.3 to the accounts.

Related Parties

None of the Trustees receive remuneration or any other benefit from their work with the Charity. Any connection between a Trustee or senior management of the Charity with providers of services to the Charity must be disclosed to the full Board of Trustees. There were no such connections reported in the year ended 31 March 2013.

Volunteers and Other Supporters

The Trustees would like to pay tribute to the role of volunteers and other contributors who support our arts, communications, finance and fundraising activities. They enable the Charity to achieve its mission and enrich the lives of its beneficiaries. These volunteers were members of the local community, staff of the Hospital, former patients and their families, as well as students.

Christian Brodie
Chairman
31 July 2013



Registered Office

4 Verney House, 1B Hollywood Road, London SW10 9HS

Members of the Board of Trustees from 1 April 2011

Christian Brodie, – Chairman	Nick Jordan, – Vice Chairman
Kim Evans, Trustee (retired 18 September 2012)	Susan Hayden, Trustee
Laura Howard, Trustee (appointed 1 November 2012)	Jane Lawson (appointed 6 June 2013)
Ken Leet, Trustee (retired January 2013)	Jonathan Milward, Trustee (retired 18 September 2012)
Nicholas White, Trustee (appointed 1 November 2012)	Edwin Wulfsohn, Trustee

Chief Executive

Mr Mark Norbury

Bankers

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ

Auditors

Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD

Solicitors

Withers LLP, 16 Old Bailey, London EC4M 7EG

Investment Consultants

Cambridge Associates Limited, 80 Victoria Street, Cardinal Place, London SW1E 5JL

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the trustees are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) observe the methods and principles in the Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (d) state whether applicable accounting standards have been followed;
- (e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records 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 Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By Order of the Trustees

Signed:



Christian Brodie
Chairman

Date 31 July 2013

Independent Auditors' report to the Trustees of Chelsea and Westminster Health Charity

We have audited the financial statements of Chelsea and Westminster Health Charity for the year ended 31 March 2013 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made that Act. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

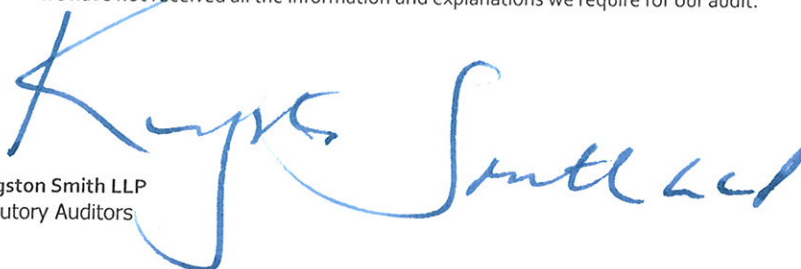
- give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming/outgoing resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Annual Report is inconsistent in any material respects with the financial statements; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Kingston Smith LLP
Statutory Auditors



Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 31 July 2013

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006

Chelsea and Westminster Health Charity
Registration Number 1067412

Statement of Financial Activities for the year ended 31 March 2013

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total Funds £000	2012 Total Funds £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2.1	64	672	-	736	364
Activities for generating funds	2.2	50	-	-	50	19
Investment income	7.4	418	3	-	421	568
Total incoming resources		532	675	-	1,207	951
Resources expended						
Costs of generating funds						
Costs of generating income		298	3	-	301	187
Investment management costs		77	-	-	77	78
Charitable activities						
Grants payable	3.1	542	700	-	1,242	744
Hospital arts		316	-	-	316	250
Governance costs	4.2	88	2	-	90	120
Total resources expended	4	1,321	705	-	2,026	1,379
Net outgoing resources before transfers		(789)	(30)	-	(819)	(428)
Transfers						
Gross transfer between funds	10	-	-	-	-	-
Net outgoing resources before other recognised gains and losses		(789)	(30)	-	(819)	(428)
Other recognised gains and losses						
Gains on investment assets	7.1	2,128	-	10	2,138	125
Gains on revaluation of fixed assets for charity's own use		1,387	-	-	1,387	-
Net movement in funds	5	2,726	(30)	10	2,706	(303)
Reconciliation of funds						
Total funds brought forward at 1 April 2012		23,658	2,390	67	26,115	26,418
Total funds carried forward at 31 March 2013		26,384	2,360	77	28,821	26,115

The notes at pages 5 to 14 form part of these accounts. All activities derive from continuing operations.

Chelsea and Westminster Health Charity
Registration Number 1067412

Balance Sheet as at 31. March 2013

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2013 £000	Total 2012 £000
Fixed assets						
Functional assets	6	2,739	-	-	2,739	1,326
Investments	7.2	24,008	2,336	77	26,421	24,839
Total fixed assets		<u>26,747</u>	<u>2,336</u>	<u>77</u>	<u>29,160</u>	<u>26,165</u>
Current assets						
Debtors	8	102	97	-	199	78
Cash at bank and in hand		-	374	-	374	77
Total current assets		<u>102</u>	<u>471</u>	<u>-</u>	<u>573</u>	<u>155</u>
Creditors: Amounts falling due within one year	9	(388)	(447)	-	(835)	(305)
Net current assets (liabilities)		<u>(286)</u>	<u>24</u>	<u>-</u>	<u>(262)</u>	<u>(150)</u>
Long term debtors	8	100	-	-	100	100
Total assets less current liabilities		<u>26,561</u>	<u>2,360</u>	<u>77</u>	<u>28,998</u>	<u>26,115</u>
Creditors: Amounts falling due within more than one year		(177)	-	-	(177)	-
Total net assets		<u>26,384</u>	<u>2,360</u>	<u>77</u>	<u>28,821</u>	<u>26,115</u>
Funds of the charity						
Unrestricted funds						
Designated funds		26,370	-	-	26,370	23,658
Free reserves		14	-	-	14	-
Total unrestricted funds	10.3	<u>26,384</u>	<u>-</u>	<u>-</u>	<u>26,384</u>	<u>23,658</u>
Endowment funds	10.1	-	-	77	77	67
Restricted funds	10.2	-	2,360	-	2,360	2,390
Total funds		<u>26,384</u>	<u>2,360</u>	<u>77</u>	<u>28,821</u>	<u>26,115</u>

Signed: Christian Brodie



Date: 31 July 2013

The notes at pages 5 to 14 form part of these accounts. All activities derive from continuing operations.

Notes to the Accounts

1 Accounting policies

1.1 Accounting convention

The financial statements of the Charity have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (Revised 2005), the Charities Act 2011 and under the historical cost accounting convention modified to include the revaluation of investment property and managed investments and revaluation of the functional art assets. The financial statements have also been prepared in accordance with applicable United Kingdom accounting standards and on a going concern basis and the accounting policies have been consistently applied throughout the year and the preceding year.

1.2 Cash flow statement

The financial statements do not include a cash flow statement because the Chelsea and Westminster Health Charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

1.3 Incoming resources

All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- entitlement - arises when a particular resource is receivable or the Charity's right becomes legally enforceable;
- certainty - when there is reasonable certainty that the incoming resource will be received; and
- measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.

Legacies

Legacies are accounted for as incoming resources once the receipt of the legacy becomes measurable, is reasonably certain and the Charity has entitlement to income.

Endowment funds

Incoming resources received from permanent endowment funds are treated as restricted income.

1.4 Resources expended

The financial statements are prepared in accordance with the accruals concept. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Costs are inclusive of irrecoverable VAT.

Cost of generating funds

The cost of generating funds are the costs associated with generating income for the Charity's funds. This will include the costs associated with investment actions.

Charitable activities

Grants payable are payments, made to third parties in the furtherance of the charitable objectives. They are accounted for on an accruals basis where the conditions for their payment have been met or where the grants have been communicated to the recipient and the third party has a reasonable expectation that they will receive the grant. This includes grants paid to NHS bodies.

Governance costs

Governance costs include the costs of governance arrangements as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure which allows the Charity to operate and to generate the information required for public accountability. They include the strategic planning and processes that contribute to the future development of the Charity.

Operating lease costs

Rentals under operating leases are charged on a straight-line basis over the term of the lease.

Pension costs

The amount charged to the Statement of Financial Activities in respect of pension costs to the defined contribution schemes is the total of the contributions payable in the year.

Notes to the Accounts (continued)

1.5 Structure of funds

The Charity's funds are classified under Unrestricted funds (including designated funds), Restricted funds and Endowment funds. The major funds held within these categories are disclosed in note 10.

Unrestricted funds and the designated funds

Unrestricted funds earmarked by the Trustees for particular purposes in the future are called designated funds.

Restricted funds

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund.

Endowment funds

Funds, where the capital is held to generate income for charitable purposes and cannot itself be spent, are accounted for as an endowment fund.

1.6 Functional assets

The Hospital Arts assets are held as functional assets. The works of art, selected for display, are all sited in public areas where they can be enjoyed by the patients, visitors, staff and the general public.

Christies have provided a valuation of the Arts collection at Current Auction Estimates as at 31 March 2013. The trustees value the art collection at the lower auction estimate or cost if an auction estimate is not attributable. Items purchased more than five years ago with no attributable auction estimate are not valued in the accounts.

No depreciation is charged as the residual value of arts assets is considered to be comparable with the book value and therefore any depreciation charge to the assets is considered to be immaterial.

Fixtures and fittings are capitalised at cost and depreciated on a straight line basis at 20% per annum.

1.7 Investment fixed assets

Investment fixed assets are shown at market value.

Property assets are not depreciated but are shown at market valuation.

The Trustees last carried out a review of the valuation of two properties at 31 March 2009. This valuation was carried out by the Trustees on the basis of their experience and has continued to be used for one of the properties in these accounts. The other property was re-valued by professional valuers as at 31 January 2011 - see note 7.2.

Quoted stocks and shares are included in the balance sheet at market price.

1.8 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at each quarter end and opening market value (or date of purchase if later).

1.9 Pooling scheme

An official pooling scheme is operated for investments relating to all investments relating to the Charity's non endowment funds. The scheme was registered with the Charity Commission on 26 March 2002.

1.10 Allocation of support costs

Support costs have been allocated between costs of generating funds, the charitable activities and governance costs. The support costs are allocated to the relevant activity cost category they support on the bases detailed in note 4.1.

Notes to the Accounts (continued)

2 Income

2.1 Voluntary income

	Unrestricted £000	Restricted £000	2013 Total £000	2012 Total £000
Donations from individuals	47	424	471	270
Trusts and foundations	17	84	101	8
Corporate donations and sponsorship	-	161	161	62
Legacies	-	3	3	24
	<u>64</u>	<u>672</u>	<u>736</u>	<u>364</u>

2.2 Activities for generating funds

	Unrestricted £000	Restricted £000	2013 Total £000	2012 Total £000
Arts sales	50	-	50	16
CWHC Trading Limited - income	-	-	-	3
	<u>50</u>	<u>-</u>	<u>50</u>	<u>19</u>

3 Details of resources expended including support costs

3.1 Analysis of charitable expenditure

	Unrestricted 2013 £000	Restricted 2013 £000	Total 2013 £000	Total 2012 £000
Grants payable				
Borne	-	91	91	19
Burns Research and Care	349	84	433	37
Chelsea Children's Hospital	-	154	154	56
Hospital staff training, development and retention	-	64	64	67
Delivering patient centred care				
CLAHRC*	100	-	100	100
Joint Research Committee**	35	60	95	100
Patient experience	-	105	105	-
Other special fund grants in support of activities at Chelsea and Westminster Hospital NHS Foundation Trust	-	139	139	280
Total grants payable	<u>484</u>	<u>697</u>	<u>1,181</u>	<u>659</u>
Support costs	58	3	61	85
Total grants payable including support costs	<u>542</u>	<u>700</u>	<u>1,242</u>	<u>744</u>
Arts for Health	235	-	235	173
Support costs	81	-	81	77
	<u>316</u>	<u>-</u>	<u>316</u>	<u>250</u>
	<u>858</u>	<u>700</u>	<u>1,558</u>	<u>994</u>

*A grant of £100,000 was made to the National Institute of Health Research Collaboration for Leadership in Applied Health Research and Care for Northwest London for a collaborative research improvement programme that will facilitate and accelerate the translation of research innovations into practice across Northwest London.

** In the year awards were made through the Westminster Medical School Research Trust in respect of the Joint Research Committee for research fellowships in respect of projects detailed in the Trustees' Annual Report.

Chelsea and Westminster Health Charity
Registration Number 1067412

Notes to the Accounts (continued)

3.2 Grants made to Institutions and Individuals

	2013 Total £000	2012 Total £000
Institution		
Chelsea and Westminster Hospital NHS Foundation Trust	553	422
Central and Northwest London NHS Foundation Trust	46	37
Westminster Medical School Research Trust (JRC)	95	100
National Institute of Health Research Collaboration for Leadership in Applied Health Research and Care for Northwest London (CLAHRC)	100	100
Imperial College	387	-
	<u>1,181</u>	<u>659</u>
Support costs	61	85
	<u>1,242</u>	<u>744</u>

4 Total resources expended

4.1 Support costs

	Cost of Generating Funds £000	Charitable Expenditure £000	Governance £000	2013 Total £000	2012 Total £000
Unrestricted					
Staffing costs	59	89	49	197	209
Other office costs	45	50	9	104	110
Total support costs	<u>104</u>	<u>139</u>	<u>58</u>	<u>301</u>	<u>319</u>
Restricted					
General administration	-	3	2	5	30

The allocation of support costs has been made in line with the Charity's strategic objectives. Where appropriate, expenditure has been directly attributed to a cost category. Where this has not been possible expenditure has been allocated on an estimated time basis.

Chelsea and Westminster Health Charity
Registration Number 1067412

Notes to the Accounts (continued)

4.2 Governance costs

	Total 2013 £000	Total 2012 £000
Audit fee	12	12
Trustees' expenses	-	-
Trustees' liability insurance	5	5
Trustee recruitment	4	-
Legal fees	9	13
Support costs	60	89
	<u>90</u>	<u>119</u>

4.3 Salary and pension entitlements of senior managers

Remuneration - Senior management

	Number of employees 2013	Number of employees 2012
Band		
£100,000 - £110,000	1	-
£60,000 - £70,000	-	1
	<u>-</u>	<u>1</u>

Contributions in the year for the provision of retirement benefits under the defined contribution scheme in respect of the above amounted to £6,325 (2012 - £2,000).

4.4 Analysis of employment costs

Costs	Total 2013 £000	Total 2012 £000
Salary costs	355	282
National insurance costs	38	27
Pensions costs	17	13
	<u>410</u>	<u>322</u>
Numbers	Number of employees 2013	Number of employees 2012
Charitable activities	3.0	4.0
Fundraising	2.5	1.5
Administration and finance	4.5	1.0
	<u>10.0</u>	<u>6.5</u>

The above are based on the average number of full time equivalent employees during the respective years.

Chelsea and Westminster Health Charity
Registration Number 1067412

Notes to the Accounts (continued)

5 Changes in resources available for charity use

	Unrestricted £000	Restricted £000	Endowment £000	Total 2013 £000	Total 2012 £000
Net movement in funds for the year	2,726	8	10	2,744	(303)
Net expenditure on functional assets	29	-	-	29	116
Net movement in funds available for future activities	<u>2,755</u>	<u>8</u>	<u>10</u>	<u>2,773</u>	<u>(187)</u>

6 Functional assets

Asset cost or valuation	Art Assets £000	Fixtures and fittings £000	Total £000
Balance brought forward at 1 April 2012	1,320	14	1,334
Additions	29	-	29
Revaluation	1,387	-	1,387
Balance carried forward at 31 March 2013	<u>2,736</u>	<u>14</u>	<u>2,750</u>
Accumulated depreciation			
Balance brought forward at 1 April 2012	-	8	8
Charge for the year	-	3	3
Balance carried forward at 31 March 2013	<u>-</u>	<u>11</u>	<u>11</u>
Balance carried forward at 31 March 2013	<u>2,736</u>	<u>3</u>	<u>2,739</u>
Balance carried forward at 31 March 2012	<u>1,320</u>	<u>6</u>	<u>1,326</u>

The Hospital Arts assets were revalued as at 31 March 2013 by Christie's, 8 King Street, London SW1Y 6QT.

Chelsea and Westminster Health Charity
Registration Number 1067412

Notes to the Accounts (continued)

7 Analysis of investments

7.1 Investments:	2013 £000	2012 £000
As at 31 March	24,839	25,394
Less: Disposals at carrying value	(1,600)	(7,355)
Add: Acquisitions at cost	1,044	6,675
Net gain on revaluation	2,138	125
As at 31 March	<u>26,421</u>	<u>24,839</u>
Historic cost at 31 March	<u>24,382</u>	<u>22,799</u>

7.2 Investment movements	2013 Total £000	2012 Total £000
As at 31 March :		
Investment properties - held in the UK	6,190	6,190
Investments listed on Stock Exchange - held in the UK	80	68
Investments in investment funds - held Overseas	18,026	15,906
Cash held as part of the investment portfolio - held Overseas	2,125	2,675
Investments in subsidiary undertakings - held in the UK (Note 7.3)	-	-
	<u>26,421</u>	<u>24,839</u>

Investment properties are held at the following market values:

Freehold retail properties in Fulham Road, London, SW7, valued by Trustees	2,720	2,720
Freehold property in Westminster valued by Gerald Eve LLP	<u>3,470</u>	<u>3,470</u>
	<u>6,190</u>	<u>6,190</u>

The freehold property in Westminster was re-valued by Gerald Eve LLP on 31 January 2011 in accordance with the Practice Statements and Guidance Notes contained in the Valuation Standards of the Royal Institution of Chartered Surveyors (RICS) 6th Edition. The valuation is based on the market value of the freehold interest subject to the existing tenancy as at 31 January 2011. Other properties are valued at the best estimate of market value as at 31 March 2009.

7.3 Subsidiary undertakings

The Charity has one wholly owned non-charitable subsidiary undertaking registered in England and Wales.

CWHC Trading Limited - incorporated on 11 March 2008 and started trading on 23 July 2008 - undertaking retail activities, making commission arrangements and sponsorship agreements.

	2013 £000	2012 £000
Turnover	-	3
Cost of sales	-	-
Gross profit	-	3
Other costs: Governance costs	(1)	(1)
Net profit	<u>(1)</u>	<u>2</u>

The turnover is included in 'Activities for generating funds' and the costs are included in Governance costs.

The subsidiary's accounts have not been consolidated on the grounds that they are immaterial to the understanding the financial statements.

Chelsea and Westminster Health Charity
Registration Number 1067412

Notes to the Accounts (continued)

7.4 Analysis of gross income from investments

	Unrestricted £000	Restricted £000	Endowment £000	2013 Total £000	2012 Total £000
Investment properties	368	-	-	368	367
Investments listed on Stock Exchange - UK	44	3	-	47	191
Cash held as part of the investment portfolio	6	-	-	6	10
	<u>418</u>	<u>3</u>	<u>-</u>	<u>421</u>	<u>568</u>

The unrestricted and restricted funds are pooled for investment as per note 1.9.

Endowment funds totalling £77,000 (2012: £67,000) continue to be held with Newton Investment Management.

8 Analysis of debtors

	2013 £000	2012 £000
	Charity	Charity
8.1 Amounts falling due within one year:		
Prepayments and accrued income	127	64
Other debtors	<u>72</u>	<u>14</u>
Total debtors falling due within one year	<u>199</u>	<u>78</u>
8.2 Amounts falling due more than one year:		
Other debtors	<u>100</u>	<u>100</u>
Total debtors	<u>299</u>	<u>178</u>

9 Analysis of creditors

	2013 £000	2012 £000
	Charity	Charity
9.1 Amounts falling due within one year:		
Trade creditors	189	55
Accruals and deferred income	69	23
Other creditors	<u>577</u>	<u>227</u>
Total creditors falling due within one year	<u>835</u>	<u>305</u>
9.2 Amounts falling due within more than one year:		
Other creditors	<u>177</u>	<u>-</u>

10 Analysis of funds

10.1 Endowment funds

	Balance 31 March 2012 £000	Incoming resources £000	Resources expended £000	Gains £000	Balance 31 March 2013 £000
Parkwood	<u>67</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>77</u>

This fund originated from the closed Parkwood Convalescent Hospital. The Parkwood fund is now being used to support discharged or convalescent patients.

Chelsea and Westminster Health Charity
Registration Number 1067412

Notes to the Accounts (continued)

10.2 Restricted funds

	Balance 31 March 2012 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance 31 March 2013 £000
Chelsea Children's Hospital	370	166	(154)	-	382
Borne	89	294	(93)	-	290
Melanoma Fund	150	-	-	-	150
Wolfson Fund	145	-	(2)	-	143
C & W Hospital Postgraduate Centre	129	4	(5)	-	128
Schwaiger Fund	221	-	(105)	-	116
Neonatal Unit and Harry Freedman Trust Fund	57	48	(2)	-	103
Therapy Research, Development and Education	68	-	-	-	68
Wynne Thomas - Oncology	42	-	-	16	58
Others (ninety funds)	1,119	163	(344)	(16)	922
Total	2,390	675	(705)	-	2,360

Name of fund

Description

Chelsea Children's Hospital	Appeal for the benefit of the Chelsea Children's Hospital.
Borne	Preventing disability and death in childbirth and creating life long health for
Melanoma Fund	Research in treatment, salaries and equipment.
Wolfson Fund	Nurse training, research and equipment.
C & W Hospital Postgraduate Centre	Staff educational activities including purchase of equipment.
Schwaiger Fund	To support improvements in patient experience.
Neonatal Unit and Harry Freedman Trust Fund	Equipment purchase, staff training and unit development.
Therapy Research, Development and Education	To support research, development (that benefits patients and staff) and education in the Therapy Department.
Wynne Thomas - Oncology	Oncology research.

10.3 Unrestricted funds

	Balance 31 March 2012 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains £000	Balance 31 March 2013 £000
Designated funds						
Long Term Capital	22,088	-	-	(582)	2,128	23,634
Arts for Life: General	1,320	-	-	29	1,387	2,736
Arts for Life: Rhapsody Project	-	15	(7)	-	-	8
Burns Research	-	-	(349)	91	-	(258)
Chelsea Children's Hospital	250	-	-	-	-	250
	23,658	15	(356)	(462)	3,515	26,370
Free reserves	-	517	(965)	462	-	14
Total Unrestricted funds	23,658	532	(1,321)	-	3,515	26,384

Name of fund

Description of the nature and purpose of each fund

Long Term Capital	Assets invested to provide stability and liquidity for the charity's activities in the long-term.
Arts for Life: General	Represented by art on display in and around the hospital. It is not readily realisable and therefore does not constitute free reserves.
Arts for Life : Rhapsody Project	Commissioning 15 composers to create new pieces for audio guide trails.
Burns Research	£387,000 was committed to burns research which will be funded over 2013-2015. In 2013 £39,000 and £91,000 was funded from a transfer from Free Reserves.
Chelsea Children's Hospital	For the benefit of Chelsea Children's Hospital.

Chelsea and Westminster Health Charity
Registration Number 1067412

Notes to the Accounts (continued)

11 Commitments and liabilities

The Charity has no commitments this year (2012- None). All of the current grant liabilities have been included in the balance sheet. Liabilities for commitments budgeted but not confirmed will be recognised in the balance sheet when grants are notified to recipients.

12 Trustee and connected persons transactions

12.1 No trustee remuneration was paid in the year (2012 - £Nil).

12.2 There were no transactions with trustees or connected persons (2012- None).

12.3 Trustee Indemnity Insurance was taken out in the year costing £5,300 (2012 - £5,300).

13 Related party transactions

There are no related party transactions.

14 Taxation

As a registered Charity, Chelsea and Westminster Health Charity is potentially exempt from taxation of income and gains falling within s505 Income and Corporation Taxes Act 1988 and s256 Taxation of Chargeable Gains Act 1992. No tax charge has arisen in either of the two years ended 31 March 2013.

15 Lease commitments

At the balance sheet date the Charity had the following annual lease commitments:

	2013 £000	2012 £000
Leases expiring between two and five years - for land and buildings	<u>74</u>	<u>67</u>

16 Custodian assets

The Charity acts as a custodian trustee for certain hospital doctors who are obstetric anaesthetists. The Charity holds cash belonging to these doctors in a separate bank account amounting at 31 March 2013 to £2,122 (2012 - £2,262).