



Chelsea and Westminster
Health Charity

Registered Charity n°1067412

**Chelsea and Westminster Health Charity
Trustees' Annual Report and Accounts
For the year ended 31 March 2014**



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Trustees' Annual Report for the year ended 31 March 2014

About Chelsea and Westminster Health Charity

Chelsea and Westminster Health Charity improves the experience of 360,000 patients and families visiting Chelsea and Westminster Hospital every year. We do this by:



delivering an arts programme at the hospital for the health and wellbeing of patients, families, volunteers and staff;



raising funds for 'bench to bedside' research which identifies new treatments for patients;



investing in clinical innovations, facilities and technology at the hospital to benefit patients.

Over the last year, Chelsea and Westminster Health Charity 'the charity' is proud to have made real progress in key areas. We have:

- revitalised our pioneering work in the arts;
- raised £1.476 million for Borne, our initiative to prevent disability and death in childbirth and create lifelong health for mothers and babies;
- concluded our £1.35 million appeal for Chelsea Children's Hospital and MediCinema;
- founded a new social investment initiative, Enterprising Health Partnership, to support clinical innovations which benefit patients.

Through these efforts, we have engaged a committed group of generous supporters who make up our Arts Advisory Board, Borne Founding Donors and Event Committee.

For the next three years we will build on the success of our work with the Arts, Borne and Enterprising Health.

A fuller report on our achievements and plans is outlined below.

Achievements, Performance and Impact



Arts

The charity has revitalised the art in the hospital with new installations and restoration of key pieces. We are now embedding art and design in all planning of new hospital spaces. An example is the new birth centre which features bespoke illustrations and design themes from the natural world. The whole unit is designed to be calming and nurturing for parents-to-be.

Our performing arts programme reached 29,730 patients through 600 live events. The charity launched new partnerships with Chickenshed, the Royal College of Music and Rambert Dance. A key highlight includes our pilot project with Rambert which offers dance classes to help older patients with their mobility of which 97% of patients reported a reduction in pain.

A special auction and dinner as part of Arts for Life surpassed expectations and raised over £650,000 for Borne. Over 20 leading contemporary artists, including Anish Kapoor, Tony Cragg, Antony Gormley and Zaha Hadid, generously donated works for the auction which took place at Christie's.



A distinguished Arts Advisory Board has been established with curatorial expertise and artistic connections to guide our efforts. We also recruited a new Arts Director at the start of the year.

Next year

Our vision for our arts programme is to become the UK's leading organisation using art and design to create a first-class patient experience and enhanced clinical outcomes. Our activities will be focussed on the following:

- redevelop the Emergency Department to create the leading acute service environment for patients and staff in the UK. We will launch a £600,000 appeal and our plans feature artists such as Brian Eno, Mischa Kuball and Richard Woods;
- commission leading contemporary artists to create ambitious works for the hospital – both public and clinical spaces – for example, Isaac Julien and Yinka Shonibare;
- substantially upgrade and increase the arts programme in clinical wards/spaces to improve clinical outcomes eg, acoustic and environmental improvements in the Intensive Care Unit;
- to distinguish and enhance our programme by increasing the range of art forms we use, for example, digital works, and by producing rigorous evaluation of clinical impact on patients.



Borne

Borne was created in response to a real need. In the UK alone, more than 1 in 10 babies are born too soon – that's nearly 80,000 every year. Premature birth is responsible for 70% of disability and death in newborn babies.

Borne has two major ambitions:

- to make childbirth safer;
- to promote lifelong health.

We are making childbirth safer:

- by developing treatments to prevent early delivery in high-risk women;
- by using cutting edge gene array studies to discover what triggers labour;
- by examining the maternal immune system to define its role in preterm labour;
- by educating teams of doctors and midwives in Pakistan, South Africa and Uganda;
- by introducing new technologies to make maternity teams more effective.

Next year

The charity will be approaching supporters for a further £4.5 million to support a three year programme of research and education which will focus on the following areas:

- preventing preterm birth and its complications such as pre-eclampsia;
- developing studies on early life nutrition, brain development, fetal growth and metabolic health to understand how a mother's health can affect lifelong health in babies;
- protecting mothers and babies through (a) developing a new catheter treatment for over 150,000 women a year who develop fistula (b) developing a new model of maternity education with a local partner hospital in Africa, and (c) researching neonatal health to understand and prevent necrotising enterocolitis (which can kill newborns).



Enterprising Health

In 2013 the charity successfully established Enterprising Health 'EH' to identify and support enterprising or innovative projects which benefit patients. These projects are developed by the Chelsea and Westminster Hospital team. EH projects (Table 1) aim to be, or become, financially self-sustaining, so that we can scale patient impact and recover our initial investment – which then goes to support further innovations.

Table 1 Enterprising Health funded Projects

Project	Anticipated Impact	Funding (£)	Timescale for return of funding
Acute Oncology App	Guidelines for doctors to improve diagnosis and treatment of cancer patients presenting in A&E	6,500	24 month
Post-Natal App	Guidelines for new mothers to offer post-natal support and signpost them to important maternity services	12,000	18 months
Exercise - General and Pulmonary Rehabilitation	Extending rehabilitation of physiotherapy patients – two distinct groups to serve different patient needs	2,000	6 months

Next year

The charity will extend its programme in two ways:

- join with the hospital to double the ambition and investment to £250,000. This joint programme will be known as Enterprising Health Partnership and an exciting pipeline of projects is being developed;
- reach beyond the hospital into the community to develop preventative, or early intervention, projects using a social investment model where commissioners pay us for achieving agreed clinical objectives.



Burns Research and Care

The charity is continuing to support a research project which will create the UK's first centre of excellence for basic and applied burns research at the hospital. The project is in its second year and 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 deserve and that other non-burns related patients currently receive.

The initial proof of concept was budgeted at £387,000, with the charity seeking to generate 50% of the funding from external sources. We raised £61,000 in the year (2013: £38,000), so now need another £95,000 to successfully conclude our fundraising.



Chelsea Children's Hospital Appeal

The charity has met its target to raise £1.35m for Chelsea Children's Hospital Appeal. This included £350,000 from the Hans K Rausing Trust to support the hospital in its plans to install a MediCinema. This 41 seat, four wheelchair, four 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.

Next year

In partnership with the hospital, we will:

- appoint a contractor and oversee the build, fit-out and completion of the MediCinema;
- complete the redevelopment of Chelsea Children's Hospital including enhancements for children's outpatients and the adolescent ward.



Research and Development

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

The charity has awarded a grant of £87,000 for "START: prescribing for the elderly". This is an 18 month project to improve health outcomes for elderly patients by reducing the medication burden on them.

Joint Research Committee

The charity has again invested in the Joint Research Committee with £116,000 as a commitment to support medical research activity at the hospital. Fellowships and PhDs supported this year covered:

- the role of progesterone in pre-term and term labour;
- improving the quality of care of frail adults through early recognition of needs.

Special Fund Payments

The charity holds 103 special purpose funds in support a range of activities across the hospital. The charity made commitments of £168,000 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 within the hospital in the field of activity for each fund, advise the charity on the most appropriate use of the funds.

Impact Report

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



Supporting Activities

Fundraising

The charity once again saw a dramatic increase in the impact of its fundraising activities with income in 2013/2014 growing to £2,314,000 (2013: £786,000) which was a strong performance. In 2014/2015 we anticipate that fundraising income will continue to grow well.

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

Building Charity Infrastructure

Key appointments have been made to the charity's Trustee Board in the year following a formal review of Board activities by Peridot Partners. This includes creating two new Trustee roles: one for a leading academic clinician from our academic partner, Imperial College; the other for a non-executive director from the Chelsea and Westminster Hospital NHS Foundation Trust. We have also created an additional board sub-committee, the Development Committee, to oversee fundraising and communications. This will be chaired by a Trustee with extensive fundraising expertise.

With the support of the Trustees, the Chief Executive has continued to enhance the charity's infrastructure following the appointment of key staff in the previous year. Developments include the introduction of more in-depth impact evaluation and reporting, a new programme of donor recognition and communication, re-launch of the charity's website and further investment in staff development.

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 allows voluntary income to be delivered directly to support our charitable priorities in art and design, research and improvements in patient care.

Financial Review

Total income for the year at £2.702 million represented an increase of £1.495 million (124%) on the previous year. The total of 'Voluntary Income' and 'Activities for Generating Funds' increased from £786,000 in 2012/13 to £2.314 million in 2013/14. Income was buoyed by highly successful fundraising initiatives such as the Arts for Life auction and the Borne Wonderland Dinner. The charity manages its finances to balance its unrestricted fund income and expenditure annually. To do this the charity also transferred £618,000 from Long Term Capital to Free Reserves.

Investment income was £388,000 (2013: £421,000). Gains on investment assets amounted to £6.210 million (2013: £2.138 million).

Support costs at £319,000 (2013: £306,000), mainly in general management costs, remained in line with budgets. The charity continues to be satisfied that such costs are being appropriately controlled. The costs of generating income increased from £301,000 in 2013 to £615,000 in 2014.



This increased investment in fundraising activity was more than matched by a proportionate increase in income.

Charitable activities are split between Grants Payable - £1.851 million (2013: £1.242 million) and Arts - £377,000 (2013: £316,000). This includes the support costs allocated to charitable activities of £152,000 (2013: £142,000). 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 £75,000 (2013: £90,000) represent 2.5% of total expenditure excluding charitable transfers (2013: 4.5%).

The charity has also set aside £99,000 for various patient focused arts projects for the Emergency Department and other areas of the hospital. It has been able to reduce its Chelsea Children's Hospital reserve by £148,500 due to the success of its fundraising activities.

After taking into account these adjustments, Free Reserves stood at £68,000 at 31 March 2014 (2013: £14,000). Restricted funds showed a net increase of £208,000 (2013: net decrease of £30,000).

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 effected 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 Hospital 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).

Chelsea and Westminster Health Charity has an independent Board (currently eight 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;
- Development Committee;
- Finance and Investment;
- 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.

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 of 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 consider the transfer funds from the Long Term Capital Fund if necessary to meet its spending targets.

Funds

Unrestricted funds

The charity holds £32.1 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 £29.2 million 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.
- *Arts-General*
This £2.76 million fund represents the art on display in and around the hospital. It is not readily realisable and therefore does not constitute Free Reserves.
- *Arts-Other Projects*
This represents funds for arts projects including the Emergency Department plans.
- *Burns Research*
This fund is currently in deficit by £128,000 indicating the proportion of expenditure that relates to 2014-2015.
- *Chelsea Children's Hospital*
This £101,000 fund is set aside for planned expenditure on Chelsea Children's Hospital.

Restricted funds

Restricted funds (also known as Special Purpose Funds) are reserved for specific purposes. The charity held 103 funds totalling £2.57 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

£81,000 originated from the closed Parkwood Convalescent Hospital. It is used to support discharged or convalescent patients. The charity is looking at the best ways to use this fund to benefit patients.



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%	36.0%	IPD UK Property Index
Passive Global and Active Equities	42.5%	35-55%	33.0%	MSCI World Index
Emerging Markets Equities	7.5%	5-10%	6.7%	MSCI Emerging Markets Index
Absolute Return	15%	10-20%	10.9%	HFRI Fund of Funds Index Hedged Sterling
Global Fixed Income	9%	5-15%	4.7%	Citigroup WGBI (Hedged)
Cash	1%	0-2%	8.7%	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.

The charity enjoyed gains on its investments of £6.210 million in the year to 31 March 2014 (2013: £2.138 million). The market value of the properties has increased by £5.41 million. This has resulted in the apparent disproportionate weighting to property and underweighting in other assets.

Investment Performance

The return for the year ended 31 March 2014 (excluding property revaluation) was 5.1%. On the same basis over three years the annualised return is 6.5% versus a policy benchmark of 6.5%. The portfolio returned 25% if the increase in market value of property of £5.41 million is included.



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, development and finance activities. They enable the charity to achieve its mission and enrich the lives of its beneficiaries. These volunteers include members of the local community, staff of the hospital, former patients and their families, as well as students.

Nick Jordan
Vice Chairman
Date:



Registered Office

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

Members of the Board of Trustees

Christian Brodie, Chairman (retired 30 June 2014)

Nick Jordan, Vice Chairman

Tony Bourne (appointed 1 May 2014)
Chairman (from 1 July 2014)

Susan Hayden, Trustee (retired 16 October 2013)

Laura Howard, Trustee

Mark Johnson, Trustee (appointed 5 February 2014)

Jane Lawson, Trustee (appointed 6 June 2013)

Jeremy Loyd, Trustee (appointed 5 February 2014)

Nicholas White, Trustee

Edwin Wulfsohn, Trustee

Chief Executive

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

RadcliffesLeBrasseur, 5 Great College Street, Westminster, London SW1P 3SJ

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:

Nick Jordan
Vice Chairman

Date:

25/7/14



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 2014 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with 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 in 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 (APB's) Ethical Standards for Auditors.

As explained more fully in the Trustees' Responsibilities Statement set out on page 1 the trustees are responsible for the preparation of financial statements which give a true and fair view. We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Opinion on 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 2014, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 Auditor

Devonshire House
60 Goswell Road
London
EC1H 7AD

Date: 6/8/14



Statement of Financial Activities for the year ended 31 March 2014

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	2,014 Total Funds £000	2013 Total Funds £000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2.1	185	1,016	-	1,201	736
Activities for generating funds	2.2	51	1,062	-	1,113	50
Investment income	7.4	385	3	-	388	421
Total incoming resources		621	2,081	-	2,702	1,207
Resources expended						
Costs of generating funds						
Costs of generating income		450	165	-	615	301
Investment management costs		87	-	-	87	77
Charitable activities						
Grants payable	3.1	205	1,646	-	1,851	1,242
Hospital arts	3.1	377	-	-	377	316
Governance costs	4.2	66	8	1	75	90
Total resources expended	4	1,185	1,819	1	3,005	2,026
Net outgoing resources before transfers		(564)	262	(1)	(303)	(819)
Transfers						
Gross transfer between funds	10	54	(54)	-	-	-
Net outgoing resources before other recognised gains and losses		(510)	208	(1)	(303)	(819)
Other recognised gains and losses						
Gains on investment assets	7.1	6,205	-	5	6,210	2,138
Gains on revaluation of fixed assets for charity's own use		-	-	-	-	1,387
Net movement in funds	5	5,695	208	4	5,907	2,706
Reconciliation of funds						
Total funds brought forward at 1 April 2013		26,384	2,360	77	28,821	26,115
Total funds carried forward at 31 March 2014		32,079	2,568	81	34,728	28,821

The notes at pages 6 to 15 form part of these accounts. All activities derive from continuing operations.



Balance Sheet as at 31 March 2014

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2014 £000	Total 2013 £000
Fixed assets						
Functional assets	6	2,765	-	-	2,765	2,739
Investments	7.2	29,323	2,786	81	32,190	26,421
Total fixed assets		32,088	2,786	81	34,955	29,160
Current assets						
Donated artworks held for resale		51	-	-	51	-
Debtors	8	114	175	-	289	199
Cash at bank and in hand		33	1,079	-	1,112	374
Total current assets		198	1,254	-	1,452	573
Creditors: amounts falling due within one year	9	(307)	(711)	-	(1,018)	(835)
Net current assets (liabilities)		(109)	543	-	434	(262)
Long term debtors	8	100	-	-	100	100
Total assets less current liabilities		32,079	3,329	81	35,489	28,998
Creditors: amounts falling due within more than one year		-	(761)	-	(761)	(177)
Total net assets		32,079	2,568	81	34,728	28,821
Funds of the charity						
Unrestricted funds						
Designated funds		32,011	-	-	32,011	26,370
Free reserves		68	-	-	68	14
Total unrestricted funds	10.3	32,079	-	-	32,079	26,384
Endowment funds	10.1	-	-	81	81	77
Restricted funds	10.2	-	2,568	-	2,568	2,360
Total funds		32,079	2,568	81	34,728	28,821

Signed: Nick Jordan

Date: 25/7/14

The notes at pages 6 to 15 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.

Christie's 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 revalued their properties at 31 March 2014. This valuation was carried out by Gerald Eve LLP, Chartered Surveyors note 7.2.

Other investments 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	2014 Total £000	2013 Total £000
Donations from individuals	121	384	505	471
Trusts and foundations	25	487	512	101
Corporate donations and sponsorship	-	145	145	161
Legacies	39	-	39	3
	185	1,016	1,201	736

2.2 Activities for generating funds

	Unrestricted £000	Restricted £000	2014 Total £000	2013 Total £000
Fundraising events	51	1,062	1,113	50
	51	1,062	1,113	50

3 Details of resources expended including support costs

3.1 Analysis of charitable expenditure

	Unrestricted 2014 £000	Restricted 2014 £000	Total 2014 £000	Total 2013 £000
Grants payable				
Borne	-	1,375	1,375	91
Burns Research and Care	-	-	-	433
Chelsea Children's Hospital	-	113	113	154
Hospital staff training, development and retention	-	-	-	64
Delivering patient centred care				
Enterprising health	41	-	41	-
CLAHRC*	-	87	87	100
Joint Research Committee**	116	-	116	95
Patient experience	-	(105)	(105)	105
Other special fund grants in support of activities at Chelsea and Westminster Hospital NHS Foundation Trust	-	168	168	139
Total grants payable	157	1,638	1,795	1,181
Support costs	48	8	56	61
Total grants payable including support costs	205	1,646	1,851	1,242
Arts for Health	281	-	281	235
	96	-	96	81
Support costs	377	-	377	316
	582	1,646	2,228	1,558

*A grant of £87,000 was made to the National Institute of Health Research Collaboration for Leadership in Applied Health Research and Care for START a project to improve health outcomes for elderly patients by reducing the medication burden.

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



Notes to the Accounts (continued)

3.2 Grants made to Institutions and Individuals

	2014 Total £000	2013 Total £000
Institution		
Chelsea and Westminster Hospital NHS Foundation Trust	257	553
Central and Northwest London NHS Foundation Trust	-	46
Westminster Medical School Research Trust (JRC)	116	95
National Institute of Health Research Collaboration for Leadership in Applied Health Research and Care for Northwest London (CLAHRC)	87	100
Imperial College	1,335	387
	1,795	1,181
Support costs	56	61
	1,851	1,242

4 Total resources expended

4.1 Support costs

	Cost of Generating Funds £000	Charitable Expenditure £000	Governance £000	2014 Total £000	2013 Total £000
Unrestricted					
Staffing costs	75	89	34	198	197
Other office costs	56	44	4	104	104
Total support costs	131	133	38	302	301
Restricted					
General administration	-	8	8	16	5
Endowment					
General administration	-	-	1	1	-

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.



Notes to the Accounts (continued)

4.2 Governance costs

	Total 2014 £000	Total 2013 £000
Audit fee	12	12
Trustees' expenses	-	-
Trustees' liability insurance	5	5
Trustee recruitment	-	4
Legal fees	6	9
Other	5	-
Support costs	47	60
	75	90

4.3 Salary and pension entitlements of senior managers

Remuneration - Senior management

	Number of employees 2014	Number of employees 2013
Band		
£100,000 - £110,000	1	1
£60,000 - £70,000	2	-

Contributions in the year for the provision of retirement benefits under the defined contribution scheme in respect of the above amounted to £14,138 (2013 - £6,325).

4.4 Analysis of employment costs

Costs	Total 2014 £000	Total 2013 £000
Salary costs	445	355
National insurance costs	52	38
Pensions costs	27	17
	524	410

Numbers	Number of employees 2014	Number of employees 2013
Charitable activities	3.0	3.0
Fundraising	3.5	2.5
Administration and finance	3.5	4.5
	10.0	10.0

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



Notes to the Accounts (continued)

5 Changes in resources available for charity use

	Unrestricted £000	Restricted £000	Endowment £000	Total 2014 £000	Total 2013 £000
Net movement in funds for the year	5,695	208	4	5,907	2,744
Net expenditure on functional assets	28	-	-	28	29
Net movement in funds available for future activities	5,723	208	4	5,935	2,773

6 Functional assets

Asset cost or valuation	Art Assets £000	Fixtures and fittings £000	Total £000
Balance brought forward at 1 April 2013	2,736	14	2,750
Additions	28	-	28
Revaluation	-	-	-
Balance carried forward at 31 March 2014	2,764	14	2,778

Accumulated depreciation

Balance brought forward at 1 April 2013	-	11	11
Charge for the year	-	2	2
Balance carried forward at 31 March 2014	-	13	13
Balance carried forward at 31 March 2014	2,764	1	2,765
Balance carried forward at 31 March 2013	2,736	3	2,739

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



Notes to the Accounts (continued)

7 Analysis of investments

7.1 Investment movements	2014 £000	2013 £000
As at 31 March	26,421	24,839
Less: Disposals at carrying value	(2,622)	(1,600)
Add: Acquisitions at cost	2,181	1,044
Net gain on revaluation	6,210	2,138
As at 31 March	32,190	26,421

7.2 Investments	2014 Total £000	2013 Total £000
As at 31 March:		
Investment properties - held in the UK	11,600	6,190
Investments listed on Stock Exchange - held in the UK	88	80
Investments in investment funds - held Overseas	17,708	18,026
Cash held as part of the investment portfolio - held Overseas	2,794	2,125
Investments in subsidiary undertakings - held in the UK (Note 7.3)	-	-
	32,190	26,421

The investment property was re-valued by Gerald Eve LLP on 31 March 2014 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 valuations are based on the market value of the charity's interests subject to the existing tenancies as at 31 March 2014.

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.

	2014 £000	2013 £000
Turnover	-	3
Cost of sales	-	-
Gross profit	-	3
Other costs: Governance costs	(1)	(1)
Net profit	(1)	2

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.



Notes to the Accounts (continued)

7.4 Analysis of gross income from investments

	Unrestricted £000	Restricted £000	Endowment £000	2014 Total £000	2013 Total £000
Investment properties	367	-	-	367	368
Investments listed on Stock Exchange - UK	6	3	-	9	47
Cash held as part of the investment portfolio	12	-	-	12	6
	<u>385</u>	<u>3</u>	<u>-</u>	<u>388</u>	<u>421</u>

The unrestricted and restricted funds are pooled for investment as per note 1.9.
Endowment funds totalling £81,000 (2013 £77,000) continue to be held with Newton Investment Management.

8 Analysis of debtors

	2014 £000	2013 £000
8.1 Amounts falling due within one year:		
Prepayments and accrued income	264	127
Other debtors	25	72
Total debtors falling due within one year	<u>289</u>	<u>199</u>
8.2 Amounts falling due more than one year		
Other debtors	100	100
Total debtors	<u>389</u>	<u>299</u>

9 Analysis of creditors

	2014 £000	2013 £000
9.1 Amounts falling due within one year:		
Trade creditors	100	189
Accruals and deferred income	63	69
Other creditors	855	577
Total creditors falling due within one year	<u>1,018</u>	<u>835</u>
9.2 Amounts falling due within more than one year:		
Other creditors	761	177

10 Analysis of funds

10.1 Endowment funds

	Balance 31 March 2013 £000	Incoming resources £000	Resources expended £000	Gains £000	Balance 31 March 2014 £000
Parkwood	77	-	(1)	5	81

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



Notes to the Accounts (continued)

10.2 Restricted funds

	Balance 31 March 2013 £000	Incoming resources £000	Resources expended £000	Transfers £000	Balance 31 March 2014 £000
Chelsea Children's Hospital	382	428	(113)	-	697
Borne	290	1,476	(1,540)	(2)	224
Melanoma Fund	150	-	(3)	-	147
Wolfson Fund	143	-	(2)	-	141
C & W Hospital Postgraduate Centre	129	2	(9)	-	122
Schwaiger Fund	116	-	17	-	133
Neonatal Unit and Harry Freedman Trust Fund	103	9	(12)	-	100
Therapy Research, Development and Education	68	-	(1)	-	67
56 Dean Street	54	17	(8)	-	63
Wynne Thomas - Oncology	58	-	(1)	-	57
Others (ninety three funds)	867	149	(147)	(52)	817
Total	2,360	2,081	(1,819)	(54)	2,568

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 mothers and babies.
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.
56 Dean St	To support clinics at 34 and 56 Dean Street
Wynne Thomas - Oncology	Oncology research.

Transfers have been made to unrestricted funds to finance expenditure made within the relevant funds' restrictions.

10.3 Unrestricted funds

	Balance 31 March 2013 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains £000	Balance 31 March 2014 £000
Designated funds						
Long Term Capital	23,634	-	-	(664)	6,205	29,175
Arts: Assets	2,736	28	-	-	-	2,764
Arts: Project reserves	8	99	(8)	-	-	99
Burns Research	(258)	-	-	130	-	(128)
Chelsea Children's Hospital	250	-	-	(149)	-	101
	26,370	127	(8)	(683)	6,205	32,011
Free reserves	14	593	(1,177)	638	-	68
Total Unrestricted funds	26,384	720	(1,185)	(45)	6,205	32,079

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. Accordingly £664,000 was transferred to free and other reserves.
Arts: Assets	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: Projects	Funds received in advance for various arts projects.
Burns Research	£387,000 was committed to burns research in 2012-13 which will be funded over 2013-2015. In 2014 £61,000 was funded from restricted voluntary donations and £69,000 was funded from a transfer from Free Reserves.
Chelsea Children's Hospital	For the benefit of Chelsea Children's Hospital. £148,500 was released to free reserves.



Notes to the Accounts (continued)

11 Commitments and liabilities

The charity has no commitments this year (2013- 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 (2013 - £Nil).

12.2 There were no transactions with trustees or connected persons (2013- None).

12.3 Trustee Indemnity Insurance was taken out in the year costing £5,300 (2013 - £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 2014.

15 Lease commitments

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

	2014 £000	2013 £000
Leases expiring between two and five years - for land and buildings	40	74