

**Charity Registration number 1076414**

**Company Registration number 03701005**

**ROYAL HOSPITAL CHELSEA APPEAL LIMITED**  
**(Limited by Guarantee)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

## **ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

### **COMPANY INFORMATION**

<b>DIRECTORS &amp; TRUSTEES</b>	C Trehitt Gen Sir A Bradshaw G Lashko
<b>COMPANY SECRETARY</b>	M Li
<b>REGISTERED OFFICE</b>	The Royal Hospital Chelsea Royal Hospital Road London SW3 4SR
<b>BANKERS</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>AUDITOR</b>	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
<b>SOLICITORS</b>	Taylor Wessing 5 New Street Square London EC4A 3TW
<b>COMPANY NUMBER</b>	<b>03701005</b>
<b>CHARITY NUMBER</b>	<b>1076414</b>

# **ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

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## **ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

### **REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023**

The Trustees, who are also the Directors of the Charitable Company, have pleasure in presenting their report together with the audited Group Financial Statements for the year ended 31 March 2023 in accordance with the Companies Act 2006, the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS 102) and the company's Memorandum and Articles of Association.

The names of those who served as Trustees of the Charity and Directors of the Charitable Company are listed on page 2. In this report they are referred to as "Trustees".

#### **OBJECTIVES, ACTIVITIES AND PUBLIC BENEFIT**

The objects of the Charitable Company, as set out in the Charitable Company's Memorandum of Association, are to engage in activities "for the exclusive benefit of the Royal Hospital Chelsea (RHC)". The RHC provides a home for army veterans and, although it is not registered with the Charity Commission, HMRC has accepted that its activities are charitable.

The emphasis on fundraising and other income generation activities has been, and will continue to be, on three distinct yet related purposes. First, raising funds to bridge the gap between the Grant-in-Aid and the RHC's annual running costs. Second, generating income to fund new projects, such as the ambition to enhance our outreach services and to develop the planned heritage centre in the Soane Stable Block. Third, income generation for capital investment in order to guarantee the long-term survival of the RHC on its historic site.

The successful achievement of these objectives requires, in addition to normal fundraising, the development of current businesses to maximise their potential, the identification of new income generation opportunities, and the raising of public awareness and support through an active marketing and communications operation.

The strategies employed to achieve the Charitable Company's objectives have been to build and sustain the Charitable Company's business development, commercial services and fundraising activities with the aim of generating additional capital and revenue streams needed to secure the future of the institution of the RHC. This is achieved by directing the marketing and external communication activities with the aim of advancing the public awareness of the work of the RHC and of the Army's contribution to the nation.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charitable Company's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Company subscribes to the Code of Fundraising Practice of the Fundraising Regulator. No complaints about fundraising or allegations of breaches of the Code have been made. No third party or commercial fundraisers are used, fundraising activity is conducted entirely by staff employed by the RHC (the company's parent organisation). The bulk of funds raised are from legacies, grants from trusts and foundations and income from events and donations solicited by the Friends of the RHC, which is run by the fundraising staff. There is also the Governor's Circle which has a higher level of membership subscription and enhanced benefits including an annual dinner and privileged access to certain events. A new fundraising strategy was presented to the RHC's Board of Commissioners in October 2022.

#### **STRATEGIC REPORT**

The Group received income of just over £6.9m during 2022-23. The subsidiary's trading income has returned to pre-pandemic levels. During the year, two major fund raising appeals were launched for the refurbishment of the Margaret Thatcher Infirmary and for the Soane Stable Block, a new heritage centre. A grant was awarded during the year from the National Lottery Heritage Fund for £3.2m to support the new heritage centre. This funding is payable over agreed milestones. In addition, ABF The Soldiers' Charity also awarded £0.1m to support the creation of new lounge area within the Margaret Thatcher Infirmary, which is in the process of being refurbished.

The trading subsidiary, Chelsea Pensioner (RH) Limited, had revenues of £4.4m (2022: £3.0m) and operating profits of £2.8m (2022: £1.7m). This reflects levels of trading returning to pre-pandemic levels as covid restrictions ended.

## **ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

#### **FINANCIAL REVIEW**

The Charitable Company receives income from donations and legacies as well as the profits of its wholly owned trading subsidiary Chelsea Pensioner (RH) Limited (CPRH). The company's other subsidiary, Tricorne Traders Ltd, is dormant. During the year the Charity itself raised £2.5m (2022: £1.5m) in voluntary income. Of this amount £0.2m (2022: £0.3m) was generated through legacy income. Restricted income was £1.8m (2022: £0.8m).

In terms of trading income earned by its subsidiary company, total earnings from Chelsea Pensioner (RH) Ltd increased with the company gift-aiding £2.8m (2022: £1.7m) to its parent company. The net assets of the Charitable Company Group, £4.9m (2022: £6.9m) represent the resources being held on behalf of the RHC which are to be used to help fund the day to day running costs of the RHC and its various development programmes.

#### **RESERVES POLICY**

As stated previously, the Group's net assets represent the resources being held on behalf of the RHC to pay for its development programmes, to cover the gap between the Grant in Aid the RHC receives and the actual running costs and progressively to fund an endowment. The reserves are split between restricted and unrestricted funds. The restricted reserves represent funds which have been donated for a specific use. Group reserves at 31 March 2023 were £4.9m and cash balances amounted to £5.9m. £4.0m of this is held by the parent organisation so this it can be grouped with other reserves for investment purposes. At this time the Trustees consider that there is no need to hold additional reserves since it is more appropriate for strategic reserves to be held by the parent organisation.

#### **PLANS FOR FUTURE PERIOD**

The Charitable Company and its subsidiaries constantly review their strategy in line with that of its ultimate parent company the RHC. The RHC aims to position itself so that it is recognised by the British public as a unique national institution that must be preserved for future generations, both as a home that provides a vibrant community, comradeship and excellent standards of care for army veterans who have served the nation, and as an integral part of the country's heritage and national identity.

The RHC's Public Engagement department is focussed on delivering five key objectives:

- \* Review and develop current voluntary income streams, whilst identifying new voluntary income streams in order to achieve growth;
- \* Refine the RHC's fundraising message, increase awareness, supporter loyalty and financial support;
- \* Identify projects and opportunities from across the Hospital in need of financial support;
- \* Review and develop the Friends of the Royal Hospital Chelsea scheme, including the Governor's Circle and other membership schemes; and
- \* Develop commercial opportunities through licencing and intellectual property to improve public awareness and generate income.

#### **COVID 19 PANDEMIC**

As noted above, trading has returned to pre-pandemic levels. Events resumed as normal in 2022-23.

## **ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### Governing Document

Royal Hospital Chelsea Appeal Limited is a Charitable Company limited by guarantee governed by its Memorandum and Articles of Association dated 22 December 1998 and amended by special resolutions dated 5 February 2003, 14 November 2004 and 4 May 2022. It is registered as a Charity with the Charity Commission. A majority of the Trustees must be Commissioners of the Royal Hospital Chelsea ("RHC"). There is no limit to the number of members of the Charity and there are currently 3 members (3 in 2022), each of whom agree to contribute £1 in the event of the Charity winding up.

##### Appointment of Trustees

As set out in the Articles of Association a majority of the Trustees must be Commissioners of the RHC who appoint the Chairman, who is normally a Commissioner.

##### Trustee induction and training

On appointment new Trustees are made aware of their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the Charity. It is not considered necessary to conduct any formal induction training as all Trustees are usually already Trustees and Directors of other companies.

##### Organisation

The Charitable Company forms part of the Royal Hospital Chelsea Group and is not managed separately from the rest of the Group. It has no employees of its own - all staff are employed by the RHC. Management is in the hands of the RHC Executive Board and strategic decisions are taken by the Board of Commissioners of the Hospital.

#### **RISK MANAGEMENT**

The main risks to the Charitable Company are centred around the handling of donations. All risks are subject to regular review as part of the Hospital's management procedures. The implementation of control procedures is designed to minimise any potential impact on the Charitable Company should those risks materialise.

#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees (who are also Directors of the Royal Hospital Chelsea Appeal Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and Directors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and Parent charitable company and of the incoming resources and application of resources, including the income and expenditure, of the Group and Parent charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## ROYAL HOSPITAL CHELSEA APPEAL LIMITED

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023 (CONTINUED)

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 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.

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

In preparing this report the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board of Trustees on                      2023 and signed on its behalf by



**G Lashko**

**Trustee and Director**

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

## **Opinion**

We have audited the financial statements of Royal Hospital Chelsea Appeal Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated and parent charitable company Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023, and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the report of the trustees and directors, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report of the trustees and directors. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit ; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the group and parent charitable company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent charitable company financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent charitable company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent charitable company in this regard to be those arising from Companies Act 2006, Charities Act 2011 and Charities (Accounts and Reports) Regulations 2008.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent charitable company with those laws and regulations. These procedures included but were not limited to enquiries of management and review of minutes.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the judgement involved in accrued and deferred income and intercompany recharges are also a risk. No issues were identified.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and 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 anyone, other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Alastair Duke (Senior Statutory Auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

2023

ROYAL HOSPITAL CHELSEA APPEAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2023  
(incorporating an Income and Expenditure Account)

		Unrestricted	Restricted	Total	Total
	Note	2023 £	2023 £	2023 £	2022 £
<b>Income and endowments from:</b>					
Voluntary income - donations and legacies	2	709,258	1,775,148	2,484,406	1,507,280
Other trading activities	3	4,423,298	-	4,423,298	2,961,575
Bank Interest received	2	5,157	-	5,157	540
<b>Total income and endowments</b>		<b>5,137,713</b>	<b>1,775,148</b>	<b>6,912,861</b>	<b>4,469,395</b>
<b>Expenditure on:</b>					
Raising funds	4	341,726	-	341,726	228,614
Other trading activities	4	1,534,179	-	1,534,179	1,274,982
Charitable activities	4	6,066,314	721,967	6,788,281	1,096,751
Support Cost	4	184,512	-	184,512	184,035
<b>Total expenditure</b>		<b>8,126,731</b>	<b>721,967</b>	<b>8,848,698</b>	<b>2,784,382</b>
<b>Net income/(expenditure)</b>		<b>(2,989,018)</b>	<b>1,053,181</b>	<b>(1,935,837)</b>	<b>1,685,013</b>
<b>Other recognised gains and losses:</b>					
Transfers between funds		1,533,685	(1,533,685)	-	-
<b>Net movement in funds</b>		<b>(1,455,333)</b>	<b>(480,504)</b>	<b>(1,935,837)</b>	<b>1,685,013</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,276,501	4,595,849	6,872,350	5,187,337
Net movement in funds		(1,455,333)	(480,504)	(1,935,837)	1,685,013
<b>Total funds carried forward</b>		<b>821,168</b>	<b>4,115,345</b>	<b>4,936,513</b>	<b>6,872,350</b>

The Accounting Policies and Notes on pages 15 to 27 form part of these Financial Statements.

ROYAL HOSPITAL CHELSEA APPEAL LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES - Company Only**  
**FOR THE YEAR ENDED 31 MARCH 2023**  
**(incorporating an Income and Expenditure Account)**

		Unrestricted	Restricted	Total	Total
	Note	2023 £	2023 £	2023 £	2022 £
<b>Income and endowments from:</b>					
Voluntary income - donations and legacies	2	709,258	1,775,148	2,484,406	1,507,280
Charitable activities - Donation (Gift Aid)	3	2,843,419	-	2,843,419	1,666,884
Bank Interest received	2	5,157	-	5,157	540
<b>Total income and endowments</b>		<b>3,557,834</b>	<b>1,775,148</b>	<b>5,332,982</b>	<b>3,174,704</b>
<b>Expenditure on:</b>					
Raising funds	4	341,726	-	341,726	174,500
Charitable activities	4	6,066,314	721,967	6,788,281	1,150,865
Other activities	4	138,812	-	138,812	164,326
<b>Total expenditure</b>		<b>6,546,852</b>	<b>721,967</b>	<b>7,268,819</b>	<b>1,489,691</b>
<b>Net income/(expenditure)</b>		<b>(2,989,018)</b>	<b>1,053,181</b>	<b>(1,935,837)</b>	<b>1,685,013</b>
<b>Other recognised gains and losses:</b>					
Transfers between funds		1,533,685	(1,533,685)	-	-
<b>Net movement in funds</b>		<b>(1,455,333)</b>	<b>(480,504)</b>	<b>(1,935,837)</b>	<b>1,685,013</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		2,237,056	4,595,849	6,832,905	5,147,892
Net movement in funds		(1,455,333)	(480,504)	(1,935,837)	1,685,013
<b>Total funds carried forward</b>		<b>781,723</b>	<b>4,115,345</b>	<b>4,897,068</b>	<b>6,832,905</b>

The Accounting Policies and Notes on pages 15 to 27 form part of these Financial Statements.

**ROYAL HOSPITAL CHELSEA APPEAL LIMITED**  
**COMPANY NUMBER: 03701005**

**BALANCE SHEETS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

		Group		Company	
	Note	2023	2022	2023	2022
		£	£	£	£
<b>NON CURRENT ASSETS</b>					
Tangible assets	6	9,951	13,727	-	1,511
Investment in subsidiary	7	-	-	1,000	1,000
		<u>9,951</u>	<u>13,727</u>	<u>1,000</u>	<u>2,511</u>
<b>CURRENT ASSETS</b>					
Stocks	8	119,344	134,820	-	-
Debtors	9	4,150,919	4,468,982	3,592,079	5,361,033
Cash at bank and in hand		<u>1,905,225</u>	<u>3,718,786</u>	<u>1,512,546</u>	<u>1,947,801</u>
		6,175,488	8,322,588	5,104,625	7,308,834
<b>CURRENT LIABILITIES</b>					
Creditors amounts falling due within one year	10	<u>(1,248,926)</u>	<u>(1,463,965)</u>	<u>(208,557)</u>	<u>(478,440)</u>
<b>NET CURRENT ASSETS</b>		<u>4,926,562</u>	<u>6,858,623</u>	<u>4,896,068</u>	<u>6,830,394</u>
<b>NET ASSETS</b>		<u>4,936,513</u>	<u>6,872,350</u>	<u>4,897,068</u>	<u>6,832,905</u>
<b>RESERVES</b>					
Unrestricted Funds	12	821,168	2,276,501	781,723	2,237,056
Restricted Funds	12	<u>4,115,345</u>	<u>4,595,849</u>	<u>4,115,345</u>	<u>4,595,849</u>
		<u>4,936,513</u>	<u>6,872,350</u>	<u>4,897,068</u>	<u>6,832,905</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the Small Companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees and were signed on its behalf on 2023 by

*Caroline Trehwitt*  
**Caroline Trehwitt**  
**Trustee and Director**

  
**Gary Lashko**  
**Trustee and Director**

The Accounting Policies and Notes on pages 15 to 27 form part of these Financial Statements.

**ROYAL HOSPITAL CHELSEA APPEAL LIMITED**

**CONSOLIDATED CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>14</b>	<b>(1,818,718)</b>	<b>835,568</b>
Net cash (outflow)/ inflow from operating activities	14	<u>(1,818,718)</u>	<u>835,568</u>
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>			
DIVIDENDS, INTEREST INCOME RECEIVED	2	<u>5,157</u>	<u>540</u>
<b>NET CASHFLOW FROM INVESTING ACTIVITIES</b>		<u>5,157</u>	<u>540</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		<u>(1,813,561)</u>	<u>836,108</u>
<b>CASH AND CASH EQUIVALENTS AT 1 APRIL</b>		<u>3,718,786</u>	<u>2,882,678</u>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>		<u>1,905,225</u>	<u>3,718,786</u>
<b>CASH &amp; CASH EQUIVALENTS CONSISTS OF:</b>			
Cash at bank and in hand		<u>1,905,225</u>	<u>3,718,786</u>
<b>CASH &amp; CASH EQUIVALENTS AT 31 MARCH</b>		<u>1,905,225</u>	<u>3,718,786</u>

The Accounting Policies and Notes on pages 15 to 27 form part of these Financial Statements

## ROYAL HOSPITAL CHELSEA APPEAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### ACCOUNTING POLICIES

**a General Information and basis of preparation**

The Royal Hospital Chelsea Appeal Limited is a registered charity and company limited by guarantee in the United Kingdom. The charity constitutes a public benefit entity as defined by FRS102. These Financial Statements are of the Charitable Company and its trading subsidiary company, Chelsea Pensioner (RH) Limited. The Charitable Company has another wholly owned subsidiary, Tricorne Traders Ltd which is dormant. The address of the company's registered office is The Royal Hospital Chelsea, Royal Hospital Road, London SW3 4SR.

The financial statements are presented in sterling which is the functional currency of the company.

**b Summary of significant accounting policies**

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**c Statement of Compliance**

The Financial Statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK generally Accepted Practice as it applies from 1 January 2019.

**d Going Concern**

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The Directors consider that the company remains a going concern. The company's income has recovered in full following the pandemic in 2020. Therefore, it has sufficient reserves and cash to remain a going concern.

**e Funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

## ROYAL HOSPITAL CHELSEA APPEAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### ACCOUNTING POLICIES (Cont.)

##### **f Income**

All incoming resources are included in the Statement of Financial Affairs (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Where income is received in advance of the related service being delivered to the customer, a liability is raised in the form of deferred income until the related service is delivered at which point the income is recognised. The Charitable Company's deferred income relates to trading activities in its trading subsidiaries.

Legacy income is recognised when the charity becomes aware that probate has been granted, there are sufficient assets in the estate to pay the legacy and that any conditions attached to the legacy are either in control of the charity or have already been met. In circumstances where legacies are notified but it is not possible to measure the amount expected to be distributed with sufficient reliability, or when it may be received, these items are disclosed as a contingent asset.

Income from trading activities relates to income earned from events and trading activities of the charity's subsidiary company, Chelsea Pensioners (RH) Limited to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income relates to bank interest received and recognised when it is receivable.

##### **g Expenditure**

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal entitlement or constructive obligation to make payments to third parties, it is probable that that the settlement will be required and the amount of the obligation can be measured reliably. Expenditure is categorised under the following headings:

- Cost of raising funds includes fundraising and trading income,
- Expenditure on charitable activities includes expenditure on the care and welfare of in pensioners, the maintenance of the site and historic buildings,
- Other expenditure represents those items not falling into the categories above,
- Irrecoverable VAT is charged as an expense against the activity for which expenditure arose,
- No apportionment of expenditures.

Details of governance costs are set out in Note 4 to the financial statements and comprise the legal, auditing and other professional costs associated with the running and management of the Charitable Company and its trading subsidiaries.



## ROYAL HOSPITAL CHELSEA APPEAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### ACCOUNTING POLICIES (cont.)

##### **h Investments**

The investments in the wholly owned subsidiary trading companies are shown at cost.

##### **i Taxation**

As a registered Charity the Company is generally exempt from Corporation Tax but not from Value Added Tax (VAT). The Charitable Company's subsidiary trading company is registered for VAT and liable to corporation tax on trading profits not transferred under the Gift Aid arrangements.

##### **j Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Assets purchased with a value of less than £1,000 are not capitalised.

Depreciation is charged on tangible fixed assets at rates calculated to write off the cost of the asset, less any residual value, evenly over its expected useful life as follows:

Lands and Buildings	Over periods of up to 50 years
Plant and machinery	- 10 to 15 years
Fixtures and fittings	- 7 to 15 years
Office equipment	- 7 to 15 years
Motor Vehicles	- 5 to 10 years
Computer equipment	- 5 years

The lower limit for capitalisation of fixed assets is £1,000.

##### **k Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

##### **l Significant judgments and estimates**

There are no balances within the financial statements that are considered to have significant judgments or estimates.

## ROYAL HOSPITAL CHELSEA APPEAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## 2 INCOME

DONATIONS AND LEGACIES	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Donations	356,150	1,772,912	2,129,062	1,062,262
Legacies	180,480	2,236	182,716	289,654
Friends: Events income	6,542	-	6,542	6,535
Friends: Membership income	166,086	-	166,086	148,829
	<u>709,258</u>	<u>1,775,148</u>	<u>2,484,406</u>	<u>1,507,280</u>

The Charitable Company has recognised donations over £10,000 from the following trusts and foundations in the year to 31 March 2023:

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £
Donations			
ABF The Soldiers' Charity - MTI refurbishment	-	100,000	100,000
Alan & Sheila Diamond Charitable Trust - MTI refurbishment	-	10,000	10,000
Basil Samuel Charitable Trust - Unrestricted	10,000	-	10,000
The Cadogan Charity - Mobility fund	-	150,000	150,000
EBM Charitable Trust - MTI Nurse call system	-	226,365	226,365
Garfield Weston Foundation - Soane Stable Block	-	300,000	300,000
The Gyll-Leng Charitable Trust - MTI refurbishment	-	80,432	80,432
Headley Court Charity - Rehabilitation equipment	-	18,115	18,115
The Michael Uren Foundation - MTI refurbishment	-	300,000	300,000
National Lottery Heritage Fund - Soane Stable Block	-	128,157	128,157
Wolfson Foundation - Soane Stable Block	-	200,000	200,000
Other donations	346,150	259,843	605,993
	<u>356,150</u>	<u>1,772,912</u>	<u>2,129,062</u>

Agreement has been obtained to disclose the above information from the relevant donors in 2023.

	2023 £	2022 £
Bank interest received - company	5,157	540
Bank interest received - group	5,157	540

### Investment Income

Investment Income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Interest income is recognised when receivable and dividend and rent income is recognised as the charity's right to receive payment is established.

# ROYAL HOSPITAL CHELSEA APPEAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 3 OTHER TRADING ACTIVITIES

#### i) Chelsea Pensioner (RH) Limited

The Charitable Company owns 100% of the issued ordinary share capital of Chelsea Pensioner (RH) Limited, a Company incorporated in England and Wales (registered number 03853787). The principal activity of the Company is to undertake commercial activities on behalf of the RHC. The Company pays its taxable income to its parent company or to its ultimate parent undertaking (the RHC) under the Gift Aid arrangements. Its trading results extracted from its audited Financial Statements for the year to 31 March 2023 were:

<b>COMPANY NUMBER: 03853787</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Turnover	4,423,298	2,961,575
Cost of sales	(344,990)	(213,172)
Gross profit	4,078,308	2,748,403
Administrative expenses	(1,172,822)	(1,049,865)
Other operating expenses	(62,067)	(31,654)
Taxation	-	-
Profit on ordinary activities before taxation and interest	2,843,419	1,666,884
Bank interest receivable	-	-
Profit on ordinary activities before tax	2,843,419	1,666,884
Qualifying donation under Gift Aid	(2,843,419)	(1,666,884)
Profit / (loss) for the year	-	-
Retained earnings brought forward	39,445	39,445
Retained earnings carried forward	39,445	39,445
<b>RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	40,445	40,445
Closing shareholders' funds	40,445	40,445

The company has a dormant subsidiary, Tricorne Traders Ltd, company registration number 07382655, which did not trade during the year.

ROYAL HOSPITAL CHELSEA APPEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

4 ANALYSIS OF TOTAL RESOURCES EXPENDED

Group	Total 2023	Total 2022
	£	£
<b>Charitable Expenditure</b>		
Donations to parent organisation	6,066,314	750,619
In Pensioner Services	721,967	346,132
Total charitable expenditure	<u>6,788,281</u>	<u>1,096,751</u>
<b>Expenditure of trading company</b>	<b>1,534,179</b>	<b>1,274,982</b>
<b>Fundraising Costs</b>		
Staffing costs	259,373	174,500
Friends of RHC & events	82,353	54,114
<b>Total fundraising costs</b>	<u>341,726</u>	<u>228,614</u>
<b>Support Costs</b>		
Staff training	1,597	1,250
Recruitment & selection	-	7,500
Insurance	-	356
Stationery	24	-
Postage	4,639	3,578
Printing	11,327	5,167
Maintenance of software	-	7,700
Subscriptions	2,513	3,210
Travel & transport	1,545	154
Entertainment	309	39
Advertising	6,713	43,350
Donor recognition	(11,628)	45,500
Depreciation	1,511	3,023
Website selling & promotion	2,654	1,474
Governance costs (see below)	163,308	61,734
<b>Total support costs</b>	<u>184,512</u>	<u>184,035</u>
<b>Total expenditure</b>	<u><b>8,848,698</b></u>	<u><b>2,784,382</b></u>

# ROYAL HOSPITAL CHELSEA APPEAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 4 ANALYSIS OF TOTAL RESOURCES EXPENDED (CONT.)

#### Governance Costs

##### Governance Costs

<u>Group</u>	2023	2022
	£	£
Legal and Professional fees	144,196	45,019
Auditors' remuneration - audit	16,405	16,076
Bank Charges	2,707	639
<b>Total</b>	<b>163,308</b>	<b>61,734</b>

##### Audit Fees

	<u>Group</u>		<u>Company</u>	
	2023	2022	2023	2022
	£	£	£	£
Auditor's remuneration:				
Audit	15,230	15,106	5,400	4,845
Other services	1,175	970	-	-

### 5 TRUSTEE EXPENSES AND EMPLOYMENT COSTS

No remuneration was paid or expenses reimbursed to Trustees (2022: NIL). Staff costs for an average of 26 employees during the year (2022: 26) of £1,086,535 were recharged from the RHC and are included in expenditure. Details of higher paid employees whose salaries are recharged to the charitable company group by its ultimate parent, the RHC, are disclosed in the financial statements of the RHC.

# ROYAL HOSPITAL CHELSEA APPEAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 6 TANGIBLE FIXED ASSETS

#### GROUP

	Plant & Machinery	Land & Buildings	Office Equipment	Fixtures & Fittings	Computer Equipment	Vehicle	Group Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2022	15,544	22,285	26,366	48,218	53,069	15,114	180,596
<b>At 31 March 2023</b>	<b>15,544</b>	<b>22,285</b>	<b>26,366</b>	<b>48,218</b>	<b>53,069</b>	<b>15,114</b>	<b>180,596</b>
<b>Depreciation</b>							
At 1 April 2022	7,785	17,828	26,366	48,218	53,069	13,603	166,869
Charge for the year	779	1,486	-	-	-	1,511	3,776
<b>At 31 March 2023</b>	<b>8,564</b>	<b>19,314</b>	<b>26,366</b>	<b>48,218</b>	<b>53,069</b>	<b>15,114</b>	<b>170,644</b>
<b>Net book value</b>							
<b>At 31 March 2023</b>	<b>6,980</b>	<b>2,971</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,951</b>
At 31 March 2022	7,759	4,457	-	-	-	1,511	13,727

#### COMPANY

	Vehicle £	Total £
<b>Cost</b>		
At 1 April 2022	15,114	15,114
<b>At 31 March 2023</b>	<b>15,114</b>	<b>15,114</b>
<b>Depreciation</b>		
At 1 April 2022	13,603	13,603
Charge for the year	1,511	1,511
<b>At 31 March 2023</b>	<b>15,114</b>	<b>15,114</b>
<b>Net book value</b>		
<b>At 31 March 2023</b>	<b>-</b>	<b>-</b>
At 31 March 2022	1,511	1,511

# ROYAL HOSPITAL CHELESA APPEAL LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 7 INVESTMENTS

	Company	
	2023	2022
	£	£
<b>Shares in subsidiary companies</b>		
Chelsea Pensioner (RH) Ltd	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

The investments represent 100% of the issued share capital of the company. The company also owns 100% of the share capital of Tricorne Traders Ltd, which is dormant.

### 8 STOCKS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Finished goods and goods for resale	119,344	134,820	-	-
	<u>119,344</u>	<u>134,820</u>	<u>-</u>	<u>-</u>

### 9 DEBTORS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	104,540	103,826	-	-
Amounts due from subsidiary companies	-	-	-	1,276,731
Amounts due from the RHC	3,693,361	4,280,854	3,237,865	4,000,000
Other debtors and prepayments	353,018	84,302	354,214	84,302
	<u>4,150,919</u>	<u>4,468,982</u>	<u>3,592,079</u>	<u>5,361,033</u>

In the prior year, £4m was transferred to the RHC so that it could be pooled for investment purposes.

# ROYAL HOSPITAL CHELSEA APPEAL LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 10 CREDITORS: Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	42,135	117,885	8,788	61,280
Amounts due to the RHC	-	360,123	184,282	360,123
Social security and other taxes	88,255	62,909	-	14,426
Deferred income	1,075,472	843,495	-	-
Accruals and other creditors	43,064	79,553	15,487	42,611
	<u>1,248,926</u>	<u>1,463,965</u>	<u>208,557</u>	<u>478,440</u>

	Group 2023 £
<b>Movement on deferred income</b>	
Brought forward at the beginning of the year	843,495
Released to SOFA during the year	(843,495)
Deferred to future periods	<u>1,075,472</u>
Carried forward at the end of the year	<u>1,075,472</u>

Income has been deferred in respect of invoices raised for events occurring post year end.

### 11 RELATED PARTY TRANSACTIONS

Exemption is taken under FRS 102 from disclosing transactions with wholly owned subsidiaries and the ultimate parent undertaking:

- The Charitable Company's ultimate parent undertaking is The Royal Hospital Chelsea which is treated by HMRC as having charitable status.
- The Charitable Company's wholly owned subsidiary, Chelsea Pensioner (RH) Limited, is established as the trading arm of The Royal Hospital Chelsea. The subsidiary has a deed of covenant with the parent under which profits are paid to the charitable Company under Gift Aid arrangements (see note 4 to the Financial Statements).



# ROYAL HOSPITAL CHELSEA APPEAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

### 12 MOVEMENT OF FUNDS

	1 April 2022 £	Income £	Expenditure £	Transfers £	31 March 2023 £
<b>Restricted Funds</b>					
Restricted IP Welfare	1,666,857	10,057	(122,191)	-	1,554,723
MTI Sensory Room	72,908	-	-	-	72,908
MTI Other RF	80,000	-	-	-	80,000
Restricted Donations	99,018	5,439	-	-	104,457
Cadogan Donation	184,789	150,000	(190,080)	-	144,709
Scarlet Appeal	235,343	-	(15,376)	-	219,967
MTI Restricted Donations	40,492	569,385	(24,270)	-	585,607
Chaplain Restricted	966	1,102	-	-	2,068
Dementia Appeal	109,498	-	(387)	-	109,111
Restricted Legacy	10,400	2,236	-	-	12,636
ABF Grant	95,000	-	-	-	95,000
Education Coordinator	21,904	-	-	-	21,904
Chaplain Music Foundation	48	-	-	-	48
National Lottery Heritage Fund Grant	4,225	128,157	(128,157)	-	4,225
Activities Centre	1,542,028	2,186	(10,529)	(1,533,685)	-
CBRE Cricket	608	2,670	(3,257)	-	21
Gardens Maintenance	400,000	12,147	(27,720)	-	384,427
RHC Outreach Work	4,008	4,000	-	-	8,008
Soane Stable Block Dev	27,757	661,404	(200,000)	-	489,161
Nurse Call System	-	226,365	-	-	226,365
<b>Total Restricted Funds</b>	<b>4,595,849</b>	<b>1,775,148</b>	<b>(721,967)</b>	<b>(1,533,685)</b>	<b>4,115,345</b>
<b>Unrestricted Funds</b>					
General Fund	2,276,501	5,137,713	(8,126,731)	1,533,685	821,168
<b>Total Unrestricted Funds</b>	<b>2,276,501</b>	<b>5,137,713</b>	<b>(8,126,731)</b>	<b>1,533,685</b>	<b>821,168</b>
<b>Total Funds</b>	<b>6,872,350</b>	<b>6,912,861</b>	<b>(8,848,698)</b>	<b>-</b>	<b>4,936,513</b>

During the year ended March 2023, the Activities centre was completed, as such funds restricted for this were transferred to unrestricted funds. In June 2023, it was agreed the funds originally restricted funds for IP Welfare could be used for the refurbishment of the Margaret Thatcher Infirmary (MTI).

ROYAL HOSPITAL CHELSEA APPEAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

12 MOVEMENT OF FUNDS (CONTD)

Group	1 April 2021 £	Income £	Expenditure £	31 March 2022 £
<b>Restricted Funds</b>				
Restricted IP Welfare	1,699,727	-	(32,870)	1,666,857
MTI Sensory Room	72,908	-	-	72,908
MTI Other RF	80,000	-	-	80,000
Restricted Donations	44,218	54,800	-	99,018
Cadogan Donation	172,249	150,000	(137,460)	184,789
Scarlet Appeal	324,503	-	(89,160)	235,343
MTI Restricted Donations	29,140	11,546	(194)	40,492
Chaplain Restricted	1,728	500	(1,262)	966
Dementia Appeal	109,498	-	-	109,498
Restricted Legacy	10,400	-	-	10,400
ABF Grant	95,000	-	-	95,000
Education Coordinator	21,904	-	-	21,904
Chaplain Music Foundation	-	48	-	48
National Lottery Heritage Grant - Fund	7,075	69,876	(72,726)	4,225
Activities Centre	1,458,117	94,779	(10,868)	1,542,028
CBRE Cricket	2,200	-	(1,592)	608
Gardens Maintenance	-	400,000	-	400,000
RHC Outreach Work	-	4,008	-	4,008
Soane Stable Block Dev	-	27,757	-	27,757
<b>Total Restricted Funds</b>	<b>4,128,667</b>	<b>813,314</b>	<b>(346,132)</b>	<b>4,595,849</b>
<b>Unrestricted Funds</b>				
General Fund	1,058,670	3,656,081	(2,438,250)	2,276,501
<b>Total Unrestricted Funds</b>	<b>1,058,670</b>	<b>3,656,081</b>	<b>(2,438,250)</b>	<b>2,276,501</b>
<b>Total Funds</b>	<b>5,187,337</b>	<b>4,469,395</b>	<b>(2,784,382)</b>	<b>6,872,350</b>
<b>NET ASSETS</b>	<b>Restricted £</b>	<b>Unrestricted £</b>	<b>Total 2023 £</b>	
Tangible Assets	-	9,951	9,951	
Stock	-	119,344	119,344	
Cash	4,115,345	1,789,880	5,905,225	
Net current liabilities	-	(1,098,007)	(1,098,007)	
<b>Total net assets</b>	<b>4,115,345</b>	<b>821,168</b>	<b>4,936,513</b>	
<b>NET ASSETS</b>	<b>Restricted £</b>	<b>Unrestricted £</b>	<b>Total 2022 £</b>	
Tangible Assets	-	13,727	13,727	
Stock	-	134,820	134,820	
Cash	4,595,849	2,986,937	7,582,786	
Net current liabilities	-	(858,983)	(858,983)	
<b>Total net assets</b>	<b>4,595,849</b>	<b>2,276,501</b>	<b>6,872,350</b>	

## ROYAL HOSPITAL CHELSEA APPEAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 12 MOVEMENT OF FUNDS (CONTD)

Restricted funds are available to spend but restricted as to their use by the wishes of the donor. All of the restricted funds received in the year and the balance remaining at the end of the year relate to funds raised for In-Pensioner care and welfare. The funds are transferred to the RHC for expenditure.

#### 13 LIMITATION OF LIABILITY

The Charitable Company is limited by guarantee and has no share capital. Every member of the Charitable Company undertakes to contribute such amount as may be required (not exceeding £1) to the Charitable Company's assets if it should be wound up whilst he or she is a member or within one year of ceasing to be a member.

Any property remaining after the Charitable Company has satisfied its debts and liabilities on winding up or dissolution shall not be distributed to members but shall be given to some other charity or charities having similar objects to the Charitable Company.

#### 14 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Group	2023 £	2022 £
Net (outgoing)/incoming resources	(1,935,837)	1,685,013
Depreciation charges (note 6)	3,776	6,132
Interest Received	(5,157)	(540)
Decrease/(increase) in stock	15,476	12,682
Decrease/(increase) in debtors	318,063	(976,135)
(Decrease)/increase in creditors	(215,039)	108,416
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(1,818,718)</u></b>	<b><u>835,568</u></b>

#### 15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Royal Hospital Chelsea is the ultimate parent undertaking and controlling party of Royal Hospital Chelsea Appeal Ltd.

#### 16 POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.