



## **Annual Report and Financial Statements for Mid Cheshire Hospitals Charitable Fund**



**Registered Charity no. 1049008**

**For the financial year ended 31 March 2021**



## **Report of the Trustees of Mid Cheshire Hospitals Charitable Fund for the year ended 31<sup>st</sup> March 2021**

The Trustee's present their annual report and the audited financial statements of the Mid Cheshire Hospitals Charitable Fund (referred to as "the Charity") for the year ended 31<sup>st</sup> March 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and to comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102, 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

The Charity is a subsidiary of Mid Cheshire Hospitals NHS Foundation Trust, Leighton Hospital, Middlewich Road, Crewe, Cheshire, CW5 6HG which provides NHS acute and community healthcare to the local health economy. The Corporate board of Mid Cheshire Hospitals NHS Foundation Trust acts as the Trustee of the Charity. Copies of the full Annual Report and Accounts for Mid Cheshire Hospitals which include the consolidated Charity accounts can be obtained from the Trust website or from the Communications Office, Leighton Hospital, Middlewich Road, Crewe, Cheshire, CW1 4QJ.

### **Objectives and Activities for the public benefit**

The objective of the Charity is to hold and raise funds for any charitable purpose or purposes relating to the National Health Service, and to be the charity of choice within the catchment area of Mid Cheshire Hospitals NHS Foundation Trust. The Trustees confirm that they have referred to the Charity Commission guidance on public benefit when reviewing the aims and objectives, in planning future activities, and reviewing spending plans throughout the year.

Other objectives for the year ended 31<sup>st</sup> March 2021 were to complete the new 'Lost Little Ones' baby bereavement suite appeal, which launched in October 2019. The appeal aims to raise approximately £100,000 to fund a dedicated suite on the labour ward at Leighton Hospital where parents suffering baby loss can spend precious time creating memories which will need to last a lifetime. The Covid Pandemic had a significant effect on this appeal, with fundraising events being cancelled. However, the target was achieved by April 2021.

All spending made via the Charity must have a demonstrable link to the benefit made to patient care either by direct improvements to patient services or by improvements to staff training or staff well-being which allow them to provide better care for the patients. Throughout 2020/21 there was a huge response from the community to support staff well-being

The Charity does not make any financial grants directly to any organisation. The Charity purchases agreed goods or services and donates them to Mid Cheshire Hospitals NHS Foundation Trust for their exclusive use and benefit, and higher value items are treated as donated assets within the accounts of Mid Cheshire Hospitals NHS Foundation Trust.

## **Achievements and performance**

The total income for the year was £552,000 (2019/20: £513,000), which was an increase on the previous year. Expenditure for the year has totalled £500,000 (2019/20: £290,000)

The original plan for the year 2020/21 was to complete the Lost Little Ones baby bereavement suite appeal which launched in September 2019 and to launch an additional two appeals throughout the year to support the chemotherapy and breast care units to raise funds for equipment to enhance their service to patients.

As the COVID-19 pandemic took hold in March 2020 these plans were paused, and all fundraising activities were cancelled. The charity team quickly shifted focus to support Mid Cheshire Hospitals NHS Foundation Trust, to help manage the huge numbers of donations and offers of support which started to come in from mid-March and continued throughout the first half of the year. At the same time the charity launched a Just Giving Staff Emergency Appeal which eventually raised £9,000.

'Gifts in kind' were gratefully received by the charity for staff and patients. These included snacks, soft drinks, hot food, hand creams, face wipes, lip balms, ear protectors, face visors and scrubs. These came in from members of the Trust's local communities and from businesses both locally and nationally including: Corkers Crisps, Mornflake, Matalan, Asda, Morrisons and Odeon Cinema. Due to it being difficult to value these items reliably the value of these have not been included in the accounts.

Major donations were received from three locally based companies: Orsted, Compass Minerals and Barclays, which totalled £139,500.

Alongside this local support, nationally NHS Charities Together (NHSCT) launched an emergency appeal which proved to be hugely successful. MCH Charity was already a member of NHSCT and by early April had received a first emergency grant of £35,000 (which was followed in May by a second grant of the same amount). The charity became members of the newly created Trust Staff Health and Wellbeing Board which quickly developed and delivered projects to support staff during the pandemic.

Grants from the charity were approved to fund additional kitchen/staff room items such as microwaves, kettles, coffee machines and fridges, which were needed to enable staff to quickly access food and drinks without having to leave their work area. Temporary wellbeing rooms were created, and items were purchased to furnish them, this was supported by a large loan of sofas and chairs from a local exhibition company which was unable to operate during 2020.

Funding was also approved for additional water coolers, thermal flasks for community-based staff and to pay for improvements to a 'Wellbeing Walk' at Leighton Hospital.

A further grant from NHSCT of £50,000 was received in July to fund projects specifically aimed at supporting BAME staff, and in acknowledgement of the additional support that staff would need during the second wave, a third emergency grant of £50,000 was received in November 2020.

Towards the end of the year the charity re-launched the Lost Little Ones appeal and were able to adapt and deliver several successful Christmas activities. By the end of April 2021, the £100,000 target for the appeal was achieved.

As the second wave took hold the charity supported the Health and Wellbeing Board to deliver urgent projects to support staff which included providing hot soups and frozen meals for staff unable to leave their workplaces during shifts and delivering snacks and refreshments to other staff across the whole Trust to support energy levels.

Other projects funded from the Staff Fund include: access for nursing and midwifery staff to a Florence Nightingale Foundation online resource portal; training to create an additional 16 Mental Health First Aiders and workshops to help 120 staff maintain and improve their own levels of resilience and their mental health. Projects to increase access for staff to outside spaces and to furnish newly created serenity rooms for all staff at Leighton Hospital and Victoria Infirmary are ongoing.

Despite the focus being changed to the support of welfare services, the Charity still managed to achieve the objectives it set for 2020/21, to provide the funding for new scalp coolers for Chemotherapy patients and the provide enhancements to the software for Breast Screening which would improve outcomes for patients. In addition to this, funds were made available to purchase a Hologic Fluroscan which would improve the service within the Fracture clinic, and a specialist Biopsy chair for use within the Urology Department. Both items were funded from legacies received.

## **Financial Review**

By the end of March 2021, the Charity held funds to the value of £1,151,000 (2019/20: £1,019,000), which includes a provision for the receipt of legacies to the value of £43,000 (2019/20: £19,000) which are expected to be finalised during 2021/22. The fund balance will ensure that wards and departments can continue to fund the extra benefits for patients for the forthcoming year.

2020/21 was also the first year that the Charity had received Grant income to the value of £295,000. Further grants are expected to be received from NHS Charities Together in 2021/22 but for much lower values.

The Charity has no permanent endowments so funds are available to spend at the discretion of the Trustee. The Charitable Committee encourages funds to be spent within reasonable timescales – ideally within two years of the donation receipt. Fund managers are approached on an annual basis for spending plans which are checked against the public benefit criteria. The Charity aims to maintain one year's worth of normal expenditure as its reserve, which is in the



region of £250,000. In arriving at the appropriate level of reserves, the financial risks facing the Charity, likely future expenditure (based on historic evidence) and the level of existing funds have all been considered by the Trustee, and will continue to be monitored throughout the next accounting period.

The clinical divisions have all participated in the management of funds with boards including discussions on the usage of funds within Divisional Board meetings and developing divisional spending and fundraising plans.

The major risk the Charity is exposed to is the fall in the value of investments held on the stock exchange. These have been carefully considered and are reviewed by our Investment advisors and the Charity Trustee Sub-Committee. The value of the investments saw a dip in value at the end of March 2020, however markets have recovered throughout the year, with Investment values returning to pre-Covid levels leaving the portfolio with unrealised gains of £66,000 (2019/20: -£5000). A cautious approach has been taken by our Investment Advisors, which has maintained income and protected capital. The Trustees will monitor the investment value to ensure that funds have sufficient cash available to meet needs. Future falls in investment values may require a spending moratorium to be introduced to protect public donations now being received.

The material funding for the period has come from generous donations from the public, Grants received and gifts in kind from both public and corporate entities. Legacies continue to be a valuable resource for the Charity and the Trustees would encourage local users of our services to think about leaving a legacy in their will to ensure that we can continue to provide better care and facilities for our patients.

### **Plans for the Future**

Looking ahead the charity has launched a new appeal for 2021, which will provide funding to improve and enhance a new paediatric unit within the Emergency Care Centre. The charity will also continue to work with the Health and Wellbeing Board to identify projects to support the Trust's Restoration and Recovery plan and will develop a proposal to apply for further funds from NHSCT before the end of 2021.

A 'fundraiser-focussed' website is now available which will make it easier for people to engage with, fundraise for and donate to the charity and will enable the charity to celebrate its achievements to a wider audience.

The charity will resume building links with local communities and businesses to support one of the charity's aims to become the local 'charity of choice'. It is hoped that the Community Fundraising event programme can be fully restored by the end of March 2022.

## **Structure, Governance and Management**

The main recipient of funds raised by Mid Cheshire Hospitals Charitable Fund is Mid Cheshire Hospitals NHS Foundation Trust for the benefit of its patients and staff.

The Mid Cheshire Hospitals Charitable Fund was created by Trust Deed as a governing document and is registered with the Charity Commission as the main umbrella charity for Leighton Hospital and Victoria Infirmary, Northwich (registered number 1049008). This was entered on the Central Register of Charities on 5 September 1995.

There are 3 active subsidiary unrestricted charities registered under the main umbrella charity which are:

Leighton Hospital General Fund – for charitable purposes relating to the NHS;

Victoria Hospital General Fund – for general charitable purposes relating to the NHS;

Cancer Fund – For the prevention, treatment and cure of cancer, the relief of suffering and research and education.

Charitable funds received by the charity are accepted, held and administered as funds and property held on trust by the corporate body for purposes relating to the health service in accordance with the National Health Service Act 1977 and the National Health Service and Community Care Act 1990.

The board of Mid Cheshire Hospitals NHS Foundation Trust acts as Corporate Trustee for the Charity and meets independently twice a year. Non-Executive members of the Trust Board have been appointed by the Council of Governors in accordance with the Constitution of the NHS Foundation Trust, and Executive members of the Board are subject to recruitment by the NHS Foundation Trust Board. All Board Members undertake a Trust Induction programme upon appointment. All Board members receive regular updated information from the charity Commission regarding their role as Trustees. Members of the Trust Board and the Charitable Funds Committee do not act as individual Trustees.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and the Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff. The Trustee involves each Division, ward and department in fundraising and decisions regarding the expenditure of charitable monies.

The Corporate Trustee has delegated duties to a Charities Committee who advise and assist the Corporate Trustee through:

- The control, management and monitoring of the use of the fund resources;
- Approval of all expenditure;
- Providing support, guidance and encouragement for all its income raising activities;

- Ensuring that “best practice” is followed in conduct of all its affairs and fulfilling all of its legal responsibilities including ensuring that the use of funds meets the Public Benefit Requirement set out by the Charities Commission;
- Ensuring that the approved Investment Policy is adhered to and that performance is continually reviewed whilst being aware of ethical considerations; and
- Keeping the Trust Board fully informed on the activity, performance and the risks of the Charity.

No payments are made to any individual on the basis of their membership of the Corporate Trustee or the Charities Committee.

## Reference and Administrative Details

The Charity is registered with the Charity Commission of England and Wales, registration number 1049008. The charity is a Public Benefit Entity and the trustees can confirm that they have regard to the Charity Commission’s guidance on public benefit.

The Corporate Board acting as Trustee had the following members who served during the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021:

Mr Dennis Dunn	-	Trust Chairman
Mr John Church	-	Deputy Chair
Mrs Lorraine Butcher	-	Non-Executive
Mrs Lesley Massey	-	Non-Executive
Mr Trevor Brocklebank	-	Non-Executive
Mr Les Philpott	-	Non-Executive
Mr Andy Vernon	-	Non-Executive
Mr James Sumner	-	Chief Executive
Mr Russ Favager	-	Director of Finance and Planning & Deputy Chief Executive
Mrs Heather Barnett	-	Director of Workforce
Mrs Julie Tunney	-	Director of Nursing and Quality
Mr Chris Oliver	-	Chief Operating Officer (to 30.06.2020)
Mr Oliver Bennett	-	Chief Operating Officer (from 20.07.2020)
Mr Murray Luckas	-	Medical Director
Mrs Denise Frodsham	-	Director of Strategic Partnerships

All are voting members of the Corporate Board.

The membership of the Charities Committee for the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 is as follows:

Mr John Church	-	Non-Executive (Chair)
Mr Dennis Dunn	-	Trust Chairman

Mr Russ Favager	-	Director of Finance and Planning (or Deputy )
Mrs Julie Tunney	-	Director of Nursing and Quality

Meeting of the Charities Committee during 2020/21 were also attended by:

Mr Duncan Goff	-	Representing Director of Finance
Ms Caroline Birch	-	Chief Financial Accountant
Mrs Emma Robertson	-	Charity Manager
Mrs Glynda Alasadi	-	Governor

The Director of Finance and Planning of Mid Cheshire Hospitals NHS Foundation Trust, Mr Russ Favager, acts as Principal Advisor to the Corporate Trustee and as Principal Officer for the day-to-day management.

The Principal office for the Charity is Finance Department, Mid Cheshire Hospitals NHS Foundation Trust, Leighton Hospital, Middlewich Road, Crewe, Cheshire, CW1 4QJ.

The Bankers for the Charity are Barclays Bank, Colmore Row, Birmingham, B3 2WN.

The Principal Solicitors for the Charity are Hill Dickinson LLP, No 1 St Paul's Square, Liverpool, L3 9SJ.

The Investment Managers advising the Charity are Sanlam Wealth Ltd, 'ASL', Stafford Court, 145 Washway Road, Sale, M33 7PE.

The Independent Auditors for the purposes of section 149 of the Charities Act 2011 are KPMG, 1 St Peters Square, Manchester, M2 3AE.

### And Finally

On behalf of the staff and patients who have benefited from improvements due to donations or legacies, the Trustee would like to thank all patients, relatives, staff and members of the community who have made charitable donations to Mid Cheshire Hospitals Charitable Fund, and hope that you will continue to support the Charity in the future.

Approved on behalf of the Corporate Trustee



R. A. Favager



## **Independent auditor's report to the Trustees of Mid Cheshire Hospitals Charitable Fund**

### **Opinion**

We have audited the financial statements of Mid Cheshire Hospitals Charitable Fund ("the charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We have been appointed as auditor under section 149 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### ***Identifying and responding to risks of material misstatement due to fraud***

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, and inspection of policy documentation as to the Charity's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Trustee Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Charity's accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of some of the Charity-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries made to unrelated accounts linked to the recognition of revenue and other unusual journal characteristics.
- Assessing whether revenue transactions either side of the year end were recognised in the correct period.

***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation), and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Charity is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The trustees are responsible for the other information, which comprises the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and,

accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

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

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Trustees' responsibilities**

As explained more fully in their statement set out on page 14, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity'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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the charity's trustees as a body, in accordance with section 149 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Tim Cutler', with a stylized flourish at the end.

**Timothy Cutler**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

1 St Peter's Square

Manchester

M2 3AE

6 October 2021

*KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*



## Annual Accounts 2020/21

### Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees are required to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law. They are responsible for keeping accounting records which are sufficient to show and explain the charity's transactions and disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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

Signed on behalf of the Corporate Trustees



Date: 30.9.2021

R. A. Favager

Date: 30.9.2021

**Statement of Financial Activities for period ended 31st March 2021**

	2020/21		2019/20	
	Unrestricted '000	Total '000	Unrestricted '000	Total '000
<b>Income</b>				
Donations (note 2)	462	462	195	195
Legacies	78	78	305	305
Investment Income (note 3)	12	12	13	13
<b>Total</b>	<u>552</u>	<u>552</u>	<u>513</u>	<u>513</u>
<b>Expenditure</b>				
Cost of raising Funds (Note 4)	-48	-48	-39	-39
Charitable Activities (Note 5)	-452	-452	-251	-251
<b>Total</b>	<u>-500</u>	<u>-500</u>	<u>-290</u>	<u>-290</u>
 Net gains/(losses) on Investments	 80	 80	 -52	 -52
<b>Net Expenditure</b>	<u>132</u>	<u>132</u>	<u>171</u>	<u>171</u>
 Transfers between Funds	 0	 0	 0	 0
<b>Net Movement in Funds</b>	<u>132</u>	<u>132</u>	<u>171</u>	<u>171</u>
 <b>Reconciliation of Funds</b>				
Total Funds Brought Forward	1,019	1,019	848	848
<b>Total Funds Carried Forward</b>	<u>1,151</u>	<u>1,151</u>	<u>1,019</u>	<u>1,019</u>

**Balance Sheet as at 31st March 2021**

	2020/21		2019/20	
	Unrestricted '000	Total '000	Unrestricted '000	Total '000
<b>Fixed Assets</b>				
Investments (Note 7)	671	671	582	582
Total fixed assets	671	671	582	582
<b>Current Assets</b>				
Debtors (Note 9)	47	47	27	27
Cash at Bank (Note 8)	532	532	448	448
Total current assets	579	579	475	475
<b>Liabilities</b>				
Creditors falling due within one year (Note 10)	-99	-99	-38	-38
Total Liabilities or provisions	-99	-99	-38	-38
 Net current assets or liabilities	 480	 480	 437	 437
<b>Total net assets</b>	<b>1151</b>	<b>1151</b>	<b>1019</b>	<b>1019</b>
 Funds of the Charity (Note 11)				
Unrestricted Funds	1,151	1,151	1019	1019
	1151	1,151	1019	1019

The notes on pages 19 to 29 form part of these accounts

Signed on behalf of the Corporate Trustee (the Board of Mid Cheshire Hospitals NHS Foundation Trust)

Dennis Dunn MBE JP DL  
Chairman

Date 01.10.21

Russ Favager  
Director of Finance and Planning: .....

  
R A Favager

01/10/2021  
Date .....

**Statement of Cash Flows for period ended 31st March 2021**

	Total funds '000	Prior year funds '000
<b>Cash Flows from operating activities:</b>		
<b>Net cash provided by (used in) operating activities</b>	134	450
<b>Cash flows from Investing Activities</b>		
Dividends from Investments ( note 3)	12	13
Proceeds from sale of investments (note 7)	292	80
Purchase of investments ( note 7)	-351	-95
Investment fees (note 4)	-3	-3
<b>Net cash provided by(used in)investing activities</b>	-50	-5
<b>Change in cash and cash equivalents in year</b>	<u>84</u>	<u>445</u>
 Cash and cash equivalents as at 1st April 2020	 448	 3
<b>Cash and cash equivalents as at 31st March 2021</b>	<u><u>532</u></u>	<u><u>448</u></u>

**Reconciliation of net Income/(expenditure) to net cash flow from operating activities**

	2020/21 '000	2019/20 '000
Net income/(expenditure) for 2020/21 as per SOFA	132	171
(Gains)/Loss on Investments	-30	55
Dividends	-12	-13
(Increase)/Decrease in Debtors	-20	280
Increase/(Decrease) in Creditors	61	-34
Increase/(Decrease) in Provisions	0	-12
Investment Fees	3	3
<b>Net Cash provided by/(used in) Operating Activities</b>	<u><u>134</u></u>	<u><u>450</u></u>



## Notes to the Accounts

### Note 1 - Accounting Policies

Mid Cheshire Hospitals NHS Foundation Trust is the corporate trustee to Mid Cheshire NHS Charitable Fund, referred to as 'the Charity'.

The Foundation Trust has assessed its relationship to the Charity and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2019) preparing their accounts in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued on October 2019 and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The Charity operates for the benefit of patients, staff and visitors of Mid Cheshire Hospitals NHS Foundation Trust and is therefore a public benefit entity.

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 5.

The Trustees, after reviewing the cash flow forecasts for 2021/22 and the Group's 5 year strategic plan, is of the opinion that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

### Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Debtors are accrued for when the Charity is reasonably satisfied that it will receive the cash. Invoices will be accrued for at face value and legacies will be accrued for at the sum specified or an estimate based upon the estate valuation at the date of death.

### Expenditure

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. The financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the accounts when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Expenditure is split into two main categories being the costs of raising funds and the actual costs of charitable activities.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs (Note7).

The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities together with the salaries and overhead costs of the Community fundraiser.

Costs of activities in the furtherance of charitable activities are expenditure incurred on the provision of services or goods. Support costs are an integral and material part of the costs of these activities.

Creditors are accrued for when the Charity is satisfied that it received the goods or service before the 31st March, and they are based on invoice actual value.

### **Cash at bank or in hand**

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The bank accounts held by the Charity both fall within this definition, and no other type of account is held.

### **Investment Fixed Assets**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market price, as provided by our Investment advisors. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Investment Income is accounted for at the point of receipt in the holding account of the nominated Investment advisors.

### **Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### **Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

### **Provisions**

A Provision is a liability for which the timing or amount is uncertain. It is recognised when:

- the charity has a present obligation as a result of a past event that existed at the balance sheet date;
- It is probable that a transfer of economic benefits will be required to settle the obligation; and
- the amount can be reliably estimated.

### **Structure of Funds**

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund. The Charity no longer holds restricted funds.

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Mid Cheshire Hospitals Charitable Fund holds no endowment funds.

Other funds are classified as unrestricted funds. Unrestricted funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the donor has made known their non-binding wishes or where the Trustee at its discretion has created a fund for a specific purpose.

The Trustee involves each division, ward, department, and where appropriate staff representatives, in fundraising and decisions regarding expenditure of charitable monies. A Committee of the Trust Board meets regularly and approves all expenditure.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Charity's accounting policies, which are described above, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustee does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

#### **Going Concern**

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note 7.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the 12 month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

**Note 2: Income from Donations**

	2020/21	2019/20
	'000	'000
Donations from public	71	175
Memorial Donations	30	16
In aid of Fundraising	66	4
NHS Charities together grants	170	0
Barclays Charitable Grant	125	0
	<u>462</u>	<u>195</u>

**Note 3: Investment Income**

	2020/21	2019/20
	'000	'000
Dividends on Investments	12	13
	<u>12</u>	<u>13</u>

**Note 4: Cost of Raising funds**

	2020/21	2019/20
	'000	'000
Investment Managers Fees	3	3
Fundraising Management	45	36
	<u>48</u>	<u>39</u>

**Note 5: Analysis of Expenditure on Charitable Activities**

	2020/21		2019/20	
	Unrestricted	Total	Unrestricted	Total
Direct contribution to Patient Welfare				
Additional Equipment	218	218	107	107
Enhancement of patient experience	18	18	23	23
Improvement of patient facilities	2	2	22	22
Direct Contribution to staff Welfare				
Educational opportunities for staff	28	28	11	11
Improvement to staff facilities	66	66	2	2
Recognition of staff achievements	45	45	12	12
Support costs	75	75	74	74
Total Expenditure	<u>452</u>	<u>452</u>	<u>251</u>	<u>251</u>

**Note 6: Analysis of Support Costs**

	2020/21			Basis of Allocation	2019/20		
	Raising Funds Unrestricted	Charitable Activities Unrestricted	Total		Raising Funds Unrestricted	Charitable Activities Unrestricted	Total
Governance	10	-	10	Apportionment on average fund balance	3	2	5
Audit Fee	-	5	5	Apportionment on average fund balance	-	4	4
Finance support	-	14	14	Apportionment on average fund balance	-	13	13
Information Technology	4	1	5	Apportionment on average fund balance	4	6	10
Human Resources	34	55	89	Allocated on time and average fund balance	32	49	81
Totals	48	75	123		39	74	113

Audit Fee received by the Auditor was £4,100 (19/20 £4,000)

**Note 7: Fixed Asset Movements - Investments**

	2020/21 '000	2019/20 '000
Market Value as at 1st April 2020	582	622
Add: Additions to Investments at cost	351	95
Less: Sales at carrying value	-292	-80
Less: Net (loss)/gain on revaluation	30	-55
Market value as at 31st March 2021	671	582

Historic cost of Investments at 31st March £605K

**Investments at Market value comprised:**

	2020/21 '000	2019/20 '000
Equities listed on UK stock exchange	657	546
UK Money market investments	14	36
	671	582

**Note 8: Analysis of cash and cash equivalents**

	2021/22 '000	2019/20 '000
Cash in hand	532	448
Total Cash and cash equivalents	532	448



**Note 9: Analysis of Debtors**

	2020/21	2019/20
	'000	'000
HMRC Gift aid	4	8
Confirmed Legacies	43	19
	<u>47</u>	<u>27</u>

**Note 10: Analysis of Creditors falling within one year**

	2020/21	2019/20
	'000	'000
Funds due to MCHT	99	38
	<u>99</u>	<u>38</u>

**Note 11: Analysis of Charitable Funds**

2020/21	Balance B/fwd 01.03.2020	Income 20/21	Expenditure 20/21	Transfers 20/21	losses 20/21	Fund c/fwd 31.03.2021
	'000	'000	'000	'000	'000	'000
Unrestricted Funds						
Leighton Hospital & Victoria Infirmary	1019	954	-902	0	80	1151
	<u>1019</u>	<u>954</u>	<u>-902</u>	<u>0</u>	<u>80</u>	<u>1151</u>

**Significant Balances of funds held as at 31st March 2021**

Dementia Appeal	£131K
Leighton General	£307K
Health & Wellbeing Fund	£235K
Other Funds	£478K

2019/20	Balance B/fwd 01.03.2019	Income 19/20	Expenditure 19/20	Transfers 19/20	losses 19/20	Fund c/fwd 31.03.2020
	'000	'000	'000	'000	'000	'000
Unrestricted Funds						
Leighton Hospital & Victoria Infirmary	848	513	-290	-69	17	1019
	<u>848</u>	<u>513</u>	<u>-290</u>	<u>-69</u>	<u>17</u>	<u>1019</u>

**Significant Balances of funds held as at 31st March 2020**

Dementia Appeal	£226K
Leighton General	£331K
Cancer Services	91K
Other Funds	£371K

**Note 12: Contingent Liabilities and Assets**

None

**Note 13: Related Party Transactions**

During the year neither the Trustee nor members of the key management staff or related parties to them had undertaken any material transactions with Mid Cheshire Hospitals Charitable Fund or received remuneration or expenses funded by Charitable Funds during the year. The Charitable Fund has made revenue and capital payments to Mid Cheshire Hospitals NHS Foundation Trust where the Trustee is also the Trust Board. All costs within Expenditure on the Statement of Financial Activities were originally funded by Mid Cheshire Hospitals NHS Foundation Trust Revenue Account and reimbursed in full from Charitable funds. At the Balance Sheet date the amount owing in outstanding transactions to Mid Cheshire Hospitals NHS Foundation Trust was £99,000 (2020: £38,000) and the Trust owed the Charity £0 (2020:£0). The total repaid to Mid Cheshire Hospitals NHS Foundation Trust for 2020/21 was £902,000 (2020: £290,000). The audited accounts of Mid Cheshire Hospitals NHS Foundation Trust are included in its Reports and Accounts.