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Registered Number 515135

Welsh Hospitals and Health Services
Association

(A company limited by guarantee with no share capital)

Report and financial statements
for the year ended 31 December 2003

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Welsh Hospitals and Health Services Association

(A company limited by guarantee with no share capital)

Report and financial statements for the year ended 31 December 2003

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Welsh Hospitals and Health Services Association

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Executive Council Members and Advisers for the year ended 31 December 2003

Executive Council members

J C Parry
A L Davies
W R H Thomas
Mrs K M Roberts-Jones
Mrs J Lovatt
A Patterson
D W Williams
N R Thomas
J Moraghen
C M Walker (ceased on 25 July 2003)
Ms A J Pryer
H L Cooke (Executive Director)
J P Beynon (Executive Director)

Registered auditors

PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

Solicitors

Edwards Geldard
Dumfries House
Dumfries Place
Cardiff
CF10 3ZF

Registered office

60 Newport Road
Cardiff
CF24 0YG

Bankers

National Westminster Bank plc
117 St Mary Street Branch
Cardiff
CF10 1LG

Alliance & Leicester Commercial Bank plc
Bridle Road
Bootle
Merseyside
GIR 0AA

Fund managers

BWD Rensburg Limited
Quayside House
Canal Wharf
Leeds
LS11 5PU

Welsh Hospitals and Health Services Association

(A company limited by guarantee with no share capital)

Report of the Executive Council for the year ended 31 December 2003

The members of the Executive Council present their report and financial statements for the year ended 31 December 2003.

Principal Activities

The Association continues to act as a voluntary health care contributory scheme providing certain benefits to its contributors. The Association has appointed independent consultants to manage the investment portfolio.

WHA

The company trades as "WHA"

Review of the business

In the opinion of the Executive Council the state of the Association's affairs is satisfactory and there has been no material change since the balance sheet date. The Association will continue to focus on its principal activity and the Executive Council expect the current level of activity will continue for the foreseeable future.

Results

The profit for the year after taxation was £1,064,256 (2002: £146,912).

Investments in non-quoted company

The Association has an investment of £5,534 fully paid up £1 ordinary shares in BHCA (Services) Limited. This represents 5.54% of the ordinary share capital of that company. The investment of £5,534 has been fully provided for in the financial statements. BHCA (Services) Limited provides clearing house services for contributions payable to members of the British Health Care Association and others.

Executive Council members

A list of the Executive Council members including Executive Directors, who held office in the year is disclosed on page 3.

Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and accordingly a resolution to propose their reappointment will be submitted at the annual general meeting.



Chief Executive
Cardiff
5 March 2004

Welsh Hospitals and Health Services Association

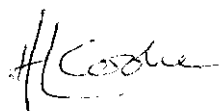
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Statement of responsibilities of the Executive Council

The Executive Council is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the income and expenditure of the Company for that period.

The Executive Council members confirm that suitable accounting policies have been used and applied consistently, and reasonable prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2003. The Executive Council members also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a *going concern basis*.

The Executive Council members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company, and hence taking reasonable steps to prevent and detect fraud and other irregularities.



Chief Executive
Cardiff
5 March 2004

Welsh Hospitals and Health Services Association

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Independent auditors' report to the Members of Welsh Hospitals and Health Services Association

We have audited the financial statements, which comprise the profit and loss account, the balance sheet, the cashflow statement and the related notes, which have been prepared in accordance with the accounting policies set out in the statement of accounting policies.

Respective responsibilities of the Executive Council and auditors

The Executive Councils' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of responsibilities of the Executive Council.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for, and only for, the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown, or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Executive Council's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Executive Council's report and the statement of responsibilities of the Executive Council.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Welsh Hospitals and Health Services Association

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Independent auditors' report to the Members of Welsh Hospitals and Health Services Association

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written over the printed name of the firm.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Bristol

5 March 2004

Welsh Hospitals and Health Services Association

(A company limited by guarantee with no share capital)

Profit and Loss account for the year ended 31 December 2003

Technical account – general business	Note	2003 £	2002 £
Written and earned premiums	1	4,591,562	4,616,562
Claims paid	2	(3,445,508)	(3,452,567)
Change in the provision for claims	2	9,569	(21,996)
Claims incurred		(3,435,939)	(3,474,563)
Net operating expenses	3	(832,297)	(827,168)
Balance on technical account for general business		323,326	314,831

Non technical account	Note	2003 £	2002 £
Balance on the general business technical account		323,326	314,831
Investment income	4	188,010	198,433
Unrealised gains on investments	4	516,187	-
Investment expenses and charges	4	(19,754)	(85,691)
Unrealised losses on investments	4	-	(360,994)
Other income		81,267	73,430
Profit on ordinary activities before taxation	7	1,089,036	140,009
Tax on profit on ordinary activities	8	(24,780)	6,903
Retained profit for the year	12	1,064,256	146,912

All activities are continuing.

The company has no other recognised gains and losses other than those above, and therefore no statement of recognised gains and losses has been presented.

Welsh Hospitals and Health Services Association

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Balance sheet as at 31 December 2003

Assets	Note	2003 £	2002 £
Investments			
Freehold land and buildings	9	548,773	348,434
Other financial investments	10	3,108,811	2,807,582
		3,657,584	3,156,016
Debtors			
Arising out of direct insurance operations	11	282,252	287,264
Other debtors	11	19,115	22,537
		301,367	309,801
Other assets			
Tangible assets	9	44,014	49,873
Cash at bank and in hand		5,468,423	4,918,835
		5,512,437	4,968,708
Total assets		9,471,388	8,434,525
Liabilities			
Capital and reserves			
Revenue account	12	8,775,960	7,711,704
		8,775,960	7,711,704
Technical provisions			
Claims outstanding	13	294,689	304,258
Provisions for other risks and charges	14	116,277	64,020
Creditors			
Creditors arising out of direct insurance operations	15	132,339	132,396
Other creditors including tax and social security	15	152,123	222,147
		284,462	354,543
Total liabilities		9,471,388	8,434,525

These financial statements on pages 8 to 25 were approved by the members of the Executive Council on 5 March 2004 and were signed on their behalf by:

..... *A L Davies* Chairman
A L Davies
..... *H L Cooke* Chief Executive
H L Cooke

..... *K M Roberts-Jones* Vice Chairman
Mrs K M Roberts-Jones

Welsh Hospitals and Health Services Association

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Cash flow statement for the year ended 31 December 2003

	Note	2003 £	2002 £
Net cash inflow operating activities	16	398,523	487,902
Returns on investments and servicing of finance			
Interest received		173,235	163,155
Taxation paid		(5,881)	-
Capital expenditure			
Payments to acquire tangible fixed assets		(14,676)	(38,274)
Receipts from sales of tangible fixed assets		-	10,000
		152,678	134,881
Net cash inflow		551,201	622,783

Cashflows were invested as follows:

	2003	2002
	£	£
Increase in cash holdings	549,588	622,451
Net Portfolio investments		
Purchase of shares and other variable yield securities and units in unit trusts	476,472	258,008
Purchase of debt securities and other fixed income securities	327,117	128,595
Sale of shares and other variable yield securities and units in unit trusts	(329,748)	(263,885)
Sale of debt securities and other fixed income securities	(376,644)	(115,174)
Decrease in cash held as part of portfolio investments	(95,584)	(7,212)
	1,613	332
Net investment of cash flows	17	551,201
		622,783

Welsh Hospitals and Health Services Association

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Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the provisions of Section 255 of, and Schedule 9A to, the Companies Act 1985, and with the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers ("the ABI SORP") dated December 1998. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements are prepared in accordance with applicable Accounting Standards.

Premiums

All policies are written on a monthly basis and premiums are recognised as earned on this basis.

Claims outstanding accounting policy

Provision is made for the estimated cost of settling all claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the company and related claims handling expenses. The company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

In calculating the estimated cost of unpaid claims the company uses a variety of estimation techniques generally based upon statistical analyses of historical claims experience, which assumes that the development pattern of the current claims will be consistent with past experience. Allowance is made however for changes or uncertainties which may create distortions in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce, examples of which could include inflation or a change in the comparative number of days in the year end period for which the number/value of claims experience is being used to project forward in calculating the outstanding provision.

The total costs of claims paid by the company at the balance sheet date is used to project the expected total cost for claims incurred by reference to statistics which show how the total cost of claims paid in previous periods has developed over time. The company adopts multiple techniques to estimate the required level of provisions. This assists in giving greater understanding of the trends inherent in the data being projected. The projections given by the various methodologies also assists in setting the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business and results of the projections.

Claims handling provision

A claims handling provision is established based upon the estimated cost of handling each claim and the estimated number of claims outstanding as at the year end. The cost of handling each claim is calculated based on past experience of the average cost of settling claims.

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Accounting policies

Depreciation

Depreciation is calculated to write off the cost of fixed assets, which includes purchase cost together with any incidental cost of acquisition, over the useful life of the asset. Depreciation is charged from the date of acquisition, to the date of disposal. The annual rates of depreciation, which are consistent with prior years, are:

Freehold property	2½% from date of revaluation
Motor vehicles	25% straight line on original cost
Office fixtures, fittings and equipment	20% on written down value
Computer system	20% straight line on original cost

No depreciation is provided on freehold land.

Investments

Listed investments are stated at closing quoted price on the balance sheet date. Unlisted investments for which no market exists are stated at directors' valuation. Land and buildings are valued at open market valuation. Full valuations are made by independent, professionally qualified valuers every three years. In the intervening years these valuations are updated by the directors with the assistance of independent professional advice as required. The aggregate surplus or deficit on revaluation is taken to the non-technical account.

Investment Return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest.

Dividends are recorded on the date on which the shares are quoted ex-dividend. Interest and expenses are accounted for on an accruals basis.

Realised gains and losses on investments carried at market value are calculated as the difference between net sales proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price or, if they have been previously valued, their valuation at the last balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Deferred Taxation

FRS 19 'Deferred Tax' is followed in the preparation of these accounts. The Standard requires full provision to be made on all timing differences, which have not reversed by the balance sheet date, except in certain circumstances as detailed in FRS19. Deferred tax assets are recognised only to the extent that it is more likely than not they will be recovered. In following FRS19 the company has chosen not to discount deferred tax assets and liabilities.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the revenue account when payable and are based on the advice of actuaries of FPS Group Limited, the Pension Fund Trustees.

Welsh Hospitals and Health Services Association

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Accounting policies

Operating leases

Rentals payable under operating leases are charged to the profit and loss account as incurred over the lease term.

Consolidated Accounts

The accounts of Welsh Hospitals and Health Services Charity Fund an unincorporated entity of which the Association is the ultimate controlling party have not been consolidated with those of the Association as the Executive Council considers that the amounts involved are not material.

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Notes to the financial statements for the year ended 31 December 2003

1 Earned premiums

	2003	2002
	£	£
Works and establishments	2,940,521	3,070,223
Individuals	1,651,041	1,546,339
	4,591,562	4,616,562

All premiums are written and earned in the UK.

2 Claims incurred

	2003	2002
	£	£
Claims paid	3,445,508	3,452,567
Outstanding claims carried forward	294,689	304,258
Outstanding claims brought forward	(304,258)	(282,262)
	(9,569)	21,996
Claims incurred	3,435,939	3,474,563

All claims were incurred in the UK.

3 Net operating expenses

	2003	2002
	£	£
Administrative expenses	642,688	670,450
Exceptional expense - building refurbishment costs	189,609	156,718
	832,297	827,168

All operating expenses were incurred in the UK.

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

4 Investment return

	2003	2002
	£	£
Investment income		
Income from other investments	188,010	198,433
	188,010	198,433
Investment expenses and charges		
Investment management expenses	(11,965)	(12,128)
Losses on realisation of investments	(7,789)	(73,563)
	(19,754)	(85,691)
Unrealised gain/(loss) on investments	516,187	(360,994)
Total investment return	684,443	(248,252)

5 Employee information

The average number of persons employed by the Association was 12 (2002: 12).

	2003	2002
	£	£
Staff costs were:		
Salaries	243,351	234,244
Social Security costs	25,851	23,327
Pension costs	26,736	22,757
Pension payments to former employees	8,718	4,370
	304,656	284,698

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Notes to the financial statements for the year ended 31 December 2003

6 Executive Directors' emoluments

Executive Directors' emoluments for the year totalled £93,560 (2002: £90,910) including benefits.

The Non-Executive Directors received no emoluments for their service during the year.

Retirement benefits are accruing to two Executive Directors by way of the Association's participation in a defined contribution scheme operated by FPS Group Limited. The contributions payable by the Association amounted to £11,216 (2002: £10,273).

7 Profit on ordinary activities before taxation is stated after charging;

	2003	2002
	£	£
Depreciation:		
Land and buildings	8,443	8,030
Tangible owned assets	19,586	20,353
Other operating lease rental	1,413	956
Other costs:		
Fees paid to auditors:		
Audit	32,313	29,375
Other services	18,242	7,813
Donation to WHHS Charity Fund	-	5,000
Loss on disposal of owned assets	949	4,035

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

8 Taxation

	2003	2002
(a) Analysis of tax charge in the period		
	£	£
The charge based on the profit for the year comprises:		
United Kingdom Corporation tax		
Charge for the year	42,616	30,000
In respect of prior years	(70,093)	-
	(27,477)	30,000
Deferred taxation		
Charge/(credit) for the year	52,257	(36,903)
Total current tax credit	24,780	(6,903)

	2003	2002
(b) Factors affecting tax charge in period		
	£	£
Profit on ordinary activities before tax	1,089,036	140,009
Profit on ordinary activities before tax at 30% (2002: 30%)	326,711	42,003
Effects of:		
Expenses not deductible for tax purposes	-	5,439
Income exempt from UK tax	(113,024)	-
Capital allowances for period in excess of depreciation	(86,296)	3,150
Short term timing differences	-	(6,784)
Income tax credit	-	(1,419)
Tax at marginal rate	(24,673)	(14,798)
Revaluations	(60,102)	2,409
Adjustments to tax in respect of previous periods	(70,093)	-
Total current tax charge for period	(27,477)	30,000

At present the Association is treated on a favourable tax basis as though it was a mutual business. The Inland Revenue is proposing to change this basis with the effect that future periods will be liable to corporation tax on a full trading basis.

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

9 Tangible assets

	<i>Investments</i>		<i>Tangible assets</i>		
	Freehold land and buildings	Computer system	Office fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2003	365,000	35,637	44,214	39,634	119,485
Additions	-	1,032	13,644	-	14,676
Disposals	-	-	(7,481)	-	(7,481)
Revaluation	185,000	-	-	-	-
At 31 December 2003	550,000	36,669	50,377	39,634	126,680
Depreciation					
At 1 January 2003	16,566	29,784	24,482	15,346	69,612
Charge for the year	8,443	3,964	5,714	9,908	19,586
Disposals	-	-	(6,532)	-	(6,532)
Revaluation	(23,782)	-	-	-	-
At 31 December 2003	1,227	33,748	23,664	25,254	82,666
Net book amount					
At 31 December 2003	548,773	2,921	26,713	14,380	44,014
At 31 December 2002	348,434	5,853	19,732	24,288	49,873

The freehold land and buildings were independently valued at £550,000 on 25 November 2003 by Fletcher Morgan, Chartered Surveyors on an existing use basis.

The freehold land and buildings are occupied by the company for its own use.

Welsh Hospitals and Health Services Association
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Notes to the financial statements for the year ended 31 December 2003

9 Tangible assets (continued)

If the freehold land and buildings had not been revalued they would have been included at the following amounts:

	2003 £	2002 £
Cost	34,273	34,273
Aggregate depreciation based upon cost	22,103	21,349

10 Other financial investments

	2003 Market value £	2003 Cost £	2002 Market value £	2002 Cost £
Shares and other variable yield securities and units in unit trusts	1,852,780	1,989,895	1,432,921	1,865,605
Debt Securities and other fixed income securities	1,140,301	1,081,709	1,163,347	1,116,591
Deposits with credit institution	115,730	115,730	211,314	211,314
	3,108,811	3,187,334	2,807,582	3,193,510

Included in the market values above are amounts in respect of listed investments as follows:

	2003 £	2002 £
Share and other variable yield securities and units in unit trusts	1,852,780	1,432,921
Debt securities and other fixed income securities	1,140,301	1,163,347
	2,993,081	2,596,268

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

11 Debtors

	2003	2002
	£	£
Premium debtors arising out of direct insurance operations	282,252	287,264
Other debtors	19,115	22,537
	301,367	309,801

12 Reserves

	Revenue account	Total
	£	£
At 1 January 2003	7,711,704	7,711,704
Profit for the year	1,064,256	1,064,256
At 31 December 2003	8,775,960	8,775,960

In accordance with the Memorandum of Association the Company cannot distribute reserves by way of a dividend or in any other manner by way of profit to Members of the Association.

13 Technical provisions

	2003	2002
	£	£
Claims outstanding	294,689	304,258

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

14 Provisions for other risks and charges

	Provision for FSCS levy £	Deferred Tax £	Total £
Provision brought forward 1 January 2003	-	64,020	64,020
Charge to profit and loss account during the year	-	52,257	52,257
Provision carried forward 31 December 2003	-	116,277	116,277

	2003		2002	
Deferred taxation	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Accelerated capital allowance	-	-	(3,091)	-
Capital gains / revaluations	154,350	-	94,248	-
Trading losses	(17,720)	-	-	-
Other timings differences	(20,353)	-	(27,137)	-
	116,277	-	64,020	-

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

15 Creditors falling due within one year

	2003	2002
	£	£
Arising out of direct insurance operations		
Premiums paid in advance	132,339	132,396
Other creditors including tax and social security		
Corporation tax payable	39,952	73,310
Insurance premium tax	58,017	57,756
Other creditors	54,154	91,081
	152,123	222,147
	284,462	354,543

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

16 Reconciliation of profit before tax to net cash inflow from operating activities

	2003	2002
	£	£
Profit before tax	1,089,036	140,009
Depreciation	28,029	28,383
Loss on disposal of fixed assets	949	4,034
Deposit account interest	(173,235)	(163,155)
Loss on disposal of investments	7,789	73,563
Unrealised (gain) /loss on investments	(516,187)	360,994
Decrease in contributions income receivable	5,012	46,026
Decrease / (increase) in other debtors	3,422	(8,421)
Increase in technical provisions	(9,569)	21,996
(Decrease) / increase in direct insurance liabilities	(57)	2,526
(Decrease) / increase in provisions	-	(32,749)
(Decrease) / increase in other creditors	(36,666)	14,696
Net cash inflow from operating activities	398,523	487,902

Welsh Hospitals and Health Services Association

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Notes to the financial statements for the year ended 31 December 2003

17 Movement in cash and portfolio investments

	At 1 January 2003	Cash flow	Changes to market value	Other changes	At 31 December 2003
	£	£	£	£	£
Cash at bank and in hand	4,918,835	549,588	-	-	5,468,423
Shares and other variable yield securities and units in unit trusts	1,432,921	146,531	273,328	-	1,852,780
Debt Securities & other fixed income securities	1,163,347	(49,334)	26,288	-	1,140,301
Land and buildings	348,434	-	208,782	(8,443)	548,773
Deposits with credit institution	211,314	(95,584)	-	-	115,730
	8,074,851	551,201	508,398	(8,443)	9,126,007

18 Financial commitments

At 31 December 2003 the company had annual commitments under non cancellable operating leases expiring as follows:

	2003	2002
	£	£
Within two to five years	1,453	956
	1,453	956

19 Pension schemes

The Association participates in a defined contribution scheme operated by FPS Group Limited with assets held in a separately administered fund. The pension costs representing contributions payable by the Association amounted to £26,736 (2002: £22,757). There are no outstanding contributions as at the year end.

20 Association status

The Association is a registered company limited by guarantee with no share capital. The liability of each member is limited to £1.

Welsh Hospitals and Health Services Association

(A company limited by guarantee with no share capital)

Notes to the financial statements for the year ended 31 December 2003

21 Capital commitments

Capital commitments outstanding at the year-end are £Nil (2002: £Nil).

22 Contingent liabilities

As an authorised insurance company in the United Kingdom, the Association is subject to levies from time to time from the Financial Services Compensation Scheme ("FSCS"). In any financial year the FSCS may impose compensation costs levies of up to 0.8% of relevant net premium income. The FSCS may also impose management expenses levies. Currently the FSCS do not anticipate raising a levy for 2002 but expect that they will in all probability, raise a levy for 2003. However, it is too early for them to make a detailed assessment of the likely levy requirement. As such it is not possible for a reliable estimate to be made for the level of provision to be booked and, therefore, in compliance with FRS12, no provision has been made in these financial statements for either 2002 or 2003.

23 Welsh Hospitals and Health Services Charity Fund

No donations were made to the Welsh Hospitals and Health Services Charity Fund during 2003 (2002: £5,000) the Trustees of which are members of the Executive Council of the Association. The charity distributes the donation to suitable causes.