

Chelsea and Westminster Health Charity
Registration Number 1067412

Annual Accounts 2008-09

CONTENTS

| | Page No. |
|--|-----------------|
| Trustees' Report | i to viii |
| Statement of Trustees' Responsibilities | 1 |
| Independent Auditors' Report | 2 |
| Consolidated Statement of Financial Activities | 3 |
| Consolidated Balance Sheet | 4 |
| Balance Sheet | 5 |
| Notes to the Accounts | 6 to 19 |



Chelsea and Westminster
Health Charity

Trustees' Annual Report – 2008-09

The Trustees' Annual Report and Accounts have been prepared by the Trustees in accordance with the Charities Act 1993 and the Statement of Recommended Practice 2005: Accounting and Reporting by Charities.

Background

The Chelsea and Westminster Healthcare NHS Trust Charity was formed after the Chelsea and Westminster Hospital opened in 1993, and was registered (No. 1067412) with the Charity Commission on 13 January 1998 as an NHS Charity.

The property of the Westminster and Roehampton Hospitals was transferred to the Chelsea and Westminster Healthcare NHS Trust by Statutory Instrument (1998) 471 in March 1998. It was registered as a Special Purpose Charity, subject to statutory trusts for hospital services or research under S93 of the National Health Service Act 1977 under the aforesaid number.

The Board of the Chelsea and Westminster Healthcare NHS Trust was the Corporate Trustee of the Charity until 30 September 2005 and delegated the day-to-day operation and management of its charitable funds to a Charitable Funds Committee.

The Assets were transferred to an Independent Board of Trustees under S11 of the National Health Service and Community Care Act 1990 on 1 October 2005. The Charity Commission issued a Certificate of Incorporation under the new name of the Charity of Incorporated Trustees of the Chelsea and Westminster Health Charity on 11 November 2005.

When the Chelsea and Westminster Hospital became a Foundation Trust on 1 October 2006, the Trustees were reappointed under S22 of the Health and Social Care (Community Health and Standards) Act 2003 (now S51 of the National Health Service Act 2006).

Reference and administrative details

Charity Name:

Chelsea and Westminster Health Charity

Registration Number:

1067412

Registered Office:

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

Members of the Board of Trustees from 1 April 2008

Mr. Roderick Corrie, Trustee (resigned 1 October 2008)

Mrs. Kim Evans, Trustee (appointed 1 October 2008)

Mrs. Jenny Hill, Trustee (resigned 1 May 2009)

Mr. Nick Jordan – Vice Chairman
Mr. William MacLeod, Trustee
Mr. Jonathan Milward, Trustee
Caroline, Lady Rhys Williams – Chairman
Mrs. Claire Wilson, Trustee
Mr. Edwin Wulfsohn, Trustee (appointed 1 May 2009)

Honorary Treasurer

Mr. Robert McGowan

Chief Executive

Mr. Gary Lawson (from 19 April 2008)

Charity Bankers:

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4JQ
Barclays Bank PLC, Level 27 One Churchill Place, London E14 5HP

Charity Auditors:

Deloitte LLP, London North, 3 Victoria Square, Victoria Street, St Albans, Hertfordshire AL1 3TF

Charity Investment Advisers:

Newton Investment Management Limited, Mellon Financial Centre, 160 Queen Victoria Street
London EC4V 4LA

Charity Solicitors:

Withers LLP, 16 Old Bailey, London EC4M 7EG

Structure, Governance and Management

Structure

The Chelsea and Westminster Health Charity has an independent Board of seven Trustees. The Chairman and Vice Chairman of the Charity are elected on an annual basis by the Trustees. An Honorary Treasurer has also been appointed.

Governance

The Charity is governed by declaration of Trusts dated 27 November 1997 and funds subject to Hospital Services or Research under Section 93 of the NHS Act 1977 and the Scheme dated 26 March 2002 and updated by Statutory Instrument 2005 No.2427 and Resolution dated 20 September 2005.

Candidates for Trustee vacancies are interviewed and appointed in liaison with the NHS Appointments Commission. During the course of the year one Trustee (Mr Roderick Corrie) resigned and another (Mrs Jenny Hill) announced her intention not to seek a further term of office from 1 May 2009. As a result, the Charity undertook a search and selection process in liaison with the NHS Appointments Commission to identify and recruit two new Trustees whose experience and skills complemented the objectives and mission of the Charity. The Chairman was re-elected for one year by the Trustees.

The Trustees have been chosen for their wide range of skills and experience. New Trustees receive an induction pack and all Trustees are updated on relevant current issues and are invited to attend seminars and conferences.

In addition to attending quarterly meetings of the Board of Trustees, each Trustee is a member of at least one of the Subcommittees. Currently there are five, Arts, Finance, Fundraising, Grants and Property Committees. They make recommendations to the Board of Trustees and they meet at least four times a year. 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 a Chief Executive, who reports to the Board of Trustees. The Charity's functional departments; Hospital Arts, Finance, Fundraising and Grants all report to the Chief Executive.

Operating, Financial and Personnel Policies and Procedures are documented and together with the Charity's Financial Standing Orders and Scheme of Delegated Authorities are reviewed and updated periodically.

Risk Management Policy

The major risk to which the Charity is exposed relates to the performance of its investments, which varies according to the performance of the equity and bond markets in which its fund management advisers have invested. The Charity mitigates this risk by holding a significant part of the investments in the form of fixed interest securities and property, and by consulting with the Charity's advisers as to how appropriate returns may be secured. The Charity has set up a risk register and continues to monitor risks, setting formal policies as required to mitigate them.

The major risk mentioned above is inherent in the way the Charity is constituted, as a body largely dependent on investment income. The Charity has started to fundraise, which it is hoped will in due course significantly moderate this risk. In addition, the grant giving commitments the Charity takes on are mostly related to the current year's income, with none extending beyond three years. The Charity's art collection and office are insured. There are no other significant risks to which the Charity is exposed.

Objectives and Activities

Objectives

To attract new funds, receive, invest, disburse and administer efficiently all current and future charitable assets for the improvement of healthcare and for the benefit of patients and staff at the Chelsea and Westminster Hospital and the community served by the Hospital. The Charity supports the strategic aims of the Hospital and its partners, including research projects.

In line with good governance guidelines, the Charity regularly reviews its policies and procedures.

In shaping the objectives and planning the activities of the Charity, The Trustees have considered the Charity Commission's guidance on public benefit.

Values

The Charity seeks to invest ethically, eschewing direct investment in tobacco companies. It supports and respects its historical connections and seeks to support innovative initiatives that aim to modernise healthcare, in particular by researching new and improved solutions, speeding up treatment, delivering care as near to home as appropriate and by making the hospital environment a pleasant experience for patients, visitors and staff and one conducive to healing.

Key Strategic Objectives for 2007-2010

- To devise and implement a fundraising strategy which will deliver £5m per annum of additional income after 5 years.
- To have made a major contribution to the work of the Trust, aligning grant giving to innovation.
- To have helped achieve a measurable improvement in the health of the people of Chelsea and Westminster.

In 2006, the Trustees agreed that all activities of the Charity, including grant making, would focus upon innovation and excellence with the aim being to enhance the impact of the Charity's activities and reputation of both the Charity and Chelsea and Westminster Hospital NHS Foundation Trust.

These strategic objectives are reviewed and updated annually as part of the Charity's strategic planning process.

The current Grant Making Policy

Grant requests are considered at meetings of the Grants Committee and recommendations made to the Board of Trustees. The grants policy and strategy have been reviewed and in future, taking into account the priorities of the Foundation Trust and the decision to integrate the Arts more fully into the Charity's grant giving, the Charity will favour a balanced portfolio of strategic initiatives covering:

- Research
- Medical equipment
- The healing environment through the Arts
- Patient services
- Staff development, training and retention.

Projects, especially large ones, may span several of these categories.

Any benefit received by researchers, research institutions and healthcare bodies is purely incidental to the objects of the work of the Charity.

Achievement and Performance

Major Projects supported by the Charity

The Charity has supported research projects identified by the Joint Research Committee with £180,000, granted £100,000 from the General Fund to fund a project identified by the National Institute of Health Research Collaboration for Leadership in Applied Health Research and Care ('CLAHRC') in Northwest London for a collaborative research improvement programme that will facilitate and accelerate the translation of research innovations into practice across Northwest London; £175,000 for a second CT scanner; £26,000 for a Bronchovideoscope; £21,000 for an air conditioning unit and £11,000 for a scenario resuscitation doll. In 2007-08 £90,000 was committed for an anaesthesia practitioner but this commitment will not now be required. Of the £175,000 granted in respect of the second CT scanner, £100,000 was funded by the Imaging Department and the X-ray Staff Amenity restricted funds.

The Charity received £36,861 (including Gift Aid) from a grateful family as a specified donation to fund salaries of Paediatric Musical Therapists at Chelsea and Westminster Hospital, a project directly complimenting the Charity's own Hospital Arts activities. This is in addition to similar donations given in 2006-07 and 2007-08 for the same purpose.

Other projects have been supported by various special purpose funds and donations. A number of grants totalling £73,000 (2007-08 £100,000) were made from the unrestricted and restricted Charitable funds for training courses attended by members of staff of the Chelsea and Westminster NHS Foundation Trusts and other associated NHS bodies.

Reserves Policy

The Charity has supported the Hospital and its predecessors with a steady flow of income from investments held as General Fund Reserves. The General Fund is held to provide a predictable level of income that is then used to ensure that the Charity's aims are accomplished through an annual budgeting cycle. As a general principle, the Charity expects to maintain the level of General Fund investment to secure this goal.

In this regard the Charity's aim is to maintain a level of free reserves that will adequately meet shortfalls in income or unforeseen expenditure and to compensate for sudden reductions in the value of the Charity's investment portfolio. Additionally the Charity receives requests to fund various projects sometimes in excess of its annual income streams. The Finance Committee regularly reviews its expenditure and income flows and the need to match variable income and fixed commitments. Investment policies are reviewed in conjunction with investment advisers, and in some years reserves may be depleted to cover large projects.

Fundraising Policy

The Charity's development activities are headed by the fundraising Director. A Fundraising Strategy has been documented and approved by the Trustees to achieve specific targets identified in the Charity's annual budget.

Donations are sought for general purpose, arts related and specific causes through multiple channels including major donors, corporate sponsors, grateful patients, legacies, as well as grant making trusts.

A detailed research, application, cultivation, development and monitoring process has been developed to identify fundraising opportunities, establish a pipeline of opportunities and monitor progress in achieving goals.

Investment Policy

Funds donated to the Charity are invested as required under the Trustee Act 2000, in line with the policy agreed between the Trustees and the Charity's investment advisers. Newton Investment Management Limited ('Newton') took over this role in January 2003.

The present policy stipulates that there should be no direct investment in tobacco companies. It further stipulates that the fund should at present be invested in accordance with the following guidelines:

| Investment Category | % Investment |
|----------------------------|--------------|
| UK Fixed Interest and Cash | 20% |
| UK Equities | 60% |
| Overseas Equities | 20% |

Decisions on day-to-day transactions are taken by Newton – their representatives regularly attend meetings of the Trustees and provide quarterly reports on progress of the investment portfolio.

In March 2002, the Charity received a Scheme from the Charity Commissioners permitting the combining of the investment pools formerly maintained for the General Fund and Special Fund, and now the investment pool is being managed as a single fund.

The Charity is also contracted to be the Official Charity for the same event in 2009 and 2010. The major sources of income not repeated in the year under review were an Art exhibition and an administration fee from the Kensington and Chelsea Healthcare Charity.

The Charity continues to seek to improve its cost:income ratio, as evidenced by the decrease in overall support costs from £331,000 to £274,000. Support costs in the year were 19.5% of total expenditure excluding charitable transfers (2007-08 – 20.8%).

The accounts have been prepared in accordance with the Statement of Recommended Practice 2005 and hence support costs have been allocated to each activity. The comparatives for last year are provided in the notes to these accounts.

The costs of generating income are £265,000 (2007-08 - £242,000) including £55,000 of support costs. Charitable activities have been split between 'Grants payable' - £834,000 and 'Hospital Arts' - £135,000 and the support costs allocated to charitable activities is £118,000. These costs have been apportioned on the basis of the activity level in each category and time spent on them.

Governance costs of £120,000 (8.5% of total expenditure excluding charitable transfers (2007-08 – 9%)) have decreased once again. This year the decrease is £24,000, which mainly arose from the fall in support costs of some £21,000.

The principle underlying the Charity's philosophy is that the Unrestricted Fund has been built up over the years to provide for both current and future needs of the Charity.

The Trustees having made appropriate enquiries are satisfied that the Charity has sufficient resources to continue operating for the foreseeable future.

Key Tasks for 2008-09

| | |
|---|-----------|
| Successfully raise funds for the CT scanner appeal through the Charity's involvement as Official Charity and Sponsor of the 2008 London Duathlon. | Completed |
| Relaunch Hospital Arts activities with branding more complementary to the Charity's overall profile. | Completed |
| Introduce a pipeline system to managing fundraising prospects. | Completed |
| Purchase and develop an appropriate fundraising software system | Completed |
| Develop a wider programme of fundraising activities to support both general purpose causes and the arts-in health agenda. | Completed |
| Completed the appeal for the Hospital additional CT scanner. | Completed |
| Review the Charity's functional strategies for arts and fundraising. | Completed |
| Introduce an improved annual budgetary process which is complementary to the Charity's management and statutory accounts. | Completed |
| Develop wider contacts with community groups with complementary charitable missions. | On going |

Plans for Future Periods

The Charity will continue to research and investigate additional potential income streams from social enterprise activities which have the potential to supplement the Charity's total income, whilst not exposing the Charity or its assets to unacceptable risks.

The Charity will continue to deliver its fundraising strategy through involvement as the Official Charity and Sponsor of the London Duathlon for 2009 and 2010, in order to raise additional funds for other general and specific causes at Chelsea and Westminster Hospital, to further increase the profile and reputation of the Charity and to increase the morale, cohesion and team building among hospital staff.

The Charity continues to plan other activities and events to fulfil its Key Strategic Objectives for 2007-10.

Wider networks

The Charity is one of over 400 NHS linked charities in England, the largest of which are eligible to join the Association of NHS Charities. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and trustees.

Related parties

The Charity works closely with, and provides the majority of its grants to, the Chelsea and Westminster Hospital NHS Foundation Trust, benefitting the users of the Hospital, who are the general public.

Although the trustees are careful to consult with representatives of the Foundation Trust through their committee meetings and other, less formal contacts, they retain their independence to act in the best interests of the Charity and its beneficiaries.


None of the Trustees receive remuneration or any other benefit from their work with the Charity. Any connection between a Trustee or senior management 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 2009.

Our relationship with the wider community

The ability of the Charity to continue its vital support for the Hospital is dependent on its ability to maintain and increase donations from the general public and local and national businesses. The Charity also continues to forge strong relationships with members of staff of the Hospital without whose co-operation the ability to make an effective contribution would be much diminished.

Volunteers

The Trustees would like to pay tribute to the role of volunteers – who assist with many back office fundraising activities enabling the Charity to encourage others to enrich the lives of others through donations and fundraising activities.


Chairman


Chief Executive

Date: 25 September 2009

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