

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016

 We exist to make care better for patients
and their families through pioneering
research, innovation, art and design.

Registered Charity no: 1067412 



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OBJECTIVES AND ACTIVITIES

CW+ exists to make care better for patients and their families cared for at Chelsea and Westminster Hospital NHS Foundation Trust. We bring together pioneering research, innovation, art and design to transform the experience and outcomes for nearly one million people every year. We achieve our impact through:

- delivering an art and design programme at the hospital transforming the experience and environment, to improve the health and wellbeing of patients, families, visitors, volunteers and staff;
- raising funds for 'bench to bedside' research that identifies new treatments for patients;
- investing in clinical innovations, facilities and technology at the hospital to benefit patients.

Our work would not be possible without the wonderful generosity of our supporters, to whom we are immensely grateful.

SUMMARY

2015-16 saw CW+ successfully achieve many of its key aims and objectives. Highlights include:

- Creating a calmer environment for patients, visitors and staff in the hospital's newly redeveloped **A&E** department
- A new area of our patient experience work focussed on **older people**, involving daily creative activities on the wards with an embedded PhD student investigating the impact of the programme.
- Building the **CW+ MediCinema** for patients and their loved ones to enjoy the latest film releases free of charge
- Investing £161,000 in **clinical innovations** including apps, health services and innovative technologies
- Committing £500,000 towards a £3 million **Immunotherapy Lab** at the hospital which will aim to discover a functional cure for HIV. In partnership with Imperial College and St. Stephen's Aids Trust we secured match funding of £1.5m from the Wolfson Foundation.
- Raising £824,000 for **Borne's** research into preventing death and disability in childbirth. Due to the phenomenal success of Borne, it was launched as an independent charity 'The Borne Foundation' Registered Charity Number 1167073 on 13 May 2016.

Our Chief Executive Mark Norbury departed in May 2016 after four years at the charity. Chris Chaney became our new Chief Executive in July 2016.

We are looking forward to achieving even more impact throughout 2016-17 for patients, families and staff at Chelsea and Westminster Hospital NHS Foundation Trust. We will launch a major capital appeal, to support the hospital's much needed £20.55 million expansion and



redevelopment of the adult and neonatal intensive care units creating the leading, state-of-the-art critical care service in the UK.

We will become independent of the Department of Health in October 2016 allowing our work to be more closely aligned with the strategies, aims and objectives of Chelsea and Westminster Hospital NHS Foundation Trust. This is a very positive and exciting opportunity for CW+ which should enable greater focus for the impact of our work.

Our Long Term Capital Fund is delivering the resources to enable us considerably to increase our impact and fundraising capacity. This allowed voluntary income to be applied directly to support our charitable priorities in patient environment and experience, research and clinical innovations.

For more detail of any of our projects, please visit www.cwplus.org.uk or speak to our CEO Chris Chaney.

A fuller report on our achievements and plans is set out below.

ACHIEVEMENTS, PERFORMANCE AND IMPACT

PATIENT ENVIRONMENT AND EXPERIENCE

OUR ART AND DESIGN PROGRAMME WHICH COMBINES DIGITAL, VISUAL AND PERFORMING ARTS WITH INNOVATIVE DESIGN, AIMS TO TRANSFORM THE HOSPITAL EXPERIENCE AND ENVIRONMENT FOR PATIENTS, THEIR FAMILIES AND THE STAFF WHO CARE FOR THEM

In 2015/2016 we:

- Brought the joy and escapism of film to Chelsea and Westminster Hospital by building the **CW+ MediCinema**, a state-of-the-art 40 seat, 6 wheelchair space and 5 bed space cinema which shows the latest film releases free of charge to up to 153 patients and their loved ones every week. When films are not being screened, it provides a teaching and conference facility for staff.
- Successfully completed Phase 1 of the **Emergency Department** redevelopment, installing commissioned art and design work to create a calmer environment for the 140,000 patients who will visit the department every year, their families and staff. Due to the complexity of the building, the timescale has been adjusted and the remaining phases are due for completion by the end of 2016.
- Enhanced the hospital experience and environment for our **older patients**, especially dementia sufferers, through participatory arts, crafts and music sessions taking place four times a week and improving the interior design of wards.



- Opened both an **indoor and outdoor garden** for patients, visitors and staff to enjoy, based on research which shows how nature can improve wellbeing and healing. Our older patient activities frequently use this space for interactive workshops.
- Installed commissioned moving image artworks throughout patient waiting areas as part of our **RELAX Digital** programme, creating calm and relaxing environments.
- Managed, expanded and maintained our extensive **art collection** to help transform and improve the environment and experience of being in hospital.

RESEARCH AND EDUCATION

WE RAISE FUNDS FOR EDUCATION, TRAINING AND GROUND-BREAKING RESEARCH AIMING TO IDENTIFY NEW LIFE-SAVING TREATMENTS AND ILLNESS PREVENTION FOR BABIES, CHILDREN AND ADULTS

In 2015/2016 we:

- Raised £116,000 towards our research into treating and ultimately preventing the devastating condition **Necrotising Enterocolitis (NEC)** which affects 3,000 low-weight, often premature, babies every year nationwide. NEC is the biggest cause of infant death on Chelsea and Westminster's neonatal unit and the second biggest killer on neonatal units in the developed world.
- Committed £500,000 towards an **Immunotherapy Lab** at Chelsea and Westminster Hospital which will aim to discover a functional cure for HIV, which 77,000 people are living with in the UK alone. Funding is in partnership with equal contributions from Imperial College and St. Stephen's Aids Trust, and match funding of £1.5m was secured from the Wolfson Foundation.
- Raised a total of £824,000 towards **Borne's** research to prevent death and disability in pregnancy and childbirth and to create lifelong health for mothers and babies.
- Supported international maternity teams through our '**New Futures**' programme to deliver obstetric training, care, treatments and education in resource-poor countries where 98% of all new-born deaths occur.
- Invested £125,000 in the **Joint Research Committee** to support medical research activity in the hospital through funding fellowships, PhD studentships and other small grants.



INNOVATION

WE INVEST IN FINANCIALLY SUSTAINABLE INNOVATIONS, FACILITIES AND TECHNOLOGIES AIMING TO IMPROVE CLINICAL OUTCOMES FOR PATIENTS

In 2015/2016:

- Our **Enterprising Health Partnership** with the hospital continued to fund and develop innovative ideas from staff to help improve patient experience and clinical outcomes. Examples of projects funded include:
 - Our **Smoking Cessation** project delivered 112 quits in the first year which has improved the health and wellbeing of these individuals and is also an estimated saving for the NHS of £100,000. As this programme was a social impact bond with financial incentives for targeted outcomes, we have received a £47,500 refund of our first year investment from the Clinical Commissioning Group (CCG).
 - We have funded and developed a new **hand therapy app** with the Chelsea and Westminster Hospital therapy team which will support rehabilitation and improve the recovery of 4,800 hand injury patients seen every year.
 - We invested in **RetVas**, an accurate and consistent diagnostic software that analyses retinal images to detect conditions such as Retinopathy of Prematurity (RoP), which leads to blindness if not treated. There are approximately 500 babies screened for RoP every year at Chelsea and Westminster Hospital alone.
 - We invested in a clinical observations app called **ThinkVitals** which enables clinicians to electronically capture patients' vital signs which can help identify and treat conditions such as sepsis, which claims 77,000 lives in the UK each year.
 - Our multi award-winning software solution **RELAX Anaesthetics** has been developed and expanded to **RELAX Hospital**, which can be used to distract children during non-surgical treatments, procedures and observations.
- We became a delivery partner for the new **London Digital Health Accelerator** programme, which supports digital health businesses to engage with the NHS and wider health sector. You can find out more about this programme at www.digitalhealth.london/accelerator
- Our **Small Change Big Impact** initiative aims to be accessible to rapidly meet small scale needs from any areas of the hospital's patient-focused activity. We successfully allocated a total of £20,000 to 15 different projects within the hospital applied for by staff and patients. Projects included ward enhancements, equipment, and recreational activities.

SPECIAL FUND PAYMENTS

Outside specific appeals and projects, CW+ holds £1,220,000 in ninety-six special purpose funds in support of a range of activities across the hospital. CW+ made commitments of £242,000 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 hospital specialists in the relevant fields, advise CW+ on best use of funds.

FUNDRAISING

CW+ raised £1,600,000 (2015: £2,863,000) in 2015/2016 from its fundraising activities. We actively fundraised to support Borne, international maternity, NEC research, burns research and the Emergency Department. Whilst a significant achievement, this is a lower figure than the previous year because a substantial legacy of £1.16 million was received in 2015.

2015/16 was a successful year for fundraising, although we did not meet our most stretching targets. However, we did secure a £1.5 million grant from the Wolfson Foundation to create an immunotherapy lab which will be paid directly to Imperial College.

Our fundraising team has expanded to deliver increased fundraising – notably through trusts and foundations, as well as high net worth individuals and legacies.

In the next financial year, we will be undertaking a major capital appeal to redevelop and expand the critical care facilities in the hospital which will be our largest fundraising appeal to date.

Our Impact Report details more of our achievements and can be found at www.cwplus.org.uk

FINANCIAL REVIEW

Total income for the year at £2.124 million represented a decrease of £1.350 million (37%) on the previous year. Income from 'Donations and legacies' and 'Trading activities' decreased from £2.863 million in 2015 to £1.600 million in 2016. In 2015 income was buoyed by a wonderful legacy of £1.16 million from Madge Gill, a former Treasurer of Westminster Hospital. This accounted for the majority of the difference.

Investment income was £459,000 (2015: £590,000). In 2015 Income was higher because a backdated rent review was settled. Net losses on investment assets amounted to £25,000 (2015: gains of £2.490 million).

Direct fundraising costs were £491,000 (2015: £465,000) plus apportioned support costs of £192,000 (2015: £166,000) including. Costs increased due the recruitment of key personnel to build capacity for a major capital appeal.

Charitable activities are split between Grants Payable (£2.303 million in 2016, an increase from £1.381 million in 2015) and Patient Experience and the Environment (£604,000 in 2016, an increase from £463,000 in 2015).



Support costs, including governance, at £429,000 (2015: £385,000), remained in line with budgets. These costs are apportioned against the area of activity to which they related and are therefore included in the figures quoted above. CW+ continues to be satisfied that such costs are being appropriately controlled.

£1.065m which is held in special purpose funds in 2015 was reclassified from restricted funds to designated funds in accordance with Charity Commission guidance.

As a result of the above transactions, total charity funds reduced from £38.130m in 2015 to £36.539m in 2016. £1.604m (2015: £3.186m) is held in restricted funds.

After designations, Free Reserves stood at £297,000 at 31 March 2016 (2015: £800,000).

INVESTMENT PERFORMANCE

The return in the liquid portfolio was for the year ended 31 March 2016 was 0.0% versus a policy benchmark of 0.6%. The five year annualised return to 31 March 2016 of the total portfolio was 10.0% versus a benchmark of 6.9% (a target of 4.5% plus inflation). This represented outperformance of 3.1% per annum.

RISK MANAGEMENT POLICY

In order to meet their obligations for risk management in relation to CW+, the Trustees have adopted a framework under which they monitor and identify risks. CW+ 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 CW+ 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 CW+ faces.

There are as follows:

- The principal risk is maintaining and protecting the value in real terms of its long term capital funds. There are calls on long term capital to provide for the current needs of the hospital. The Trustees need to carefully balance these needs with the needs of future generations. This risk is managed by developing a clear long term investment policy with the advice of expert investment consultants with regular monitoring through the Finance and Investment Committee which meets quarterly.
- In accordance with the Review of the Regulation and Governance of NHS Charities, published in March 2014, Trustees of NHS Charities can establish a new charity independent of the Department of Health. Under this review the constitution of the



charity will fundamentally change. Trustees anticipate this will be a positive change for CW+, clearly aligning its objectives with the aims and objectives of the Foundation Trust and transferring in funds from the West Middlesex University Hospital Charitable Fund. It is important that this process is carefully managed. In order to do so the Trustees have secured the advice of Withers, who have advised many other NHS charities on these matters. Close collaboration between CW+ and the Foundation Trust at senior level has ensured agreement of the way forward which will be enshrined in a formal Memorandum of Understanding.

GRANTS AND DISTRIBUTIONS POLICY

Grant applications and other awards 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

CW+ normally 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. Free reserves stand at £297,000 at 31 March 2016 (2015: £800,000) because funds are still held from the Madge Gill legacy. We anticipate the remainder of this fund will be carefully targeted on expenditure in 2016-17.

FUNDS

Unrestricted funds

CW+ holds £34.842 million in unrestricted funds. It has designated the majority of these for different purposes. The breakdown and projected timescales for application of these funds 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 CW+. The £30.336 million Long Term Capital Fund is invested to provide stability and liquidity for CW+'s activities in the long-term. The fund will also provide major funding for charitable activities.

- **Arts: Assets**

This £2.892 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: Projects Reserve**

This represents assets held for resale and funds for arts projects.

- **Chelsea Children's Hospital**

This £101,500 fund is set aside for planned expenditure on Chelsea Children's Hospital.



- **Borne**

CW+ holds £100,000 in a designated fund to help Borne in transitioning to its new independent form as 'The Borne Foundation', Registered Charity Number 1167073.

- **Other designated funds**

In accordance with Charity Commission guidance CW+ has re classified £1.065m of special purpose funds which were held as restricted fund, as designated funds. A full list of the funds is available on request from CW+.

Restricted Funds

Restricted funds are reserved for specific purposes. Details of the funds are shown in note 10.2.

Endowment Funds

£93,000 originated from the closed Parkwood Convalescent Hospital to support discharged or convalescent patients. CW+ is looking at the best ways to use this fund to benefit patients.

INVESTMENT POLICY

Our Long Term Capital Fund delivers the resources to enable CW+ to considerably increase its impact and fundraising capacity. This allows voluntary income to be delivered directly to support our charitable priorities in art and design, research and clinical innovations.

CW+ invests its Long Term Capital Fund in accordance with its Investment Policy Statement ('IPS'). This is summarised below.

The primary **financial objectives** of the overall Portfolio are to:

1. preserve and enhance the real (inflation-adjusted) purchasing power of the portfolio, and
2. provide a stream of relatively predictable, stable and constant earnings in support of annual budgetary needs.

The **long-term investment objectives** of the Portfolio are to:

1. preserve real value. The portfolio should attain an average annual real total return (net of investment management and consultancy fees) in excess of the annual spending rate. A real return performance target of 4.5%p.a. has been identified over the long-term (defined as a period of 20+ years).
2. The portfolio should attempt to achieve these objectives within acceptable risk. Over the long term, it is expected that portfolio risk (volatility), as measured by the standard deviation of annual returns, will be in the range of 10-13%.

SPENDING POLICY

CW+ 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 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. 3.5% has been targeted in both 2015-2016 and 2016-2017.



PLANS FOR FUTURE PERIODS

Chelsea and Westminster Hospital NHS Foundation Trust has a vision of offering the best patient care in the country. Key to achieving this vision is the calibre of leadership, staff, facilities, environment and service the hospital offers. This requires significant investment which goes beyond basic NHS provision. CW+ generates and makes this investment to support the hospital in its outstanding efforts.

We will do this through:

- Launching a capital appeal, to support the hospital's much needed £20.55 million expansion and redevelopment of the current outdated and limited capacity adult and neonatal intensive care units. We aim to create the leading, state-of-the-art critical care service in the UK.
- Transforming the patient environment and experience in the hospital using art and design, particularly focusing on the critical care redevelopment.
- Fostering clinical innovations, facilities and technologies, especially via our links with the London Digital Health accelerator.
- Funding ground-breaking research studies, facilities and education programmes in Burns research.

In accordance with new regulations, we will be becoming independent from the Department of Health. This will enable us to have much closer alignment with the aims and objectives of Chelsea and Westminster Hospital NHS Foundation Trust.

We look forward to broadening our impact following the Foundation Trust's merger with West Middlesex University Hospital in September 2015. As part of conversion to a new structure under Department of Health and Charity Commission guidance for NHS charities, we anticipate that charitable funds of circa £1 million currently held by West Middlesex University Hospital Charitable Funds will be transferred to CW+, and will be used to improve patient care and experience at West Middlesex. This will enable us expand our scope to support both major hospitals in the Foundation Trust.

Due to the phenomenal success of Borne, it was launched as an independent charity on 13 May 2016. It will focus on the aim to prevent death and disability in pregnancy and childbirth.

STRUCTURE, GOVERNANCE AND MANAGEMENT

OBJECTS

The principal objects of CW+ 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.

- 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.

SUBSIDIARY UNDERTAKING

CW+ has a non-charitable wholly owned subsidiary company, CWHC Trading Limited which did not trade in the financial year. Details can be found in note 7.3 to the accounts.

GOVERNANCE

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

CW+ has an independent Board (currently nine Trustees). The Chairman and Vice Chairman of CW+ are elected on an annual basis by the Trustees. The Trustees of CW+ 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 induction 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,
- Finance and Investment, and
- Performance and Impact

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



PAY AND REMUNERATION ARRANGEMENTS

The Board of Trustees has specific responsibility for remuneration matters. It will agree final recommendations on annual increases to the salary budget at its March meetings through the budget setting process for the forthcoming financial year.

The Chief Executive and Senior Management Team will make recommendations on starting salaries for new staff, and will make recommendations on rises and bonuses for existing staff subject to approval of the budget by the Board. The Board of Trustees will agree remuneration matters for the CEO.

CW+ has a flexible salary structure. Each Individual's remuneration will be fair and appropriate with reference to prevailing market rate for similar roles and responsibilities. There are no salary scales or set incremental rises.

There will be an annual review of salaries each year. The annual review will not guarantee an increase in salary. The review will take into consideration changes in the cost of living and prevailing market rates for comparable work and performance in the year under review.

MANAGEMENT

Day-to-day operations of CW+ are managed by the Chief Executive, who reports to the Board of Trustees. The heads of CW+'s functional departments all report to the Chief Executive.

RELATED PARTIES

None of the Trustees receive remuneration or any other benefit from their work with CW+. Any connection between a Trustee or senior management of CW+ with providers of services to CW+ must be disclosed to the full Board of Trustees. There were no such connections reported in the year ended 31 March 2016.

VOLUNTEERS

The Trustees would like to pay tribute to the role of volunteers who have played a key role in delivering our art and design programme. We would also like to thank our committee and advisory panel members who volunteer their time to provide CW+ with valuable advice, guidance and fundraising support.

REFERENCE AND ADMINISTRATIVE DETAILS

NAME

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" and "CW+" are recognised by the Charity Commission as the working names for the charity.



REGISTERED OFFICE

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

MEMBERS OF THE BOARD OF TRUSTEES

Tony Bourne, Chairman
Nick Jordan, Vice Chairman
Paul Best (appointed 17 June 2015)
Laura Howard, Trustee
Jane Lawson, Trustee
Jeremy Loyd, Trustee
Sarah Waller, Trustee (appointed 17 June 2015)
Nicholas White, Trustee
Edwin Wulfsohn, Trustee

CHIEF EXECUTIVE

Mark Norbury (departed 9 May 2016)
James Varley (acting 9 May 2016 - 10 July 2016)
Chris Chaney (started 11 July 2016)

SENIOR MANAGEMENT TEAM

James Varley, Finance Director
Trystan Hawkins, Director of Patient Environment
Kerry Huntington, Head of Individual Giving
Roberta Jones, Communications Director (maternity leave June 2015 – July 2016)
Sarah Holland, Communications Manager (from June 2015)

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

Bird & Bird LLP, 15 Fetter Lane, London EC4A 1JP
RadcliffesLeBrasseur, 5 Great College Street, Westminster, London SW1P 3SJ
Withers LLP, 16 Old Bailey, London EC4M 7EG

INVESTMENT CONSULTANTS

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

Tony Bourne, Chairman

Date 13 September
2016



STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Charity law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, 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) comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- (c) state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- (d) make judgements and estimates that are reasonable and prudent;
- (e) prepare the financial statements on a 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.

In so far as the Trustees are aware:

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

By Order of the Trustees

Tony Bourne, Chairman

Date

13 September
2016



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CHELSEA AND WESTMINSTER HEALTH CHARITY (AND RELATED CHARITIES)

We have audited the financial statements of Chelsea and Westminster Health Charity (and Related Charities) for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 (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 2016, and of its income and application of resources, for the year then ended; [SE]
- 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 EC1M 7AD

Date: 25/9/16

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2016 Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2015 Total Funds £000
Income & endowments from:									
Income from generated funds									
Donations and legacies	2.1	326	945	-	1,271	1,288	1,004	-	2,292
Charitable activities	2.2	49	16	-	65	-	21	-	21
Trading activities	2.3	(29)	358	-	329	1	570	-	571
Investment income	7.4	459	-	-	459	587	3	-	590
Total income and endowments		805	1,319	-	2,124	1,876	1,598	-	3,474
Expenditure on:									
Raising funds									
Fundraising		554	129	-	683	484	147	-	631
Investment management costs		90	-	-	90	87	-	-	87
Charitable activities									
Grants payable	3.1	825	1,478	-	2,303	609	772	-	1,381
Patient Experience and Environment	3.1	439	165	-	604	442	21	-	463
Other: Loss on sale of assets held for own use		10	-	-	10	-	-	-	-
Total expenditure	4	1,918	1,772	-	3,690	1,622	940	-	2,562
Net (expenditure)/ income before net (losses)/gains on investment assets		(1,113)	(453)	-	(1,566)	254	658	-	912
Net (losses)/gains on investment assets	7.1	(27)	-	2	(25)	2,480	-	10	2,490
Net (expenditure)/ income		(1,140)	(453)	2	(1,591)	2,734	658	10	3,402
Transfers between funds	10	1,129	(1,129)	-	-	40	(40)	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		(11)	(1,582)	2	(1,591)	2,774	618	10	3,402
Net movement in funds	5	(11)	(1,582)	2	(1,591)	2,774	618	10	3,402
Reconciliation of funds									
Total funds brought forward at 1 April 2015		34,853	3,186	91	38,130	32,079	2,568	81	34,728
Total funds carried forward at 31 March 2016		34,842	1,604	93	36,539	34,853	3,186	91	38,130

The notes at pages 21 to 35 form part of these accounts. All activities derive from continuing operations.

BALANCE SHEET AS AT 31 MARCH 2016

	Note	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2016 £000	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total 2015 £000
Fixed assets									
Intangible Assets	6.1	162	-	-	162	-	-	-	-
Tangible assets	6.2	2,755	-	-	2,755	2,764	-	-	2,764
Investments	7.2	32,856	1,432	93	34,381	31,074	3,500	91	34,665
Total fixed assets		35,773	1,432	93	37,298	33,838	3,500	91	37,429
Current assets									
Stock: Donated artworks held for resale		15	-	-	15	51	-	-	51
Debtors	8	195	154	-	349	1,015	176	-	1,191
Cash at bank and in hand		-	1,249	-	1,249	526	793	-	1,319
Total current assets		210	1,403	-	1,613	1,592	969	-	2,561
Liabilities									
Creditors: Amounts falling due within one year	9	(958)	(1,231)	-	(2,189)	(394)	(1,029)	-	(1,423)
Net current assets (liabilities)		(748)	172	-	(576)	1,198	(60)	-	1,138
Long term debtors	8	100	-	-	100	100	-	-	100
Total assets less current liabilities		35,125	1,604	93	36,822	35,136	3,440	91	38,667
Creditors: Amounts falling due within more than one year	9.2	(283)	-	-	(283)	(283)	(254)	-	(537)
Total net assets		34,842	1,604	93	36,539	34,853	3,186	91	38,130
Funds of the Charity									
Endowment funds	10.1	-	-	93	93	-	-	91	91
Restricted funds	10.2	-	1,604	-	1,604	-	3,186	-	3,186
Unrestricted funds									
Designated funds		34,545	-	-	34,545	34,053	-	-	34,053
General		297	-	-	297	800	-	-	800
Total unrestricted funds	10.3	34,842	1,604	93	36,539	34,853	-	-	38,130
Total Charity funds		34,842	1,604	93	36,539	34,853	3,186	91	38,130

Signed: Tony Bourne
Chairman

Date: 13/4 2016

The notes at pages 21 - 35 form part of these accounts. All activities derive from continuing operations.

STATEMENT OF CASH FLOWS 31 MARCH 2016

	2016 Total Funds £000	2015 Total Funds £000
Cash flows from operating activities:		
Net cash (used in) provided by operating activities (i below)	(769)	(398)
Cash flows from investing activities:		
Dividends, interest and rents from investments	459	590
Proceeds from sale of fixed assets: art assets	12	-
Purchase of computer software	(15)	-
Purchase of fixtures, fittings and equipment	(16)	-
Proceeds from the sale of investments	2,681	6,068
Purchase of investments	(2,422)	(6,053)
Net cash inflows from investing activities:	699	605
Change in cash and cash equivalents in the reporting period	(70)	207
Cash and cash equivalents at the beginning of the reporting period (ii)	1,319	1,112
Change in cash and cash equivalents in the reporting period	(70)	207
Cash and cash equivalents at the end of the reporting period (ii)	1,249	1,319
(i) Net Income (expenditure) for the reporting period (as per the statement of financial activities)	(1,591)	3,402
Adjustments for:		
Depreciation charges	6	1
Losses (gains) on investments	25	(2,490)
Dividends interest and rents from investments	(459)	(590)
Loss on the sale of fixed assets	10	-
Donated assets held as fixed assets	(150)	-
Increase/decrease in stocks	36	-
Increase/decrease in debtors	842	(902)
Increase/decrease in creditors	512	181
Net cash provided by/used in operating activities	(769)	(398)
(ii) Analysis of cash and cash equivalents		
Cash in hand	1,249	1,319
Total cash and cash equivalents	1,249	1,319

NOTES TO THE ACCOUNTS**1 Accounting policies****1.1 Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP) and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015.

Transition to FRS102

The transition to FRS102 had no effect on net income/(expenditure) for the year ended 31 March 2015.

Other adjustments

Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities. They are now regarded as part of support costs which are allocated to the cost of activities undertaken by the Charity.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2 Critical Accounting areas and the use of Judgments

In the view of the Trustees, in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

1.3 Income

All income is 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 income can be measured with sufficient reliability.

Legacies

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

Donated goods for resale

Donated goods for resale are recognised on receipt.

Endowment funds

Income received from permanent endowment funds are treated as restricted income.

1.4 Expenditure

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.

NOTES TO THE ACCOUNTS (CONTINUED)

Expenditure on raising 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.

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.

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 Fixed assets

Intangible and tangible arts assets are held as functional assets to provide a service to its beneficiaries. 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.

Computer software and fixtures and fittings and equipment are capitalised at cost and depreciated on a straight line basis at 20% per annum.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

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.

NOTES TO THE ACCOUNTS (CONTINUED)

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 value on date of purchase if later). Unrealised gains and losses are calculated as the difference between market value at each period end and opening market value (or value on date of purchase if later).

1.9 Official pooling scheme

An official pooling scheme is operated for 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 expenditure on raising funds, the charitable activities. The support costs are allocated to the relevant activity cost category they support on the bases detailed in note 4.1.

1.11 Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the Charity's forecasts and projections and have taken account of pressures on income. After making enquiries the Trustees have concluded that there is a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.12 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 8 and 9 for the debtor and creditor notes.

1.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

NOTES TO THE ACCOUNTS (CONTINUED)

2 Income**2.1 Donations and Legacies**

	Unrestricted £000	Restricted £000	2016 Total £000	Unrestricted £000	Restricted £000	2015 Total £000
Donations from individuals	20	449	469	40	720	760
Donated assets for Charity's own use	130	-	130	-	-	-
Donated assets for resale	12	-	12	-	-	-
Trusts and foundations	63	221	284	86	164	250
Corporate donations and sponsorship	10	250	260	2	120	122
Legacies	91	25	116	1,160	-	1,160
	326	945	1,271	1,288	1,004	2,292

2.2 Charitable Activities

	Unrestricted £000	Restricted £000	2016 Total £000	Unrestricted £000	Restricted £000	2015 Total £000
Smoking Cessation Project	47	-	47	-	-	-
Courses	-	10	10	-	21	21
Other	2	6	8	-	-	-
	49	16	65	-	21	21

2.3 Trading Activities

	Unrestricted £000	Restricted £000	2016 Total £000	Unrestricted £000	Restricted £000	2015 Total £000
Loss on sale of donated assets	(29)	-	(29)	-	-	-
Fundraising events	-	358	358	1	570	571
	(29)	358	329	1	570	571

NOTES TO THE ACCOUNTS (CONTINUED)

3 Details of expenditure including support costs

3.1 Analysis of charitable expenditure

	Unrestricted 2016 £000	Restricted 2016 £000	Total 2016 £000	Unrestricted 2015 £000	Restricted 2015 £000	Total 2015 £000
Grants payable:						
Research and Education						
Borne- Obstetrics research	-	833	833	-	58	58
International Maternity	-	104	104	-	116	116
Joint Research Committee*	125	-	125	108	-	108
Advanced immunotherapy Facility	500	-	500	-	-	-
Chelsea Children's Hospital (including MediCinema)	-	264	264	-	254	-
Hospital staff training, development and retention	(22)	-	(22)	37	(64)	(27)
Delivering patient centred care						
Enterprising Health	158	3	161	100	-	100
Neonatal lead nurse**	-	-	-	308	205	513
Small Change Big Impact	2	18	20	-	5	5
Other special fund grants in support of activities at Chelsea and Westminster Hospital NHS Foundation Trust	-	242	242	-	184	184
Total grants payable	763	1,464	2,227	553	758	1,311
Support costs	62	14	76	56	14	70
Total grants payable including support costs	825	1,478	2,303	609	772	1,381
Patient experience and environment	278	165	443	293	21	314
Support costs	161	-	161	149	-	149
	439	165	604	442	21	463
	1,264	1,643	2,907	1,051	793	1,844

* 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.

** £300,000 has been awarded as a grant over 5 years from the True Colours Trust towards the Neonatal Palliative Care Lead nurse. £59,967 (2015: £54,463) was received and is included in donations and legacies in 2015-16.

NOTES TO THE ACCOUNTS (CONTINUED)

3.2 Grants made to Institutions and Individuals

	2016 Total £000	2015 Total £000
Institution		
Chelsea and Westminster Hospital NHS Foundation Trust	769	1,029
Westminster Medical School Research Trust (JRC)	125	108
Imperial College	1,333	174
	<u>2,227</u>	<u>1,311</u>
Support costs	76	70
	<u>2,303</u>	<u>1,381</u>

4 Total expenditure

4.1 Support costs

	Expenditure on Raising Funds £000	Charitable Expenditure £000	2016 Total £000	Expenditure on Raising Funds £000	Charitable Expenditure £000	2015 Total £000
Unrestricted						
Staffing costs	107	130	237	89	129	218
Other office costs	73	75	148	59	44	103
Governance costs (note 4.2)	12	18	30	18	32	50
Total support costs	<u>192</u>	<u>223</u>	<u>415</u>	<u>166</u>	<u>205</u>	<u>371</u>
Restricted						
General administration	-	14	14	-	14	14

4.2 Governance costs

	Total 2016 £000	Total 2015 £000
Audit fees	13	12
Trustees' liability insurance	5	5
Trustee recruitment	-	31
Legal fees	12	1
Other	-	1
	<u>30</u>	<u>50</u>

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)

4.3 Salary and pension entitlements of senior managers

Remuneration - senior management

	Number of employees 2016	Number of employees 2015
Band		
£120,001- £130,000	1	1
£70,001 - £80,000	-	-
£60,001 - £70,000	2	2

Contributions in the year for the provision of retirement benefits under the defined contribution scheme in respect of the above amounted to £14,553 (2015 - £14,410).

4.4 Analysis of employment costs

Costs	Total 2016 £000	Total 2015 £000
Salary costs	585	560
National insurance costs	67	63
Pensions costs (defined contribution schemes)	33	32
	<u>685</u>	<u>655</u>
Numbers	Number of employees 2016	Number of employees 2015
Charitable activities	4.0	4.0
Fundraising	6.0	4.5
Administration and finance	4.0	4.5
EHP	1.5	-
	<u>15.5</u>	<u>13.0</u>

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

The Charity defines the six members of its senior management team as its key management personnel. The total amount of their remuneration and employee benefits was £393,000 (2015 £400,000).

5 Changes in resources available for Charity use

	Unrestricted £000	Restricted £000	Endowment £000	Total 2016 £000	Unrestricted £000	Restricted £000	Endowment £000	Total 2015 £000
Net movement in funds for the year	(11)	(1,582)	2	(1,591)	2,774	618	10	3,402
Net expenditure on fixed assets (excluding investments)	(181)	-	-	(181)	-	-	-	-
Net movement in funds available for future activities	<u>(192)</u>	<u>(1,582)</u>	<u>2</u>	<u>(1,772)</u>	<u>2,774</u>	<u>618</u>	<u>10</u>	<u>3,402</u>

NOTES TO THE ACCOUNTS (CONTINUED)

6 Fixed Assets

6.1 Fixed Assets: Intangible Assets

Asset cost or valuation	Art assets £000	Computer software £000	Total £000
Balance brought forward at 1 April 2015	-	-	-
Additions	150	15	165
Revaluation	-	-	-
Balance carried forward at 31 March 2016	150	15	165
Accumulated depreciation			
Balance brought forward at 1 April 2015	-	-	-
Charge for the year	-	(3)	(3)
Balance carried forward at 31 March 2016	-	(3)	(3)
Balance carried forward at 31 March 2016	150	12	162
Balance carried forward at 31 March 2015	-	-	-

6.2 Fixed Assets: Tangible Assets

Asset cost or valuation	Art assets £000	Fixtures, fittings and equipment £000	Total £000
Balance brought forward at 1 April 2015	2,764	14	2,778
Additions	-	16	16
Disposals	(22)	-	(22)
Balance carried forward at 31 March 2016	2,742	30	2,772
Accumulated depreciation			
Balance brought forward at 1 April 2015	-	(14)	(14)
Charge for the year	-	(3)	(3)
Balance carried forward at 31 March 2016	-	(17)	(17)
Balance carried forward at 31 March 2016	2,742	13	2,755
Balance carried forward at 31 March 2015	2,764	-	2,764

The art 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**

	2016	2015
	£000	£000
As at 1 April:	34,665	32,190
Less: Disposals at carrying value	(2,681)	(6,068)
Add: Acquisitions at cost	2,422	6,053
Net gain on revaluation	(25)	2,490
As at 31 March	34,381	34,665

7.2 Investments

	2016	2015
	Total	Total
	£000	£000
As at 1 April:		
Investment properties - held in the UK	11,600	11,600
Investments listed on Stock Exchange - held in the UK	2,942	101
Investments in investment funds - held overseas	15,918	19,964
Cash held as part of the investment portfolio	3,921	3,000
Investments in subsidiary undertakings - held in the UK (Note 7.3)	-	-
	34,381	34,665

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.

	2016	2015
	£000	£000
Turnover	-	-
Cost of sales	-	-
Gross profit	-	-
Other costs: Governance costs	(1)	(1)
Net profit	(1)	(1)
Net liabilities (due to Chelsea and Westminster Health Charity)	(66)	(63)

The costs are included in support 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

	2016				2015			
	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Investment properties	437	-	-	437	564	-	-	564
Investments listed on Stock Exchange - UK	-	-	-	-	-	3	-	3
Investments in investment funds - held overseas	-	-	-	-	-	-	-	-
Cash held as part of the investment portfolio	22	-	-	22	23	-	-	23
	<u>459</u>	<u>-</u>	<u>-</u>	<u>459</u>	<u>587</u>	<u>3</u>	<u>-</u>	<u>590</u>

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

Endowment funds totalling £92,966 (2015 £91,543) continue to be held with Newton Investment Management.

8 Analysis of debtors

	2016 £000	2015 £000
8.1 Amounts falling due within one year:		
Prepayments and accrued income	242	1,121
Other debtors	107	70
Total debtors falling due within one year	<u>349</u>	<u>1,191</u>
8.2 Amounts falling due more than one year		
Other debtors	<u>100</u>	<u>100</u>
Total debtors	<u>449</u>	<u>1,291</u>

9 Analysis of creditors

	2016 £000	2015 £000
9.1 Amounts falling due within one year:		
Trade creditors	144	214
Accruals and deferred income	43	208
Other creditors	<u>2,002</u>	<u>1,001</u>
Total creditors falling due within one year	<u>2,189</u>	<u>1,423</u>
9.2 Amounts falling due within more than one year:		
Other creditors	<u>283</u>	<u>537</u>

NOTES TO THE ACCOUNTS (CONTINUED)

10 Analysis of funds

10.1 Endowment funds

	Balance 31 March 2015 £000	Income £000	Expenditure £000	Gains £000	Balance 31 March 2016 £000
Parkwood	91	-	-	2	93

	Balance 31 March 2014 £000	Income £000	Expenditure £000	Gains £000	Balance 31 March 2015 £000
Parkwood	81	-	-	10	91

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

10.2 Restricted funds

	Balance 31 March 2015 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 March 2016 £000
Emergency Department Appeal	299	125	(63)	-	361
Borne	571	824	(952)	-	443
NEC	125	117	(11)	-	231
Chelsea Children's Hospital	477	13	(265)	-	225
International Maternity	282	12	(105)	-	189
Burns Research Appeal Fund	-	64	-	(64)	-
Wynne Thomas Oncology Fund	57	-	(2)	-	55
Schwaiger Fund	132	-	(104)	-	28
Parkwood Convalescent Fund	26	-	-	-	26
Paediatric Burns Ward	-	25	-	-	25
Melanoma Fund	108	-	(66)	(42)	-
C & W Hospital Postgraduate Centre	115	-	(12)	(103)	-
Neonatal Unit and Harry Freedman Trust Fund	79	15	(34)	(60)	-
Small Change Big Impact	72	-	(18)	(54)	-
Others (two funds at 31 March 2016)	843	124	(140)	(806)	21
Total	3,186	1,319	(1,772)	(1,129)	1,604

NOTES TO THE ACCOUNTS (CONTINUED)

10 Restricted funds (continued)

	Balance 31 March 2014 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 March 2015 £000
Borne*	224	919	(290)	-	853
Chelsea Children's Hospital	697	35	(255)	-	477
Emergency Department Appeal	-	342	(43)	-	299
Schwaiger Fund	133	-	(1)	-	132
NEC	-	135	(10)	-	125
C & W Hospital Postgraduate Centre	122	3	(10)	-	115
Melanoma Fund	147	-	(39)	-	108
Neonatal Unit and Harry Freedman Trust Fund	100	13	(34)	-	79
Small Change Big Impact	-	-	(5)	77	72
Wolfson Fund*	141	-	(141)	-	-
Others (ninety nine funds)	1,004	151	(112)	(117)	926
Total	2,568	1,598	(940)	(40)	3,186

Name of fund

Description

Emergency Department Appeal
Borne

Appeal fund to transform the experience in Accident and Emergency department at Chelsea and Westminster Hospital.
Preventing disability and death in childbirth and creating life long health for mothers and babies. In 2014-2015 Borne also included funds for International Maternity. The fund has been split and are shown as two separate areas of activity from 1 April 2015.

NEC
Chelsea Children's Hospital
International Maternity
Burns Research Appeal fund
Wynne Thomas Oncology Fund
Schwaiger Fund

For research into necrotising enterocolitis.
Appeal for the benefit of the Chelsea Children's Hospital.
To fund the development of maternity teams from Chelsea and Westminster working in resource poor settings.
To support burns research.
To support the work of the oncology unit.
To support improvements in patient experience.

Parkwood Convalescent Fund
Intensive Care Unit
Melanoma Fund
Wolfson Fund
C & W Hospital Postgraduate Centre
Neonatal Unit and Harry Freedman Trust Fund
Small Change Big Impact

To support discharged or convalescent patients
To Support the Intensive Care Unit
Research in treatment, salaries and equipment.
Nurse training, research and equipment.
Staff educational activities including purchase of equipment.
Equipment purchase, staff training and unit development.
For small projects that benefit patients. £77,000 was transferred from other funds with broadly similar objects.

* In the 2014-2015 accounts expenditure of £141,000 relating to the Wolfson Fund and £290,000 were included in 'Others'. This note has been amended to reflect the correct analysis.

NOTES TO THE ACCOUNTS (CONTINUED)

10.3 Unrestricted funds

	Balance 1 April 2015 £000	Income £000	Expenditure £000	Transfers £000	(Losses) £000	Balance 31 March 2016 £000
Designated funds						
Long Term Capital	31,105	-	(90)	(652)	(27)	30,336
Art: Assets	2,764	-	-	128	-	2,892
Art: Project reserves	67	-	-	(17)	-	50
Chelsea Children's Hospital	102	-	-	-	-	102
Borne	-	-	-	100	-	100
Enterprising Health Partnership	15	-	-	(15)	-	-
Other designated funds (note 10.4)	-	-	-	1,065	-	1,065
	34,053	-	90	609	(27)	34,545
Free reserves	800	805	(1,828)	520	-	297
Total Unrestricted funds	34,853	805	(1,918)	1,129	(27)	34,842

Unrestricted funds

	Balance 1 April 2014 £000	Income £000	Expenditure £000	Transfers £000	Gains £000	Balance 31 March 2015 £000
Designated funds						
Long Term Capital	29,175	-	-	(550)	2,480	31,105
Art: Assets	2,764	-	-	-	-	2,764
Art: Project reserves	99	-	(32)	-	-	67
Burns Research	(128)	-	-	128	-	-
Chelsea Children's Hospital	102	-	-	-	-	102
Enterprising Health Partnership	-	-	(110)	125	-	15
	32,012	-	(142)	(297)	2,480	34,053
Free reserves	67	1,876	(1,480)	337	-	800
Total Unrestricted funds	32,079	1,876	(1,622)	40	2,480	34,853

Name of fund

Long Term Capital
Art Assets

Arts: Project Reserves
Burns Research
Enterprising Health Partnership
Borne
Chelsea Children's Hospital

Description of the nature and purpose of each fund

Assets invested to provide stability and liquidity for the Charity's activities in the long-term (more than ten years).
Represented by art on display in and around the hospital. It is not readily realisable and therefore does not constitute free reserves. It is also held for the long term (more than ten years).
Funds received in advance for various arts projects. These will be applied within one year.
£387,000 was committed to burns research which will be funded over 2013-2015.
A social investment fund in health enterprise at Chelsea and Westminster Hospital.
Preventing disability and death in childbirth and creating life long health for mothers and babies (this will be spent within one year).
For the benefit of Chelsea Children's Hospital (this will be spent within one year).

NOTES TO THE ACCOUNTS (CONTINUED)

10.4 Other designated funds

	Balance 31 March 2015 £000	Income £000	Expenditure £000	Transfers £000	Balance 31 March 2016 £000
C&W Hospital Postgraduate Centre	-	-	-	103	103
56 Dean Street	-	-	-	71	71
Therapy Research, Development and Education Fund	-	-	-	62	62
Neo-Natal Unit & Harry Freedman Trust Fund	-	-	-	61	61
Small Change Big Impact	-	-	-	55	55
Melanoma Fund	-	-	-	42	42
Obstetric Anaesthesia Fund	-	-	-	39	39
Haematology Fund	-	-	-	34	34
X-Ray Staff Amenity Fund	-	-	-	50	50
Dr Azadian's Fund	-	-	-	33	33
Others (eighty one funds)	-	-	-	515	515
Total	-	-	-	1,065	1,065

Name of fund

Description of the nature and purpose of each fund

C&W Hospital Postgraduate Centre	Staff educational activities including purchase of equipment.
56 Dean Street	To support the operation of the 56 Dean St sexual health clinic.
Therapy Research, Development and Education Fund	To support the work of the Therapy Department.
Neo-Natal Unit & Harry Freedman Trust Fund	Equipment purchase, staff training and unit development.
Small Change Big Impact	Small grants fund which awards up to £2,000 to support patient care
Melanoma Fund	Research in treatment, salaries and equipment.
Obstetric Anaesthesia Fund	To support research, education and staff welfare related to obstetric anaesthesia.
Haematology Fund	To support haematology staff and patients.
X-Ray Staff Amenity Fund	To support the X-Ray Department.
Dr Azadian's Fund	To support microbiology research and other costs.

The above funds were reclassified as designated funds at 31 March 2016, in accordance with Charity Commission Guidance, after undertaking a review of all special purpose funds. The transfers totalling £1,065,000 represent the re-designation of these funds from restricted to unrestricted funds.

It is not possible to predict the exact timing of expenditure, but we would anticipate that funds would be spent up in under five years.

11 Commitments and liabilities

CW+ has no commitments this year (2015- 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 (2015 - £Nil). No expenses were reimbursed.

12.2 Trustee Indemnity Insurance was taken out in the year costing £4,853 (2015 - £5,300).

NOTES TO THE ACCOUNTS (CONTINUED)**13 Related party transactions**

There are no related party transactions other than those disclosed in note 12.

14 Taxation

As a registered charity, Chelsea and Westminster Health Charity (and Related Charities) 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 2016.

15 Lease commitments

At the balance sheet date the Charity had the following annual lease commitments which fall due as follows:

	Property		Office equipment	
	2016	2015	2016	2015
	£000	£000	£000	£000
Within one year - for land and buildings and office equipment	96	96	1	-
Within two to five years - for land and buildings and office equipment	50	146	3	-
	<u>146</u>	<u>242</u>	<u>4</u>	<u>-</u>

16 Other commitments

The Trustees have agreed to transfer the balance of funds held in the Borne restricted fund (£211,000) and the Borne designated fund (£100,000) to a newly established charity called The Borne Foundation (Charity Commission registration number 1167073). The Borne Foundation will take on the grant commitments charged against the Borne restricted funds.