



Annual Report and Financial Statements for Mid Cheshire Hospitals Charitable Fund



Registered Charity no. 1049008
For the financial year ended 31 March 2022



Report of the Trustees of Mid Cheshire Hospitals Charitable Fund for the year ended 31st March 2022

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 31st March 2022. 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 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

MCH Charity fundraises to enhance the excellent work of Mid Cheshire Hospitals NHS Foundation Trust and to support our community. We grant funds which pay for things considered over and above basic NHS provision and which improve care and experience for patients and support staff wellbeing.

Our funds help to provide state-of-the-art equipment, new facilities, art and all the added extras that make people's experience at our hospitals and in our community services the best it can be. 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.

The main objective for the year ended 31st March 2022 was to complete the Children's Emergency Care appeal which launched in April 2021 and aimed to raise £40,000 for the new children's unit within the new Emergency Care department at Leighton Hospital. The charity also continued to work closely with the Health and Wellbeing Board to fund initiatives to support the wellbeing of people who work within the Trust's hospitals and community services.

All spending made via the charity must have a demonstrable link to the benefit made to patient care or experience, or to the wellbeing of staff and volunteers.

The charity has not made any financial grants directly to any organisation during this financial period. 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 £481,000 (2020/21: £552,000), which was a decrease on the previous year. Expenditure for the year has totalled £477,000 (2020/21: £500,000)

During the early part of the year the charity focused on launching a new fundraising appeal to provide sensory play equipment, including two interactive floor projectors and clinical kit for the new children's unit within the new Emergency Care department at Leighton Hospital. The Children's Emergency Care appeal aimed to raise £40,000 which would fund a Resuscitaire which the medical and nursing team will

use to enhance the care that very poorly babies up to the age of three months attending the unit receive. The appeal gathered support from the local community and from the staff who work in the department. Various events were held throughout the year to support the appeal including cake sales, raffles, and charity nights. The charity organised a 'Freedom Miles' event in the summer which involved people signing up to walk as many miles as they liked to support the appeal. The event was sponsored by local solicitors Hall Smith Whittingham which enabled every penny raised from the event, which eventually totalled £6,250 to go directly to the appeal.

Other fundraising activity for the appeal included sponsorship money from five charity funded places for the Great North Run raising over £3,000 and Christmas activities which raised almost £7,000. By the end of 2021 the appeal had reached and exceeded its target and achieved a final balance of £54,000. This has enabled the clinical team to purchase additional sensory equipment and a 'vein finder', which easily finds veins in children to reduce the distress that needles can cause.

Local farm shop Cheerbrook's chose the charity as their charity of the year specifically fundraising for the Community Fund in support of District Nurses. Through various events throughout 2021 the team raised £10,000 for the fund and pledged to continue its support in 2022.

In November 2021 the Neonatal Fund received a major donation of £120,000 from a family whose baby had been cared for on the unit. Some of the money is being used to purchase a 'cooling mattress' which is a specialised type of treatment to help very poorly neonates. Other projects which could be funded with the money are in development.

At the start of 2022 the charity launched a campaign to increase money coming into the Cancer Services Fund. Every year the charity funds a Hypnotherapy service which is offered for needle phobias, hospital related phobias and anxiety. Without the funding provided by MCH Charity some patients would not be able to tolerate diagnostic or treatment interventions. The service currently supports over 200 patients every year and costs almost £20,000 a year to operate.

The charity has funded a 12-month post for an arts coordinator who will develop and deliver an arts programme which will improve the physical environment, support patient rehabilitation, and provide distraction, and to support staff wellbeing. Part of the role of the post will be to fundraise via grants to build sustainability into the programme and into the post.

Financial Review

By the end of March 2022, the Charity held funds to the value of £1,160,000 (2021/22: £1,151,000), which includes a provision for the receipt of legacies to the value of £153,000 (2020/21: £43,000) which are expected to be finalised during 2022/23. The fund balance will ensure that wards and departments can continue to fund the extra benefits for patients for the forthcoming year.

A grant of £9,711 was received from the National Lottery Community Fund during 2021/22 which was for the benefit of the Emergency Department Children's Appeal.

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 slight increase in value at the end of March 2021. Markets fluctuated throughout the year, with Investment values returning to pre-Covid levels leaving the portfolio with unrealised gains of £72,000 (2020/21: -£66000). 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 mainly from generous donations from the public during 2021/22 with fundraising support for our main appeal during that period. 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

Over the coming year the charity will continue to fundraise for the Cancer Services Fund to ensure that the sustainability of the hypnotherapy service can be assured.

During 2022/23 the charity will be releasing a new ambitious strategy for the charity. Work has already begun to implement changes needed to increase income to the charity and to raise awareness within local communities about what it does.

Part of the new strategy will focus on developing closer links with the Trust to ensure that the charity develops fundraising appeals which add value, and which also ensures that donated money is used where and when it is needed most, to have the maximum impact on the people who use the Trust's services and on those who work or volunteer for it.

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 1st April 2021 to 31st March 2022:

Mr Dennis Dunn	-	Trust Chairman
Mr John Church	-	Deputy Chair left April 2021
Mrs Lorraine Butcher	-	Non-Executive
Mrs Lesley Massey	-	Non-Executive and Deputy Chair

Mr Trevor Brocklebank	-	Non-Executive left March 2022
Mr Les Philpott	-	Non-Executive left January 2022
Mr Andy Vernon	-	Non-Executive
Mr Manoj Agarwal	-	Non-Executive
Mr Anthony Bristlin	-	Non-Executive
Mr James Sumner	-	Chief Executive left May 2022
Mr Russ Favager	-	Deputy Chief Executive and Director of Finance (Interim Chief Executive from May 2022)
Mrs Heather Barnett	-	Director of People (Deputy Chief Executive from May 2022)
Mrs Julie Tunney	-	Director of Nursing and Quality
Mr Oliver Bennett	-	Chief Operating Officer
Mr Murray Luckas	-	Medical Director left May 2022
Mrs Clare Hammell	-	Medical Director

All are voting members of the Corporate Board.

The membership of the Charities Committee for the period 1st April 2021 to 31st March 2022 is as follows:

Mr John Church	-	Non-Executive (Chair) left April 2021
Mr Andy Vernon	-	Non-Executive (Chair)
Mr Dennis Dunn	-	Trust Chairman
Mr Russ Favager	-	Deputy Chief Executive and Director of Finance (Interim Chief Executive from May 2022)
Mrs Heather Barnett	-	Director of People (Deputy Chief Executive from May 2022)

Meeting of the Charities Committee during 2021/22 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 Deputy Chief Executive and Director of Finance 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





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 2022 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 2022 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.

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 12, 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.

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.



Timothy Cutler

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

7 November 2022

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

Annual Accounts 2021/22

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 Trustee



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Date: 27th October 2022



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Date: 27th October 2022

Statement of Financial Activities for period ended 31st March 2022

	2021/22		2020/21	
	Total		Unrestricted	Total
	'000		'000	'000
Income				
Donations (note 2)	329	329	462	462
Legacies	145	145	78	78
Investment Income (note 3)	7	7	12	12
Total	481	481	552	552
Expenditure				
Cost of raising Funds (Note 4)	-42	-42	-48	-48
Charitable Activities (Note 5)	-435	-435	-452	-452
Total	-477	-477	-500	-500
Net gains/(losses) on Investments	5	5	80	80
Net Expenditure	9	9	132	132
Transfers between Funds	0	0	0	0
Net Movement in Funds	9	9	132	132
Reconciliation of Funds				
Total Funds Brought Forward	1,151	1,151	1,019	1,019
Total Funds Carried Forward	1,160	1,160	1,151	1,151


Balance Sheet for period ended 31st March 2022

	2021/22		2020/21	
		Total '000	Unrestricted '000	Total '000
Fixed Assets				
Investments (Note 7)	680	680	671	671
Total fixed assets	680	680	671	671
Current Assets				
Debtors (Note 9)	158	158	47	47
Cash at Bank (Note 8)	324	324	532	532
Total current assets	482	482	579	579
Liabilities				
Creditors falling due within one year (Note 10)	-2	-2	-99	-99
Total Liabilities or provisions	-2	-2	-99	-99
 Net current assets or liabilities	 480	 480	 480	 480
Total net assets	1160	1160	1151	1151
 Funds of the Charity (Note 11)				
Unrestricted Funds	1,160	1,160	1151	1151
	1,160	1,160	1151	1151


The notes on pages 16 to 22 form part of these accounts

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

Dennis Dunn MBE:
Chairman

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Date 27th October 2022

Russ Favager
Deputy Chief Executive and Director of Finance: 

Date 27th October 2022

Cashflow Statement for period ended 31st March 2022

	2021/22	Prior year funds '000
Cash Flows from operating activities:		
Net cash provided by (used in) operating activities	-216	134
Cash flows from Investing Activities		
Dividends from Investments (note 3)	7	12
Proceeds from sale of investments (note 7)	17	292
Purchase of investments (note 7)	-12	-351
Investment fees (note 4)	-4	-3
Net cash provided by (used in) investing activities	8	-50
Change in cash and cash equivalents in year	<u>-208</u>	<u>84</u>
 Cash and cash equivalents as at 1st April 2021	 532	 448
Cash and cash equivalents as at 31st March 2022	<u><u>324</u></u>	<u><u>532</u></u>

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

	'000	'000
Net income/(expenditure) for 2021/22 as per SOFA	9	132
(Gains)/Loss on Investments	-14	-30
Dividends	-7	-12
(Increase)/Decrease in Debtors	-111	-20
Increase/(Decrease) in Creditors	-97	61
Increase/(Decrease) in Provisions	0	0
Investment Fees	4	3
Net Cash provided by/ (used in) Operating Activities	<u>-216</u>	<u>134</u>

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 2022/23 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: Donated Income

	2021/22	2020/21
	'000	'000
Donations from public	232	71
Memorial Donations	36	30
In aid of Fundraising	61	66
NHS Charities together grants	0	170
Barclays Charitable Grant	0	125
	<u>329</u>	<u>462</u>

Note 3: Investment Income

	2021/22	2020/21
	'000	'000
Dividends on Investments	<u>7</u>	<u>12</u>
	<u>7</u>	<u>12</u>

Note 4: Cost of Raising funds

	2021/22	2020/21
	'000	'000
Investment Managers Fees	4	3
Fundraising Management	<u>38</u>	<u>45</u>
	<u>42</u>	<u>48</u>

Note 5. Analysis of Expenditure on Charitable Activities

	2021/22		2020/21	
	Unrestricted	Total	Unrestricted	Total
	'000	'000		'000
Direct contribution to Patient Welfare				
Additional Equipment	202	202	218	218
Enhancement of patient experience	21	21	18	18
Improvement of patient facilities	8	8	2	2
Direct Contribution to staff Welfare				
Educational opportunities for staff	25	25	28	28
Improvement to staff facilities	58	58	66	66
Recognition of staff achievements	36	36	45	45
Support costs	85	85	75	75

Total Expenditure	435	435	452	452
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Note 6: Analysis of Support Costs

	2021/22				2020/21		
	Raising Funds Unrestricted '000	Charitable Activities Unrestricted '000	Total '000	Basis of Allocation	Raising Funds '000	Charitable Activities '000	Total '000
Governance	4	3	7	Apportionment on average fund balance	10	-	10
Audit Fee	-	5	5	Apportionment on average fund balance	-	5	5
Finance support	-	11	11	Apportionment on average fund balance	-	14	14
Information Technology	-	2	2	Apportionment on average fund balance	4	1	5
Human Resources	38	64	102	Allocated on time and average fund balance	34	55	89
Totals	42	85	127		48	75	123

Audit Fee received by the Auditor was £4,250 (2020/21 £4,100)

Note 7: Fixed Asset Movements - Investments

	2021/22	2020/21
	'000	'000
Market Value as at 1st April 2021	671	582
Add: Additions to Investments at cost	12	351
Less: Sales at carrying value	-17	-292
Less: Net (loss)/gain on revaluation	14	30
Market value as at 31st March 2022	680	671

Historic cost of Investments at 31st March £608K

	2021/22	2020/21
	'000	'000
Investments at Market value comprised:		
Equities listed on UK stock exchange	657	657
UK Money market investments	23	14
	680	671

Note 8: Analysis of cash and cash equivalents

	2021/22	2020/21
	'000	'000
Cash in hand	324	532
Total Cash and cash equivalents	324	532

Note 9: Analysis of Debtors

	2021/22	2020/21
	'000	'000
HMRC Gift aid	4	4
Confirmed Legacies	153	43
Monies owed by MCHFT	1	-
	<u>158</u>	<u>47</u>

Note 10: Analysis of Creditors falling within one year

	2021/22	2020/21
	'000	'000
Trade Creditors	2	-
Funds due to MCHT	-	99
	<u>2</u>	<u>99</u>

Note 11: Analysis of Charitable Funds

2020/21	Balance B/fwd	Income	Expenditure	Transfers	Gains and losses	Fund c/fwd
	01.03.2021	21/22	21/22	21/22	21/22	31.03.2022
	'000	'000	'000	'000	'000	'000
Unrestricted Funds						
Leighton Hospital & Victoria Infirmary	1151	481	-475	-	5	1162
	<u>1151</u>	<u>481</u>	<u>-475</u>	<u>0</u>	<u>5</u>	<u>1162</u>

Significant Balances of funds held as at 31st March 2022

Dementia Appeal	94K
Leighton General	323K
Neo-Natal Fund	178K
Other Funds	567K

2020/21	Balance B/fwd	Income	Expenditure	Transfers	Gains and losses	Fund c/fwd
	01.03.2020	20/21	20/21	20/21	20/21	31.03.2021
	'000	'000	'000	'000	'000	'000
Unrestricted Funds						
Leighton Hospital & Victoria Infirmary	1019	954	-902	-	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

Note 12: Contingent Liabilities and Assets

At the end of the Accounting Period, The Charity had been informed of 2 legacies due, where the value of the legacy was uncertain and that there was anticipated to be a delay in the legal process to finalize the Estates. No accrual for these has been made in these accounts because of this uncertainty.

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 £43,000 (2021: £99,000) and the Trust owed the Charity £44,000 (2021:£0). The total repaid to Mid Cheshire Hospitals NHS Foundation Trust for 2021/22 was £475,000 (2021: £500,000). The audited accounts of Mid Cheshire Hospitals NHS Foundation Trust are included in its Reports and Accounts.