

Mid & South Essex Hospitals Charity

Annual Report and Accounts year ending 31 March 2021



Contents

Note no.	Description	Page no.
	Glossary of Terms	2
	Foreword by Chairman	4
	Trustee Report	6
	Independent Auditor's Report	35
	Statement of Financial Activities	41
	Balance Sheet	42
	Statement of Cash Flows	43
1	Accounting Policies	44
2	Prior year comparatives by type of fund	48
3	Analysis of income and endowments from donations and legacies	51
4	Analysis of income from charitable activities	51
5	Other trading activities	51
6	Investment income	51
7	Analysis of expenditure on raising funds	52
8	Analysis of expenditure on charitable activities	52
9	Grants Payable	52
10	Transfers between funds	53
11	Allocation of support costs and overheads	53
12	Trustees remuneration, benefits and expenses	53
13	Analysis of staff costs and remuneration of key management personnel	53
14	Tangible assets	53
15	Fixed asset investment	54
16	Stock	55
17	Debtors	55
18	Analysis of cash and cash equivalents	55
19	Creditors	55
20	Funds	56
21	Related party transactions	58
22	Connected organisations	58

Glossary of terms



Charitable Funds Committee

This is a sub-committee of the Corporate Trustee for Mid & South Essex Hospitals Charity which has devolved responsibility for the on-going management of funds. The committee consists of any four board members of the Corporate Trustee, excluding the Chief Finance Officer and is supported by the Foundation Trust Secretary and representatives from the Department of Fundraising and the Finance Department.

Corporate Trustee

The Trustee of Mid & South Essex Hospitals Charity is the corporate body Mid & South Essex Hospitals NHS Foundation Trust.

Designated Funds

A designated fund constitutes unrestricted fund monies that have been allocated by the Corporate Trustee for a particular purpose. This is for administrative purposes only and does not legally restrict Trustee's discretion to apply the monies in this way.

Endowment Funds

There are two types of endowment fund - One is a permanent endowment fund which the charity cannot spend as income;- it must be invested to produce

income for the charity which is then spent in accordance with the purpose of the charity or used in the activities of the charity.

The other type is an expendable endowment fund, which can be spent but differs from donated income as there is no requirement to spend the capital until the Trustee wishes to. Until then it must be invested to create income which is then spent for the purposes of the charity within a reasonable amount of time.

Fund Holder

A person approved by the Charitable Funds Committee to have delegated responsibility as outlined in the Foundation Trust's Standing Financial Instructions and Scheme of Delegation.

General Purpose Fund

Is a fund that holds unrestricted monies which have not been earmarked by the Corporate Trustee.

Grant

A grant is a voluntary payment (or other transfer of property) in favour of a person or institution. Grant payments, when made by a charity, are any such payments made in furtherance of its objects.

Income

Income is all resources which become available to a charity, including contributions to endowment funds but excluding gains and losses on investment assets. Total income includes all trading and investment income, legacies, donations, grants, and gains from disposal of fixed assets for use by the charity.

Legacy

Money or property bequeathed to another by will.

Reserves Policy

A policy required by the Charity Commission to ensure a charity can justify the level of reserves held, so that it is not seen to be 'hoarding' but also has significant reserves to continue its objectives over the long term.

Resources Expended

All costs incurred in the course of expending or utilising the charity's funds.

Restricted Fund

A Restricted Fund is a fund that holds income and/or capital which can only be applied for specific purposes. The restriction will be imposed by the donor at the point of the donation.

Unrestricted Fund

An Unrestricted fund is a fund that can be spent at the Trustee's discretion in furtherance of the charity's objectives.

Foreword by the Chairman of charitable funds committee of Mid & South Essex Hospitals Charity

Charitable Funds Committee

Welcome to the annual report for Mid & South Essex Hospitals Charity 2020/21. Our charity supports the work of Mid & South Essex NHS Foundation Trust (MSEFT) and the patients and families it serves.

This has been a year like none other; on 1st April 2020, our charity became the partnership charity for the newly formed organisation following the acquisition of Mid Essex and Basildon charitable trusts by Southend charitable trust. At the same time the COVID-19 pandemic hit and affected all of our plans for the year, changing the focus of our charity completely.

In March we launched a COVID-19 Rapid Response Appeal, partly in response to the campaign launched by NHS Charities Together, and partly due to the enormous generosity and drive of the local community to support staff and patient welfare during the crisis.

Key highlights of our year:

- Receiving £229,000 in stage 1 grants from NHS Charities Together that we used to help MSEFT as they responded to the Covid-19 pandemic and a further £50,000 in second wave grants.
- Being nominated as the lead charity for the stage 2 community partnership grants from NHS Charities Together for the ICS for Mid and South Essex
- Receiving £330,000 in stage 3 recovery grants from NHS Charities Together that has been used to help fund health and wellbeing initiatives such as mental health first training
- Receiving and distributing goods generously donated to support NHS staff as they worked through the lockdown period from March to July 2020. Particularly memorable was the distribution of over 60,000 Easter Eggs and 12,000 care packages to all patients and staff
- Creating wellbeing hubs, 'chill out' spaces and garden areas in the hospitals so that staff have a safe space to relax during their breaks from working on the wards treating COVID-19 patients

- Thanking all staff for their outstanding contribution throughout the year with an e-voucher of £15

Your donations made this work possible and your future donations are key to our continued success.

This is my first report as Chair of the charitable funds committee, and I would like to thank everyone who has donated gifts or money this year as well as our charity staff who supported our frontline colleagues in this year unlike any other.

I would also like to say a special thank you to those of you who volunteered in our hospitals during the pandemic and in our charity shops in the community. Your contribution has been vital to ensuring the smooth running of services and an important income stream in this time of uncertainty.

As it seems that the pandemic may be coming under control, we will be reviewing our plans, but we will continue to focus on helping the population of Mid and South Essex to live fulfilling and healthy lives.

If you would like to get involved in helping our patients and staff, details about how to do this are at the end of this report.



A handwritten signature in black ink, appearing to read 'Alan Tobias'.

Alan Tobias, O.B.E.
31 January 2022

Trustee report



The Trustee presents its annual report and the financial statements audited by the independent auditor for the year ending 31 March 2021, which have been prepared in accordance with the charities Act 2011 and the Charities Statement of Recommended Practices (FRS102).

Who we are

Mid & South Essex Hospitals Charity is a registered charity (Registered Number 1057266). The charity has been in place since 1996, starting out as Southend University Hospital NHS Foundation Trust Charitable Fund. On 1st April 2020 Southend University Hospital NHS Foundation Trust Charitable Fund acquired Mid Essex Hospital Services NHS Trust Charitable Fund and Basildon and Thurrock University Hospitals NHS Foundation Trust Charitable Fund to form Mid & South Essex Hospitals Charity.

We exist to receive donations for the benefit of the NHS. For us this is the patients of Mid & South Essex NHS Foundation Trust. By securing donations, legacies, and sponsorship we can enhance the care provided for patients, their families and the staff who look after them.

Mid & South Essex NHS Foundation Trust serves a population of 1.2m Essex residents. It is an extremely busy hospital group, providing a wide range of acute services and offering specialties in cancer, cardiac and burns care.

We would like you to support us in our crucial work so please read on and let us tell you more about ourselves, what we do, what we have achieved and how we go about spending the money given to us.

Our mission

In the Charity's Governing Document, the Charitable Object is: 'For any charitable purposes relating to the National Health Service'.

We achieve this by raising new money and careful management of our existing funds. Mid & South Essex Hospitals Charity provides public benefit by making grants to Mid & South Essex NHS Foundation Trust and the organisations it works in partnership with in order to:

'Make a real difference to the health and wellbeing of patients, their families and the staff who treat them. To provide support for innovation, education and care.'

Grants are made in accordance with charity law, our constitution and the wishes and directions of donors. In making grants, we endeavour to reflect the wishes of patients and staff by directing funds towards areas they tell us are most in need. During the year 2020/21 grants totalling £1.7m were made. When considering where to focus our attention our corporate trustee's board and, particularly, the members of the Charitable Funds Committee have regard to the Charity Commission of England and Wales's guidance on public benefit and what this means for Mid & South Essex Hospitals Charity.

Our plans are to continue to increase our level of fundraising to achieve our target of £2.5m a year which will help us work with our NHS partners to transform the health prospects for patients in our community.

What we have achieved: highlights from the activities undertaken in the year

Our key aim is to serve the NHS patients of Mid & South Essex NHS Foundation Trust for the public benefit. By funding education, services, and equipment we can help the NHS bodies we work with provide care to their patients which goes beyond that which they are funded by the state to provide.

By working with the NHS, we assist patients from every walk of life, irrespective of race, creed, ethnicity or personal or family financial circumstances. We put this aim into practice by helping the patients, their families and carers, and visitors to the hospital by:

- enhancing the care our partner hospitals can offer through new equipment and building improvements to deliver better facilities
- investment in the people who work in the NHS in MSEFT to create caring environments for the patients receiving care, their families and visitors
- providing direct support to patients by way of information, networking support and better facilities

We do this through a range of projects funded by you, our generous donors. Highlights from the main activities undertaken in the year are detailed below to give you a wider understanding of the difference we can make together to lives today and in the future.

During a year like no other, Mid & South Essex Hospitals Charity has provided support for the hospitals staff who have worked so tirelessly to keep the public safe in

very challenging circumstances. And, we will be forever grateful for the help that we have received along the way from our dependable and invaluable volunteers to our fantastic fundraisers and generous donors, as well as NHS Charities Together.

COVID 19 Rapid Response Appeal

In just 6 months the COVID-19 Rapid Response Appeal had raised almost £610,000, including a generous grant of £229,000 from NHS Charities Together.

Very quickly the charity team mobilised to respond to the requests from staff for support.

Projects funded in the initial wave included:

- 120 iPads and Kindles for patients to communicate with relatives at home
- Baby monitors for ward staff to speak with patients in isolation
- £50,000 worth of care bags and refreshments for staff
- Kitchen appliance bundles and additional furniture for staff areas
- Dermatologically tested hand and face cream
- Support to set up 'wellbeing hubs' on each site, kindly manned by hospital volunteers and Project Wingman

Wellbeing Hubs



At the beginning of lockdown, the charity supported pop-up wellbeing hubs at each hospital. The hubs offered staff a quiet and comfortable space to relax and reflect during breaks from their demanding work. The spaces gave access to refreshments and information regarding support and counselling options available.

Southend's relaxing space has its own specially created mural by local artists Danny Bench, from South Woodham Ferrers. The structure of the hub at Southend was created in just two days by Maldon Building services who donate both labour and materials.

Dr's Out of hours Room



July 2020 see the creation of our Doctors out of hours lounge area at Southend Hospital. Another example of a charity funded project with thanks to money donated to our Covid19 appeal and with support of NHS Charities Together. We have created a quiet space to ensure staff are well rested. The charity has funded the installation of a new kitchen and accessories. We have also introduced new flooring and re-decorated, purchasing new soft furnishings and a flat screen TV.



A courtyard garden has been created including new garden furniture and evens some artificial grass.

Staff Serene Garden & Neil Rothnie Memorial at Southend Hospital



On 15th July 2020, the Serene garden at Southend Hospital was opened to staff following a special memorial service for Mr Neil Rothnie, Medical Director at the hospital since 2012. The service included the planting of a commemorative tree in the garden. The staff garden was funded from the COVID-19 Appeal funds, with generous support from local contractors and garden centres.



Garden of Remembrance Broomfield

A garden of remembrance opened at Broomfield Hospital and was made possible thanks to funding from NHS Charities Together and the Captain Sir Tom Moore fund. The garden, which took four months to plan and complete, offers a restful space for staff to re-connect with nature and a quiet area to remember colleagues and friends.



The main entrance to the garden welcomes you with a metal arch and the words "Our Heroes 2020". The garden is also home to two sculptures, specially commissioned by the Serbian sculptor Bojan Krstić, which represent people comforting one other.

The colour theme for the garden is for all-year round scented white flowers with green or grey foliage. Once the hedges have grown, the space will also have a sense of seclusion, privacy and enclosure, making it a garden for contemplation.

£30,000 for the Schwartz Rounds

The charity awarded a grant of £30,000 to support the Schwartz rounds which allow all levels of healthcare staff to reflect on the impact of their work. During Schwartz rounds trained facilitators lead a discussion where staff; from across the organisation both clinical and non-clinical are invited to share powerful experiences. They focus on staff experience, in particular recognising the emotional and relational challenges to providing care and are known to relieve stress and feelings of isolation in staff while also promoting togetherness and collaboration among staff.

Mental Health First Aid Training & Dedicated Counselling

100 members of staff had the opportunity to attend a two-day online mental health First Aid training course after the charity awarded £5,000 to fund the spaces. It enabled the Trust to expand the existing programme which is run by the occupational health team.

Appeals/Other projects

Polly Parrot Children's Services Appeal

The Polly Parrot Appeal continues to support Basildon hospital's children's services. An investment of £46,000 was awarded to create a 2nd en-suite side room on Wagtail ward; this will allow a second room for families whose children have an Oncology condition and who require frequent and prolonged admissions to hospital for treatment for childhood cancers. Basildon Hospital is a Paediatric oncology shared care unit that shares care with Great Ormond Street and University College Hospitals. The 2nd en-suite will give the privacy to families to not have to share bathroom facilities with the rest of the ward.

Apollo MRI



A child-friendly MRI suite has been 'launched' to make scans less intimidating for young patients,

made possible thanks to money raised by the For Wards appeal, supported by the Southend Charitable Foundation. The project was also supported by a donation of £2,000 from the ROSCA Trust (The Trust supports charitable purposes in Southend, Rochford and Castle Point local authority areas) to purchase a mini MRI model and two iPads.



Children's Penguin ward

An appeal was launched to raise funds to help transform the new Penguin children's oncology day unit at Basildon Hospital to provide a comforting and calming place for children who are receiving cancer treatment.



The Penguin Day Unit delivers 12 blood transfusions a month and currently treats 27 patients receiving blood platelets and chemotherapy. Supported by the community and the Polly Parrot children's services appeal the area received a much needed child-friendly make-over to transform the space into an environment that is more welcoming and reassuring for children.

COVID Statement

This annual report and accounts reflects the impact of the pandemic on the charity's fundraising plans and income, activities during the year, financial position and the impact on unrestricted reserves.

Significant Donations/Gifts In Kind section

Tibra Global

Basildon Intensive Care Unit is equipped with state-of-the-art medical technology to aid treatment in the battle against COVID-19, after an extremely generous donation from Tibra Capital Foundation-Europe funded the purchase of 27 new Mindray Monitors.

Tibra Capital Foundation, the philanthropic division of the Tibra group – a leading prop trading firm, donated £112,000 which was used to buy the new monitors that are larger in size than previously available. This new kit will help staff who are working tirelessly in ICU by improving workflow efficiency and information managements. It will provide advanced monitoring and life support to ensure the highest standards of care for our patients.



Significant gifts in kind

During the Covid19 pandemic the Trust received generous support from not only the community but also from corporate supporters. A large volume of donations were distributed by the fundraising team and our Trust volunteers to staff. Below is the table of the significant level of gifts received and noted within the accounts.

Amazon care boxes x 6000	£120,000
Clinique Moisturiser x 6000	£150,000
Easter Eggs Nestle x 15,000	£15,000
Gems at Work x Cadbury / Nestle Easter eggs x 21,000	£21,000
Lisa Ronson Care bags x 4500	£90,000
Meals for the NHS 7200 meals	£36,000
1000 Jo Malone Yuji cologne bottles	£120,000
3000 Hand creams	£10,500

Southend Hospital Charitable Foundation (associated Charity)

The Trustees of Southend Hospital Charitable Foundation are continuing their support to Southend Hospital, agreeing to donate £27,000 to support the purchase of a Fees stack machine. The equipment allows speech and language therapists to make assessments at the patients bed side vs several X-rays and scans by assisting in the assessment and practice of swallowing and/or danger of aspiration. The equipment will be used across the hospital particularly supporting stroke services and elderly patients so they can be moved on/off liquid diets more efficiently.

Support was also received to purchase 2,700 male and female care packs to be used by the patient experience team valued at £3,000.



The care packs contain personal hygiene items such as a toothbrush, shampoo, wipes and a comb.

During covid19 unfortunately restrictions were placed on family and friend being able to visit their loved ones. This resulted in patients often being in hospital without access to the essentials. These packs have proved invaluable during a time of need.

League of Friends Basildon



League of Friends continued to support Basildon Hospital by donating a whopping 3,000 shower gels, cocoa butter and aqueous creams for clinical staff. The League of Friends wanted to give something to staff to show appreciation and gratitude for all their hard work and dedication. They had spoken to staff who mentioned the long working hours, wearing of PPE and forever washing hands so that better way to sooth the skin than some wonderful skincare products.

Friends at Broomfield

The Friends at Broomfield Hospital (FaBH) have continued to support the hospital despite the shops being closed at times during the Covid pandemic resulting in less income. However, they have been providing storage space within the shops to ensure that goods/gifts received from the community and general public are safely quarantined before being distributed. They were able to hold all their regular meetings on Zoom with a great deal of successand laughter! The Friends have also agreed to support the refurbishment of the Pathology Department staff room with a donation of £8,000, and £3,000 towards a leg press for the Physiotherapy team.

More recently, they have agreed to support the new chemotherapy unit with £5,000 towards the purchase of chairs.

How we funded our work, our achievements and performance

The following figures are taken from the full accounts approved on 28 January 2022, if more details are required please refer to the accounts. This part of the trustees annual report comments on key features of those accounts. In this section we firstly explain how we raised the money and then how we spent it.

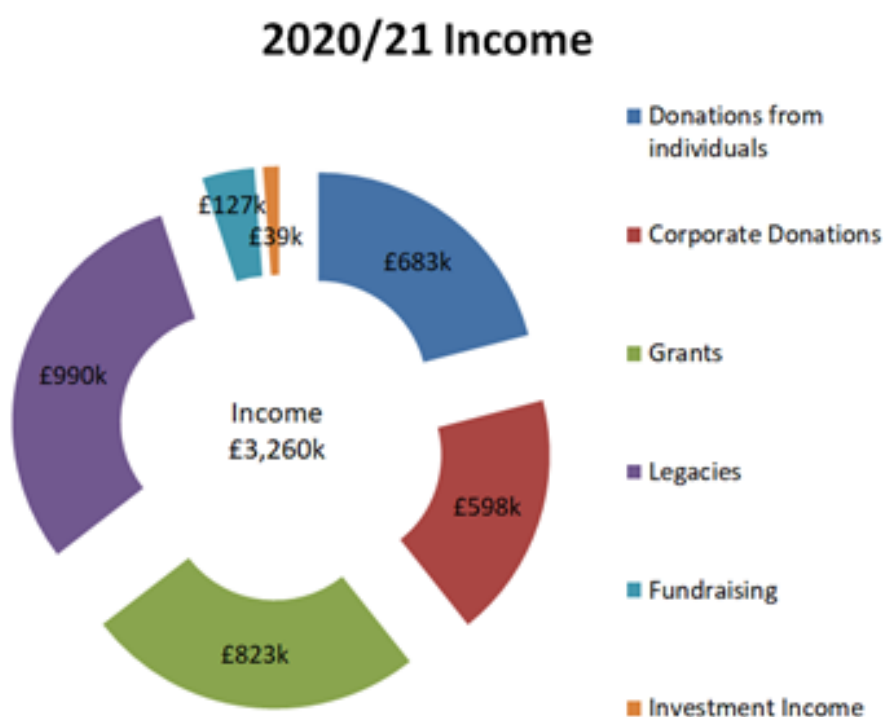
Money received - £3.3m. Money spent - £2.2m

Total income received by the charity has increased this year, totalling £3,260,000 compared to £997,000 (19/20) as a result of acquiring Mid Essex Hospital Services NHS Trust Charitable Fund and Basildon and Thurrock University Hospitals NHS Foundation Trust Charitable Fund.

Money received: Source of funds

All of our income comes from the voluntary efforts of the general public. The chart below show our main sources of income this year. Our largest source of income continues to be donations from individuals.

Our fundraising activities this year have been impacted by Covid-19, particularly our Polly Parrot and Dementia Appeals. Many of our planned events were cancelled although we managed to move some on-line.



Donations and Legacies – our largest source of income is giving by the public and by local companies keen to support their local community through improving health.

Donations from individuals £683k and Corporate Donations £598k

The outpouring of support for the NHS in the first lockdown was astonishing. We were inundated with donations of food, toiletries and care packages that we distributed immediately to grateful staff and patients. We were also given equipment such as microwaves for rest rooms, meals on an ongoing basis and bulk items of toiletries and non-perishable food items that have been reflected in our accounts at a value of £562,000. This is on top of the usual donations from grateful patients and relatives.

Many companies adopt charities as a way of putting something back into the community. Mid & South Essex Hospitals Charity is grateful to the companies that have donated over the year and to their employees who have given their time and money to maximise the corporate support we receive.

Grants (£823,000) we are grateful to our charity partners and other similar organisations that have given us grants to fund particular projects or purchase pieces of equipment. We received £609,000 from NHS Charities Together, £82,000 from Southend Hospital Charitable Foundation and £132,000 from various community groups.

Legacies (£990,000) A gift in a will really is an investment in the better care of our patients and we are fortunate to be remembered by so many people each year. Where the terms of the gift require the capital to be invested, the income generated is used to assist our charitable work.

Fundraising (£127,000).

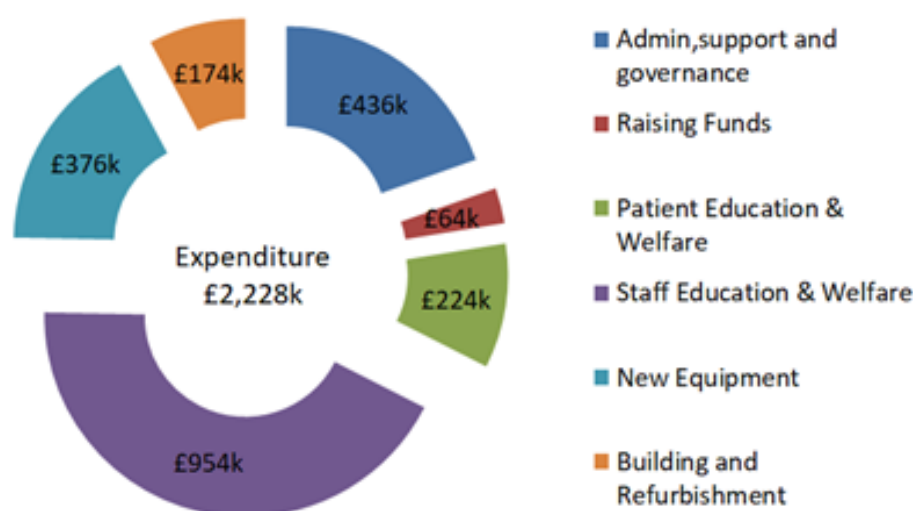
Due to the lockdown and restrictions on hospital visiting trading income was greatly reduced for our charity shop in Leigh and fundraising stalls in the hospital outpatient departments at Southend and Basildon. Income was also down on the sale of Adventure Island wrist bands which usually generates significant profit for the Polly Parrot Appeal.

Investment Income (£39,000) by prudent management of funds not immediately required for use in the hospital we earned interest and dividends of £39,000.

Money spent: what we spent the money on

As the chart below shows, our largest area of spend was on charitable activities in the form of grants. However, the purpose of those grants has changed. This year we have spent more on staff welfare and amenities this year than we were expecting to at the start of the year and less on building and refurbishment projects.

2020/21 Expenditure



Staff education and welfare (£954,000).
The largest proportion of expenditure this year was on initiatives to support staff health and wellbeing. Ensuring staff are well supported benefits the quality of care they provide. Of course MSEFT as the employer has a duty to ensure its staff are well trained and able to do their work, but we can add those extra amenities and support additional training. To this end we paid for staff to undertake mental health first aid training and supported a number of intensive support team building and counselling sessions.

We also funded care packages for all staff, an e-voucher for all staff and volunteers in recognition of their work during the pandemic, fruit basket, snack rounds and hampers for staff working over the Christmas period. We have also funded kitchen appliance bundles for staff rooms to ensure staff have access to refreshments to keep their energy levels up.

New equipment (£376,000).

The NHS, of course, buys much of its own equipment for day-to-day use and has its own capital programme but NHS capital funds for large items of equipment are limited and must be used for essential items only. With advances in technology and items becoming obsolete, we can make a real difference to patients by funding equipment that might not otherwise have been bought. Equipment purchased in the year includes:

- Mindray Capital expenditure £112k
- £31k Raizer II Emergency Lifting Chair
- Ophthalmology equipment £115k
- Intrepid Monitor/Defibrillator £66k

Building and refurbishment (£174,000).

In the year we spent £174,000 on refurbishing NHS buildings and facilities including refurbishments to Wagtail ward £55,000, Elizabeth Lorry Ward £38,000 and Haematology wards £10,000.

Patient education and welfare (£224,000).

Our support for the provision of IPAD's, Kindles and mobile phones were our main area of spending this year. We also purchased care packs for use in patient care.

Admin, support and governance (£436,000).

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These include the cost of staff working for Mid & South Essex Hospitals Charity, IT Support, Independent Examiner/Audit fees and administration costs.

Raising Funds (£64,000).

The cost of raising funds includes investment manager fees, Adventure Island tickets, charity shop costs and professional fees paid in application of the NHS Charities Together Grant which were successfully awarded to Mid & South Essex Hospitals Charity.

Performance against Objectives

Prior to the acquisition of the Trust and the creation of the new partnership charity on 1st April 2020, the Charitable Funds Committees for each Trust worked closely together over a period of 18 months to develop a set of objectives and strategic goals for the new charity and ensure a smooth transition of charitable funds.

This included:

- the creation of a new Mid & South Essex Hospitals brand, which was sympathetic to existing charity identities
- approval of the stakeholder communications and engagement plan
- oversight of the charity integration plan for back office operations including legal and regulatory framework
- approval of the fundraising strategy 2020-2023
- oversight of the investment policy and ensuring restrictions were maintained for each hospital within the new charity

Strategic goals 2020-2023

1. To work alongside the Trust to enhance the experience of patients and staff above and beyond what can be delivered through NHS core funding
2. To maximise funds raised through the development of an integrated fundraising strategy which sees a 10% year on year growth
3. To continue to deliver an excellent supporter experience to our donors and volunteers
4. To develop great relationships with our partners to deliver benefits to patients across Mid and South Essex
5. To be financially secure, responsive and have good governance

We would like to thank the members of the former charitable funds committees for Southend, Basildon and Mid Essex for their dedication and contribution to the successful creation of the new partnership charity.

Our fundraising practices

Members of Mid & South Essex Hospitals Charity organise fundraising events and co-ordinate the activities of our supporters both in the hospital and in the wider community. Mid & South Essex Hospitals Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising this year. Between March and August 2020, the charity staff were unable to organise any events. Instead, they were re-deployed to manage and administer the generous donations from the public. This included taking receipt of the donations, distributing them where possible and managing the storage of those donations that could not be distributed immediately. Since, September the team have been able to focus on fundraising, while managing donations that have been received. No face-to-face events have been held this year. However, an online sponsored walk and Christmas Grand Prize Draw was run.

The charity has signed up to the Fundraising Regulator's Code of Fundraising Practice. All direct marketing is undertaken by the charity office to ensure that it is not unreasonably intrusive or persistent.

Contact is made through direct marketing a maximum of twice a year. All marketing materials contain clear instructions on how a person can be removed from mailing lists.

Our Fundraising performance

During the year the total donations, legacies and income from fundraising (shown as other trading activities in the Statement of Financial Activities) came to £3,221,000 against a plan of £2,000,000. The fact we exceeded our plan is mainly due to the support of the public for the NHS in the early days of the pandemic, NHS Charities Together Grants and legacies receivable. This was despite our fundraising activities being stopped during the year due to Covid restrictions. We are currently reviewing our pre-pandemic plans as we do not expect we will meet our fundraising target in 2021/22.

We benchmark our fundraising activity with our peers through the NHS Charities Together and monitor the comparative success of campaigns and overall fundraising cost to income ratios. We continue to perform well with a low cost to income ratio compared to the average.

Our future plans

In addition to the spending plans identified by fund holders from each care group:

- Identify a new major capital appeal in support of MSEFT and a compelling 'wishlist' of equipment and projects across wards and departments
- Continue to grow our trading activities including new charity shops in the local community and in the new hub based at Basildon Hospital
- Expand our fundraising activities towards achieving our goal of raising £2.2million in 2021/22. We are aware that we did not meet that target in 20/21 as the Covid-19 donations were largely made without our input. We expect we will also fall short of our target in 2021/22 due to ongoing social distancing measures, we are working hard on virtual events
- Spend the grants provided by NHS Charities Together to help our partner organisations recover from the impact of the pandemic

- Continue to raise the profile of the charity, engaging with community partners, hospital staff and the local community across a variety of platforms

How we manage money

Mid & South Essex Hospitals Charity makes grants from unrestricted, restricted and endowment funds. The grants from restricted funds must be used in accordance with the conditions attached to the donation. Within the unrestricted funds, grants are made from general funds and designated (earmarked) funds.

- *unrestricted funds*. These funds are received by MSE Hospitals Charity with no particular preference expressed by donors. The charitable funds committee invites applications from any member of the hospital, and also from specialist partner charities, for example MacMillan, and patient groups working with the hospital. Based on their knowledge of the hospital, the committee agree funding priorities and score the applications for quality and value for money. Grants are particularly targeted at projects in areas of the hospitals that do not have available designated funds to assist them.

- *designated (earmarked) funds.* These funds are established for a particular ward or department or activity nominated for support by the donor. They are overseen by fund holders who can make recommendations on how to spend the money within the designated area. Fund holder's recommendations are generally accepted, and these funds can be spent at any time.
- *endowment funds - U Brown.* This is a permanent endowment fund managed by the charity. The fund cannot be spent as income and is instead invested. Income from investment is spent in accordance with charity purposes.

Our reserves policy

The Corporate Trustee formulates the reserves policy in accordance with the Charity Commission booklet CC19, Charities' Reserves.

The Corporate Trustee has a minimum target for reserves of £500,000 which is required for the continued administration of the charity and has a ceiling for reserves of £5,000,000. Any unrestricted funds above the minimum target allow the Corporate Trustee the freedom to make grants when they are

needed in anticipation of donations, whilst being mindful of guidance from the Charity Commission that donations should be spent within two to three years of receipt.

The amount of reserves, including designated funds, held at the end of the year is £3,019,000 (2019/20: £779,000) against a target of £500,000.

The Corporate Trustee anticipates that maintaining the target level of reserves is likely to be achievable given the level of unrestricted funds held at the end of the year. The Charitable Funds Committee reviews compliance with this policy at each meeting. The Corporate Trustee notes the level of designated funds within the charity and has plans to continue to spend these balances on the areas appropriate to donor's wishes. In the event that the need identified for any designated funds no longer exists, these funds will be redirected to the general purpose fund.

Our financial health: a strong balance sheet

The assets and liabilities of MSE Hospitals Charity as at 31 March 2021 are stated below, compared with the position at 31 March 2020.

	£000	£000
Tangible Assets	240	0
Investments	2,263	0
Net Current Assets	<u>3,642</u>	<u>1,593</u>
Total Net Assets	<u>6,145</u>	<u>1,593</u>
Endowment Funds	62	0
Restricted Income Funds	3,064	814
Unrestricted Income Funds	<u>3,019</u>	<u>779</u>
Total Funds	<u>6,145</u>	<u>1,593</u>

The increase in total funds from £1,593,000 to £6,145,000 is mainly a result of the acquisition which resulted in a transfer in of NHS funds from Mid Essex Hospital Services NHS Trust Charitable Fund and Basildon and Thurrock University Hospitals NHS Foundation Trust Charitable Fund of £3,420,000.

About our investments

The management of the charity's investment funds is delegated to professional investment managers. The performance of the investments is continuously monitored and reported at every Charitable Funds Committee meeting.

The Charity invests funds in accordance with its Investment Powers as defined by the Trustees Act 2000. This gives the same power to invest the Charity's assets, except for any investment in land, as if it owned the assets outright rather than holding them on Trust.

The investment policy requires that all monies, apart from working capital, to be invested to maximise the overall return consistent with an acceptable level of risk.

Following the acquisition on 1 April 2020, the charity has acquired all investments previously held by Mid Essex Hospital Services NHS Trust Charitable Fund and Basildon and Thurrock University Hospitals NHS Foundation Trust Charitable Fund. These are managed by HSBC and CCLA respectively. The charity intends to review its investments within 2021/22.

How we organise our affairs, reference and administrative details

The charity

The Mid & South Essex Hospitals Charity is registered with the Charity Commission under the single Registered Number 1057266.

Mid & South Essex NHS Foundation Trust Charity is also known as Mid & South Essex Hospitals Charity (Registered Number 1057266)
Its objects are 'for any charitable purpose or purposes relating to the National Health Service.'

How to contact us

The charity office and principal address is:

Director of Charities and Voluntary Services
Mid & South Essex Hospitals Charity Office
The Lodge
Southend University Hospital
Prittlewell Chase
Westcliff on Sea
Essex
SS0 0RY

Telephone: 01702 385337
E-mail: MSE.Charity@nhs.net
Web: www.msehospitalscharity.co.uk

Trustee arrangements

Mid & South Essex NHS Foundation Trust (MSEFT) is the sole corporate trustee of the charity. The corporate trustee's responsibilities are therefore carried out by MSEFT's board of directors. The board is appointed in accordance with the FT's constitution. Details of MSEFT board membership can be found in its annual report and accounts and on its website.

As Mid & South Essex Hospitals Charity has a corporate trustee it is, in accounting terms, controlled by MSEFT and is therefore its subsidiary. Financially, the charity is not material to MSEFT, so it is not consolidated into the FT's accounts.

MSEFT's board meet annually as corporate trustee to:

- review and approve Mid & South Essex Hospitals Charity strategic plan
- re-appoint or appoint members of the charitable funds committee and
- approve the trustee's annual report and accounts for the year.

The board of directors of MSEFT delegate responsibility for the day-to-day management of the Mid & South Essex Hospitals Charity to the charitable funds committee and the Charity director in accordance with the scheme of delegation and standing financial instructions. Together, they are responsible for fulfilling the corporate trustee's strategic plan and for working with the professional advisors and with the representatives of MSEFT who provide the financial services to the charity.

The charitable funds committee comprises two executive members of the board and three non-executive members. Other members of MSEFT staff are invited to attend committee meetings but do not have a vote at those meetings. During the year, the committee members were:

Name	Position	In year changes
Alan Tobias, O.B.E.	Chair and Non - Executive Director	Appointed April 2020
Dawn Scrafield	Chief Finance Officer	
Tom Abell	Deputy Chief Executive	
Julie Parker	Non - Executive Director	Appointed April 2020
Dave Hughes	Non - Executive Director	Appointed April 2020

Pen profiles of the members of the charitable funds committee:

Alan Tobias OBE, Non-Executive Director, Trust Vice Chair and Health and Wellbeing Guardian (from April 2021)

Alan joined Southend University Hospital NHS Foundation Trust as Chair in December 2011 from his former position of chairman at West Essex PCT.

He is a qualified solicitor with a strong record of senior management, both in the public and private sector. For 16 years he was a London Borough's Chief Executive and latterly chairman of an IT company. Alan was also Chairman of Essex Probation Service for six years and a board member of Springboard Housing Association as well as a trustee to two charitable trusts. In February 2019, Alan was appointed as chairman of Mid Essex Hospital alongside his role at Southend. Committee memberships – Finance and Performance Committee (Chair), Charitable Funds Committee, People and Organisational Development Committee, Remuneration and Nominations Committee

Dawn Scrafield, Chief Finance Officer

Dawn is a highly experienced, values driven senior NHS leader with a strong reputation as an effective problem solver, with drive, determination, energy and imagination to deliver high quality, cost effective services to patients. Dawn is a qualified and seasoned finance professional with over 23 years' experience at senior and board levels, with a successful track record of achievements operating as a Director and Deputy Chief Executive in complex multi-site NHS organisations. Prior to joining the Mid & South Essex Group in September 2019, Dawn supported the successful merger of Colchester and Ipswich Hospitals, to form East Suffolk and North Essex Foundation Trust.

A strong team player with an excellent reputation for achieving significant results across a broad range of portfolios including, corporate leadership and strategy, financial improvement, performance management, and turnaround in challenged organisations.

Tom Abell, Chief Strategy and Transformation Officer (Deputy Chief Executive)

Tom Abell joined BTUH in October 2015 as Deputy Chief Executive. He was previously Chief Officer of NHS Basildon and Brentwood CCG, bringing valuable experience of health commissioning to the Board of Directors. Tom has been involved in several major service transformation and improvement programmes during his career. He has a special interest in the role that technology and new ways of working can play in improving health outcomes for patients, while making maximum use of valuable resources.

Dave Hughes, Non-Executive Director, Senior Independent Director

Dave is pursuing a portfolio career combining non-executive, trustee and consulting roles following a highly successful senior executive career with British Telecom including over 15 years' board level experience creating and transforming high technology businesses. Dave is passionate about helping the community by utilising the business skills he has developed to help other organisations, something he has already

experienced as Deputy Chair of Papworth Hospital and recently Directors of Paradigm Trust, Health Enterprise East and as a Trustee of Let's Talk Reading. Committee memberships – People and Organisational Development Committee, Charitable Funds Committee, Finance and Performance Committee, Remuneration and Nominations Committee.

Julie Parker, Non-Executive Director

Julie is an experienced non-executive director with strong finance and corporate governance expertise. She has been a Director of Resources and Finance with an excellent track record in providing strategic direction, strong financial management and effective support services. Her experience spans the London Borough of Haringey, Tower Hamlets and Barking and Dagenham. She has extensive audit committee experience including the Health and Care Professions Council, Essex Fire and Rescue and Essex Police. Prior to her appointment to the Mid & South Essex Board, Julie was a non-executive director of East Suffolk and North Essex NHS Foundation Trust and its predecessor Colchester University Hospital NHS Foundation Trust since April 2014.

Julie Parker, Non-Executive Director (cont.)

Committee memberships – Audit, Finance and Performance Committee, Charitable Funds Committee, Remuneration and Nominations Committee.

Members of the charitable funds committee are selected to give the charity a good mix of appropriate professional skills – for example, medical, finance, investment and fundraising.

All members of the MSEFT board are provided with the Charity Commission's guidance: public benefit: an overview and the essential trustee: what you need to know (CC3) and a summary of what this means for a corporate trustee.

New members of the charitable funds committee are provided with an induction pack consisting of the governing documents, previous 3 years trustee's annual reports and accounts, policies and procedures of the Charity as well as the Charity Commission's guidance: public benefit: an overview and the essential trustee: what you need to know (CC3). Appropriate training courses are offered in charity law and administration, and the roles and responsibilities of trustees.

The charity's auditors and solicitors provide much useful material, and the Association of NHS Charities (to which we belong) runs regular conferences and symposia for trustees.

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

Under the trust deed of the charity and 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, 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 corporate trustees are required to act in accordance with the trust deed 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 corporate 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 corporate 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.

Our staff and advisors

MSE Hospitals charity has 11 whole time equivalent staff employed by Mid and South Essex NHS Foundation Trust.

The charitable funds committee is also assisted by a number of professional advisors, as detailed below

Investment managers:

HSBC Investment Services, Ground Floor, Forum I, Parkway, Whiteley PO15 7PA

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

External auditors:

KPMG LLP (UK), 15 Canada Square, London E14 5GL

Internal auditors:

RSM Risk Assurance Services LLP, The Pinnacle, 170 Midsummer Boulevard, Milton Keynes, Buckinghamshire MK9 1BP

Bankers:

Natwest, 280 Bishopgate, London EC2M 4RB

Barclays Bank, Leicester, Leicestershire LE87 2BB

Scottish Widows Bank, P O Box 883, Leeds LS1 9TY

Key management personnel remuneration

The board of the corporate trustee and the charity director comprise the key management personnel of the charity as they are in charge of:

- directing and controlling the charity
- running and operating the charity on a day-to-day basis.

MSEFT's board members are either executive members who are employees of MSEFT or non-executive members who are remunerated in accordance with the MSEFT's constitution. None of the board members are specifically paid in relation to Mid & South Essex Hospitals Charity, they give of their time freely.

Details of expenses paid to key management personnel are disclosed in note 12 to the accounts.

Members of MSEFT's board are required to disclose all relevant interests and register them with the company secretary and withdraw from decisions where a conflict of interest arises. All related party transactions are disclosed in note 21 to the accounts.

The Charity director is employed by MSEFT on NHS terms and conditions. The director's remuneration is reviewed annually and is increased in accordance with the nationally agreed increases for his pay scale. Mid & South Essex Hospitals Charity is fully recharged by the FT for the employment costs relating to the charity office and finance team.

Risk analysis

As part of the business planning exercise carried out during the year, the charitable funds committee has considered the risks to which Mid & South Essex Hospitals charity is exposed. They have reviewed systems and identified steps to mitigate those risks. Three major risks have been identified and arrangements have been put in place to mitigate those risks.

Future levels of income

Mid & South Essex Hospitals Charity is reliant on donations to allow it to make grants to NHS bodies. If income falls, then the charity would not be able to make as many grants or enter into longer term commitments with the NHS bodies it supports.

The committee mitigates the risk that income will fall by engaging with the Fundraising Department. That Department comprises dedicated fundraising experts who work with MSEFT to provide a co-ordinated approach to raising funds. Fundraising activity is regularly benchmarked against our peers and thorough reviews are undertaken after major campaigns and events to understand what worked well and how things could be done better.

The public's support of the NHS has been demonstrated through increased donations during the Covid-19 pandemic, particularly the national emergency appeal managed by NHS Charities Together. However, social distancing measures in place in 2020 and continuing into 2021, particularly during the spring and summer months have affected our fundraising events and therefore reduced our fundraising income. The Fundraising Department has managing this risk by moving fundraising online, but this continues to be a key risk as the pandemic continues and the public's goodwill towards the NHS starts to wane.

Fall in investment returns

Mid & South Essex Hospitals Charity generates additional income from investing its cash balances so the committee considers the loss of investment income to be a major financial risk. This risk is increased as a result of the impact of the Covid-19 pandemic on the stock market although that risk is, in part, reduced by the increased cash balances due to the grants received in year. The risk is mitigated by retaining expert investment managers, having a diversified investment portfolio and regularly reviewing that portfolio. The committee makes use of benchmarking information when reviewing the portfolio.

Unforeseen changes in the operation of the NHS

The NHS is, by its very nature, subject to national changes in government policy as well as local politically driven decisions. The charitable funds committee has identified this as a risk as it may mean initiatives or healthcare activities supported by Mid & South Essex Hospitals Charity are no longer delivered in the Mid & South Essex area. The committee regularly liaises with NHS partners to understand the changes that they are facing at an early stage.

Wider networks

Mid & South Essex Hospitals Charity is one of over 400 NHS linked charities in England and Wales who are eligible to join NHS Charities Together. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and members of the charitable funds committee.

As a member of NHS Charities Together, we have also been very grateful to receive grants from their national emergency appeal.

Related parties

MSEFT is the corporate trust of Mid and South Essex Hospitals Charity and is therefore a related party.

We do pay grants to other NHS bodies, particularly, members of Mid and South Essex ICS where they provide services which align with our charitable objectives. The committee consults with representatives of these organisations formally through their committee meetings and via other, less formal contacts.

However, they retain their independence to act in the best interests of Mid & South Essex Hospitals Charity and the charity's beneficiaries.

Our relationship with the wider community

The ability of Mid & South Essex Hospitals Charity to continue its vital support for the NHS in Mid & South Essex is dependent on its ability to raise funds from the general public. Mid & South Essex Hospitals Charity also continues to forge strong relationships with members of NHS staff whose co-operation the ability to make an effective contribution would be much diminished.

Volunteers

On behalf of the trustee body, the charitable funds committee would like to pay tribute to:

- the members of staff who give of their time out of hours in support of the work of the MSE Hospitals Charity and working with us to identify how we can help them care for the patients
- our fundraisers who do so much to encourage others to enrich lives through donations and fundraising activities.
- Members of Project Wingmen whose flight teams looked after our teams by serving drinks and snacks and giving them a place to relax away from the front line.
- volunteers from the Stockvale Group who supported our goods in team and helped to distribute PPE to the wards
- our charity shop volunteers and the Friends of Broomfield shop volunteers who carried on, where possible, throughout the pandemic

- Finally, a special thank you to Maureen Townley MBE and Linda Ansell MBE who retired this year from fundraising. Maureen and Linda have been part of the fabric of Southend Hospital since the mid-1980s as Maureen and Linda's Enterprises, selling bric-a-brac and knitted goods from a stall in the outpatients' department. Over the years they have raised hundreds' of thousands of pounds and in 2017 received the lifetime achievement award at the Annual Volunteer Awards.



Signed on behalf of the trustee:

Name: Alan Tobias, O.B.E., (Chair of the charitable funds committee)

Date: 31 January 2022

Independent auditor's report to the Corporate Trustee of Mid & South Essex NHS Foundation Trust Charity

Opinion

We have audited the financial statements of Mid & South Essex NHS Foundation Trust Charity ("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 144 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 Corporate 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 corporate 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 corporate 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 corporate 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 directors 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 minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. However, due to the nature of the income received by the charity we have rebutted the fraud risk in relation to revenue recognition.

Within the Charities sector, auditors also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition and therefore an additional risk has been identified in relation to this. Due to the nature of the expenditure recognised by the Charity, this risk has been limited to expenses which do not relate to transfers to the Mid and South Essex NHS Foundation Trust.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts combinations;

- Agreeing a sample of expense transactions back to relevant invoices and supporting documentation.

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 Corporate Trustees and other management (as required by auditing standards). We discussed with the Corporate Trustees 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 the Charities SORP) and taxation legislation and 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 corporate 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.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Corporate Trustees' responsibilities

As explained more fully in their statement set out on page 29, the corporate 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.

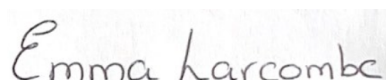
Auditor's responsibilities

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 corporate trustees as a body, in accordance with section 144 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 corporate 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 corporate trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Emma Larcombe

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

Botanic House

100 Hills Road

Cambridge

CB2 1AR

1 February 2022

Statement of Financial Activities for the year ending 31 March 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Income and endowments from						
Donations and legacies	3	1,500	985	0	2,485	842
Charitable activities	4	609	0	0	609	0
Other trading activities	5	96	31	0	127	150
Investments	6	28	11	0	39	5
Total		2,233	1,027	0	3,260	997
Expenditure on:						
Raising funds	7	51	13	0	64	50
Charitable activities	8	1,858	306	0	2,164	845
Total		1,909	319	0	2,228	895
Net gain on fixed asset revaluation	20	0	23	0	23	0
Net gains/(losses) on investments	20	77	0	0	77	0
Net income/(expenditure)		401	731	0	1,132	102
Transfers between funds	10	313	(313)	0	0	0
Other recognised gains/(losses)						
Gain on funds from gift of NHS charitable funds*	20	1,526	1,832	62	3,420	0
Net movement in funds		2,240	2,250	62	4,552	102
Reconciliation of funds:						
Total Funds brought forward	20	779	814	0	1,593	1,491
Total Funds carried forward	20	3,019	3,064	62	6,145	1,593

All income and expenditure is derived from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

*Gain on funds is from the gift of NHS charitable funds via the transfer of assets and liabilities to MSE Charity per Note 1.1.

Mid & South Essex NHS Foundation Trust Charity - 2020/2021 Charity Registration 1057266

Balance Sheet as at 31 March 2021

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Unaudited Total Funds 2020 £000
<i>Fixed assets</i>						
Tangible Assets	14	0	240	0	240	0
Investments	15	1,273	990	0	2,263	0
Total Fixed Assets		1,273	1,230	0	2,503	0
<i>Current assets</i>						
Stock	16	58	0	0	58	0
Debtors - amounts falling due within one year	17	13	654	0	667	0
Cash and cash equivalents	18	1,933	1,322	62	3,317	1,677
Total Current Assets		2,004	1,976	62	4,042	1,677
<i>Liabilities</i>						
Creditors - amounts falling due within one year	19	258	142	0	400	84
Net Current Assets/(Liabilities)		1,746	1,834	62	3,642	1,593
Total Net Assets		3,019	3,064	62	6,145	1,593
The Funds of the Charity						
Endowment funds	20			62	62	0
Restricted income funds	20	0	3,064	0	3,064	814
Unrestricted income funds	20	3,019	0	0	3,019	779
Total charity funds	20	3,019	3,064	62	6,145	1,593

Approved on behalf of the Corporate Trustee by:

D. Scrafield

31 January 2022

Dawn Scrafield, Chief Finance Officer
Mid & South Essex Hospitals Charity

Mid & South Essex NHS Foundation Trust Charity - 2020/2021 Charity Registration 1057266

Statement of Cash Flows for the year ending 31 March 2021

	2020/2021	Unaudited 2019/2020
	Total	Total
	Funds	Funds
	£000	£000
Cash flows from operating activities:		
<i>Net cash provided by operating activities</i>	4,007	161
Cash flows from investing activities:		
Dividend, interest and rents from investments	39	5
Proceeds from the sale of investments	582	0
Gift of fixed assets	(220)	0
Gift of investments at carrying value	(2,179)	0
Purchase of investments	(589)	0
<i>Net cash provided by investing activities</i>	(2,367)	5
<i>Change in cash and cash equivalents in the reporting period</i>	1,640	166
Cash and cash equivalents at the beginning of the reporting period	1,677	1,511
<i>Cash and cash equivalents at the end of the reporting period</i>	3,317	1,677

Reconciliation of net income to net cash flow from operating activities

	2020/2021	Unaudited 2019/2020
	Total	Total
	Funds	Funds
	£000	£000
<i>Net income for the reporting period (as per the statement of financial activities)</i>	1,132	102
Adjustments for :		
Depreciation	3	0
(Gains)/losses on investments	(77)	0
(Gains)/losses on fixed asset revaluation	(23)	0
Gain on funds from gift of NHS charitable funds	3,420	0
Dividends, interest and rents from investments	(39)	(5)
(Increase)/decrease in stocks	(58)	0
(Increase)/decrease in debtors	(667)	0
Increase/(decrease) in creditors	316	64
<i>Net cash provided by operating activities</i>	4,007	161

The notes on pages 4 to 15 form part of this account.

Notes to the financial statements for the year ended 31 March 2021

1. Accounting Policies

1.1. Basis of preparation

The financial statements are prepared under the historical cost convention, with the exception of investments which are included at fair value.

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

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 7a.

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

On 1 April 2020 the assets and liabilities of Mid Essex Hospital Services NHS Trust and Basildon and Thurrock University Hospitals NHS Foundation Trust were acquired in the form of a gift by Southend University Hospital NHS Foundation Trust. The Trust Board, by way of supplemental deeds on 1 April 2020 agreed to make application to the Charity Commission to transfer the assets and liabilities of the former Trust Charities, close the linked charities and grant the monies from Mid Essex Hospital Services NHS Trust Charitable Fund and Basildon and Thurrock University Hospitals NHS Foundation Trust Charitable Fund to Southend University Hospital NHS Foundation Trust Charitable Fund. Simultaneously, Southend University Hospital NHS Foundation Trust Charitable Fund was renamed Mid and South Essex NHS Foundation Trust Charity and a working title of Mid & South Essex Hospitals Charity registered.

Mid and South Essex NHS Foundation Trust Charity is a public benefit entity.

1.2 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable (more likely than not) that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

1.2.1 Donations, legacies and gifts in kind

Donations and legacies are credited to revenue on a receivable basis. Legacies are accounted for on receipt of correspondence from the personal representative indicating that payment of the legacy will be made. Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

1.2.2 Grants receivable

Grants receivable are credited to the statement of financial activities in the year in which they are receivable.

1.3 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Costs of generating voluntary income are those incurred in seeking voluntary contributions and do not include costs of disseminating information in support of charity activities. All expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

1.3.1 Grants payable

Grants payable are payments, made to third parties (including NHS bodies) in furtherance of the funds held on trust's charitable objectives. Grant payments are recognised as expenditure when the conditions for their payment have been met or where there is a constructive obligation to make a payment. A constructive obligation arises when a grant is approved by the trustee and accepted by the beneficiaries (i.e. where a third party has a reasonable expectation that they will receive the grant). The trustee has control over the amount and timing of grant payments and consequently where approval has been given by the trustee, and any of the above criteria have been met then a liability is recognised. Grants are not usually awarded with conditions attached. However, when they are then those conditions have to be met before the liability is recognised.

1.3.2 Fundraising costs

Costs of raising funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities. It includes investment management fees.

1.3.3 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Fund. These costs comprise direct costs and an apportionment of support costs as shown in note 7.

1.3.4 Allocation of support costs

Support costs have been allocated between charitable activities in proportion to the average month end balances held on each individual fund. Support costs are those costs which do not relate directly to a single activity. These include some staff costs, costs of administration, and IT support.

1.3.5 Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

1.3.6 Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

1.4 Fund accounting

1.4.1 Unrestricted Funds

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

1.4.2 Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against a specific fund.

1.4.3 Designated funds

Designated funds comprise unrestricted funds that have been set aside by the Trustee for particular purposes, but without restricting or committing the funds legally.

1.4.4 Endowment funds

Endowment funds are capital funds given to be held in perpetuity.

Investment income is apportioned to the individual funds in proportion to the average fund balance over the previous quarter of the year.

1.5 Tangible assets

1.5.1 Capitalisation

All assets falling into the following categories are capitalised:

- a) Tangible Assets which are capable of being used for more than one year, and have a cost equal to or greater than £5,000;
- b) Groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £500 or more;

1.5.2 Valuation

Valuations for Buildings and Land are carried out professionally at five year intervals. A three year interim valuation is also carried out. The last full valuation was carried out by Cushman & Wakefield with a valuation date of 31st March 2017. A desktop valuation has been undertaken as at 31 March 2020. Fixed assets are valued as follows:

- a) Buildings, installations and fittings are valued at depreciated replacement cost for specialised property;
- b) Land is stated at open market value for its existing use;
- c) Equipment is valued at the lower of estimated net replacement cost or recoverable amount;
- d) Assets in the course of construction are initially valued at cost and are revalued by professional valuers as part of the 5 or 3 yearly valuation.

1.5.3 Depreciation

a) Depreciation is charged on each main class of tangible asset as follows:

Land and assets in the course of construction are not depreciated. Buildings, installation and fittings are depreciated on their re-valued amount over the assessed remaining life of the asset as advised by professional valuers, prior to initial valuation the estimated life of buildings is 30 years.

b) Impairments, where incurred in the year are separately identified in note 14 and charged to the funds of the charity where caused by price fluctuations and to the Statement of Financial Activities for the year when the impairment was recognised.

1.6 Fixed Asset Investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the Balance Sheet at the current market value quoted by the investment manager, excluding dividend.

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.

Income from investments is included, together with the related tax credit, in the year in which it is received.

1.6.1 Investment Policy

The primary investment objectives are capital preservation and income generation for the benefit of the Charitable Fund. However expenditure of monies will always be preferred to investment. The overall objectives are to create sufficient income and capital growth to enable the Charitable Fund to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of, and if possible, enhancement of the value of the Charitable Fund. Investment decisions are taken by the Trustee on the recommendations of the Committee.

1.7 Stock

Stock is valued at the lower of cost and net realisable value on a first in first out basis.

1.8 Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

1.9 Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the Charity as they fall due.

1.10 Creditors

Creditors are measured at the amount that the charity expects to have to pay to settle the debt. Amounts which are owed in more than one year are shown as long term creditors.

1.11 Pensions

The charity is a grant making charity and has no employees and any pensions contribution liabilities that may arise are solely the responsibility of the grant recipient.

2. Prior year comparatives by type of fund

The primary statements provide prior year comparatives in total; this note provides prior period comparatives for the Statement of Financial Activities and the Balance Sheet for each of the three types of fund that the Charity manages.

2a Unrestricted Funds - Statement of Financial Activities for the year ended 31 March 2021

	2020/2021 £000	Unaudited 2019/2020 £000
Income and endowments from		
Donations and legacies	1,500	419
Charitable activities	609	0
Other trading activities	96	131
Investments	28	5
Total	2,233	555
Expenditure on:		
Raising funds	51	48
Charitable Activities	1,858	727
Total	1,909	775
Net gain on fixed asset revaluation	0	0
Net gains/(losses) on investments	77	0
Net income/(expenditure)	401	(220)
Transfers between funds	313	181
Other recognised gains/(losses)		
Gain on funds gifted from NHS charitable funds	1,526	0
Net movement in funds	2,240	(39)
Reconciliation of funds:		
Total Funds brought forward	779	818
Prior Year Adjustment	0	0
Total Funds carried forward	3,019	779

2a Unrestricted Funds - Balance Sheet as at 31 March 2021

	2020/2021 £000	Unaudited 2019/2020 £000
Fixed assets		
Tangible Assets	0	0
Investments	1,273	0
Total Fixed Assets	1,273	0
Current assets		
Stock	58	0
Debtors - amounts falling due within one year	13	0
Cash and cash equivalents	1,933	863
Total Current Assets	2,004	863
Liabilities		
Creditors - amounts falling due within one year	258	84
Net Current Assets	1,746	779
Total Net Assets for unrestricted funds	3,019	779
Total unrestricted funds	3,019	779

2b Restricted Funds - Statement of Financial Activities for the year ended 31 March 2021

	2020/2021 £000	Unaudited 2019/2020 £000
Income and endowments from		
Donations and legacies	985	423
Charitable activities	0	0
Other trading activities	31	19
Investments	11	0
Total	1,027	442
Expenditure on:		
Raising funds	13	2
Charitable Activities	306	118
Total	319	120
Net gain on fixed asset revaluation	23	0
Net gains/(losses) on investments	0	0
Net income/(expenditure)	731	322
Transfers between funds	(313)	(181)
Other recognised gains/(losses)		
Gain on funds gifted from NHS charitable funds	1,832	0
Net movement in funds	2,250	141
Reconciliation of funds:		
Total Funds brought forward	814	673
Total Funds carried forward	3,064	814

2b Restricted Funds - Balance Sheet as at 31 March 2021

	2020/2021 £000	Unaudited 2019/2020 £000
Fixed assets		
Tangible Assets	240	0
Investments	990	0
Total Fixed Assets	1,230	0
Current assets		
Stock	0	0
Debtors - amounts falling due within one year	654	0
Cash and cash equivalents	1,322	814
Total Current Assets	1,976	814
Liabilities		
Creditors - amounts falling due within one year	142	0
Net Current Assets (Liabilities)	1,834	814
Total Net Assets for restricted funds	3,064	814

2c Endowment Funds - Statement of Financial Activities for the year ended 31 March 2021

	2020/2021 £000	Unaudited 2019/2020 £000
Income and endowments from		
Donations and legacies	0	0
Charitable activities	0	0
Other trading activities	0	0
Investments	0	0
Total	0	0
Expenditure on:		
Raising funds	0	0
Charitable Activities	0	0
Total	0	0
Net gain on fixed asset revaluation	0	0
Net gains/(losses) on investments	0	0
Net income/(expenditure)	0	0
Transfers between funds	0	0
Other recognised gains/(losses)		
Gain on funds gifted from NHS charitable funds	62	0
Net movement in funds	62	0
Reconciliation of funds:		
Total Funds brought forward	0	0
Total Funds carried forward	62	0

2c Endowment Funds - Balance Sheet as at 31 March 2021

	2020/2021 £000	Unaudited 2019/2020 £000
Fixed assets		
Tangible Assets	0	0
Investments	0	0
Total Fixed Assets	0	0
Current assets		
Stock	0	0
Debtors - amounts falling due within one year	0	0
Cash and cash equivalents	62	0
Total Current Assets	62	0
Net Current Assets	62	0
Total Net Assets for endowment funds	62	0
Total endowment funds	62	0

Mid & South Essex NHS Foundation Trust Charity - 2020/2021 Charity Registration 1057266

3. Analysis of income and endowments from donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Donations from individuals	616	67	683	477
Grants	204	10	214	80
Corporate donations	597	1	598	27
Total Donations	<u>1,417</u>	<u>78</u>	<u>1,495</u>	<u>584</u>
Legacies	83	907	990	258
Total	<u>1,500</u>	<u>985</u>	<u>2,485</u>	<u>842</u>

4. Analysis of income from charitable activities

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Stage 1 grant from NHS Charities Together	229		229	0
Stage 2 grant from NHS Charities Together	50	0	50	0
Stage 3 grant from NHS Charities Together	330	0	330	0
Other		0	0	0
Total	<u>609</u>	<u>0</u>	<u>609</u>	<u>0</u>

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Charity Shops	37	0	37	63
Special Events	15	0	15	65
Lotteries and Competitions	35	0	35	22
Other Sales	9	31	40	0
Total	<u>96</u>	<u>31</u>	<u>127</u>	<u>150</u>

6. Investment income

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Fixed asset equity and similar investments	25	10	0	35	0
Short term investments and deposits and cash on deposit	3	1	0	4	5
Total	<u>28</u>	<u>11</u>	<u>0</u>	<u>39</u>	<u>5</u>

7. Analysis of expenditure on raising funds

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Fundraising Events	6	11	17	8
Charity Shops	41	0	41	42
Adventure Island Tickets	(41)	0	(41)	0
Management Fee	45	2	47	0
Total	51	13	64	50

7a. Operating leases

Included within Charity Shops is rent charged as an expense.

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Operating lease charged as an expense	9	0	9	13
	9	0	9	13

Future minimum lease payments under non-cancellable operating leases are as follows:

Less than 1 year	13	0	13	0
Between 1 - 5 years	27	0	27	0
Over 5 years	0	0	0	0
	40	0	40	0

8. Analysis of expenditure on charitable activities

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Patients welfare and amenities	190	34	224	190
Staff welfare and amenities	937	17	954	94
Purchase of new equipment	321	55	376	267
Building and Refurbishment	99	75	174	20
Grant funded activity	1,547	181	1,728	571
Support Costs	279	122	401	272
Auditors Remuneration	32	3	35	2
Total	1,858	306	2,164	845

9. Grants Payable

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Grants payable to the following institutions:				
Mid and South Essex NHS Foundation Trust	1,547	181	1,728	571
Total	1,547	181	1,728	571

10. Transfers between funds

	Unrestricted Funds £000	Restricted Funds £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Transfer between funds	313	(313)	0	0
Total	313	(313)	0	0

In the normal course of business it is necessary to make transfers between funds. In all cases such transfers are consistent with the terms of any restrictions and subject to approval in accordance with the scheme of delegation.

11. Allocation of support costs and overheads

	Raising Funds £000	Charitable Activities £000	2020/2021 Total Funds £000	Unaudited 2019/2020 Total Funds £000
Independent Examiner	0	0	0	2
External audit	0	35	35	0
Other professional fees	0	0	0	3
Salaries and related costs	0	401	401	269
Total	0	436	436	274
Unrestricted Funds	0	311	311	199
Restricted Funds	0	125	125	75
Endowment Funds	0	0	0	0
Total	0	436	436	274

12. Trustees remuneration, benefits and expenses

Mid and South Essex NHS Foundation Trust is the corporate trustee. There are no individual trustees receiving remuneration or expenses in 2020/21 or 2019/20.

13. Analysis of staff costs and remuneration of key management personnel

No staff are employed directly by the charity. All staff costs relating to the charity are charged by Mid and South Essex NHS Foundation Trust (2019/20: Southend University Hospital NHS Foundation Trust) under service level agreement. The amount charged in 2020/21 was £379k (2019/20: £295k). The number of whole time equivalent staff employed by Mid and South Essex NHS Foundation Trust (2019/20: Southend University Hospital NHS Foundation Trust) is 11 (2019/20: 10), this includes the staff within the Fundraising team, Charity Shop and support services.

14. Tangible assets

	2020/2021 Buildings £000	Unaudited 2019/2020 Buildings £000
Cost or Valuation		
At 1 April	0	0
Additions		
Gift	220	0
Revaluation	23	
At 31 March	<u>243</u>	<u>0</u>
Depreciation		
At 1 April	0	0
Charge for the year	3	0
Revaluation		
At 31 March	<u>3</u>	<u>0</u>
Net Book Value		
At 1 April	0	0
At 31 March	<u>240</u>	<u>0</u>

These costs relate to the construction of the parents accommodation in Paediatrics. Mid and South Essex NHS Foundation Trust owns the freehold of the land on which this building is located.

Valuations for the accommodation are carried out professionally at five year intervals. A three year interim valuation is also carried out. The last valuation was carried out by Montagu Evans LLP with a valuation date of 31st March 2021.

Mid & South Essex NHS Foundation Trust Charity - 2020/2021 Charity Registration 1057266

15. Fixed asset investment

	2020/2021 Listed Investments	Unaudited 2019/2020 Listed Investments
	£000	£000
Market value brought forward	0	0
Gift of investments at carrying value	2,179	0
Add: additions to investments at cost	589	0
Less: disposals at carrying value	(582)	0
Net gain / (loss) on revaluation	77	0
Market value as at 31 March	2,263	0

Funds are invested as follows:

	2020/2021 £000	Unaudited 2019/2020 £000
HSBC FTSE All-Share Index Inst Inc	133	0
HSBC Corporate Bond Fund Inst Inc	118	0
HSBC UK Gilt Index Fund - Inst income Units	45	0
HSBC European Index Inst Inc	21	0
HSBC American Index Inst Inc	34	0
HSBC US Multi-Factor Equity Fund Inst Inc	39	0
HSBC Japan Index Inst Inc	13	0
AQR Managed Futures UCITS Fund GBP Acc	3	0
Goldman Sachs Cross Asset Trend E	7	0
HSBC Gbl Inflation Lb ZQ1H GBP	18	0
HSBC Global Investment Funds Asia High Yield Bond ZQ1H GBP	4	0
HSBC Global Investment Funds Asia Investment Grade Bond ZQ1H GBP	17	0
HSBC Global Investment Funds Glb Shrt Durtn HY Bnd ZQH GBP	22	0
HSBC Global Investment Funds Global Emerging Mkts Local Debt ZQ1 USD	43	0
HSBC Global Investment Funds Global Real Estate Equity ZQ1	61	0
HSBC Global Investment Funds Global Short Duration Bond Fund ZQ1H GBP	29	0
HSBC Global Investment Funds Global Investment Grade Sec Crd Bond ZQ1HGBP	115	0
HSBC Global Funds Icasv Multi-Factor Worldwide Equity ZQ	15	0
HSBC Glocal Investment Funds Global Corporate Bond ZQH GBP	117	0
HSBC Global Investment Funds Global Emerging Mkts BDZ GBP DIST HDG	38	0
HSBC Global Investment Funds Global Government Bond ZQ1H GBP	25	0
HSBC Global Investment Funds Global High Yield Bond Z GBP Dist HDG	19	0
HSBC Global Investment Funds Multi-Asset Style Factors ZCH GBP	33	0
Amundi Prime UK Mid and Small Cap UCITS ETF DR	16	0
HSBC Msc Canada UCITS ETF GBP	25	0
Ishares Msc World GBP Hedged	40	0
HSBC Msci Pacific Ex Japan UCITS ETF GBP	5	0
Ishares Core Em Imi USD DIST	28	0
Lyxor Msci World Financials UCITS ETF	25	0
COIF Charities Ethical Investment Fund	607	0
COIF Charities Investment Fund	64	0
COIF Charities Fixed Interest Fund	412	0
Total listed investments	2,191	0
Cash investments	72	0
Total	2,263	0

Mid & South Essex NHS Foundation Trust Charity - 2020/2021 Charity Registration 1057266

16. Stock

	2020/2021 £000	Unaudited 2019/2020 £000
Theme Park Tickets	58	0
Total	58	0

17. Debtors

	2020/2021 £000	Unaudited 2019/2020 £000
Amounts falling due within one year		
Prepayments & accrued income	667	0
Total	667	0

18. Analysis of cash and cash equivalents

	2020/2021 £000	Unaudited 2019/2020 £000
Cash in hand	2,810	1,171
Notice deposits (less than 3 months)	507	506
Total	3,317	1,677

19. Creditors

	2020/2021 £000	Unaudited 2019/2020 £000
Amounts falling due within one year		
Trade Creditors	7	6
Accruals for grants owed to NHS bodies	332	78
Other Creditors	61	0
Total	400	84

Mid & South Essex NHS Foundation Trust Charity - 2020/2021 Charity Registration 1057266

Material Funds are considered to be those with a balance that exceeded £50,000 both at the beginning and end of the Financial Year

20. Funds	Balance 1 Apr 20 £000	Incoming resources £000	Resources expended £000	Gift from NHS funds* £000	Transfers Other £000	Gains & losses £000	Balance 31 Mar 21 £000
Permanent Endowment Funds							
U Brown Legacy	0	0	0	62	0	0	62
Restricted Funds							
Smaller Restricted Legacies	531	891	0	0	(177)	0	1,245
Smaller Restricted Donations	72	32	(10)	0	0	0	94
Family Accommodation - Asset	0	0	(3)	221	0	23	241
Cardiology Education	0	1	(7)	59	0	0	53
Polly Parrot Appeal - Children	0	33	(87)	161	0	0	107
Lectureship Fund - Restricted	0	0	0	77	0	0	77
CTC Restricted Legacy	0	0	0	481	0	0	481
MacMillan Information Centre	57	4	(17)	0	0	0	44
All other Funds	154	66	(195)	833	(136)	0	722
Sub Total Restricted Funds	814	1,027	(319)	1,832	(313)	23	3,064
Unrestricted Funds							
Charity Equipment Fund	55	130	(261)	0	247	0	171
E.Loury Ward Fund	83	10	(38)	0	0	0	55
Breast Fund	60	11	(13)	0	0	0	58
Critical Care Unit Fund	46	45	(21)	0	0	0	70
Covid-19 Fund	5	865	(587)	110	(2)	0	391
Burns Centre Fund	0	4	(30)	174	1	0	149
Maternity Bereavement Service	0	34	(4)	20	0	0	50
Basildon Unrestricted Legacy	0	1	(6)	208	0	0	203
General Purposes Charity Fund	(162)	766	(617)	157	30	77	251
All other Funds	692	367	(332)	857	37	0	1,621
Sub Total Unrestricted Funds	779	2,233	(1,909)	1,526	313	77	3,019
Total Funds	1,593	3,260	(2,228)	3,420	0	100	6,145

* Gift from NHS funds refers to the Gain on funds from the gift of NHS charitable funds via the transfer of assets and liabilities to MSE Charity per Note 1.1.

Mid & South Essex NHS Foundation Trust Charity - 2020/2021 Charity Registration 1057266

20. Funds	Unaudited Balance 1 Apr 19 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains & losses £000	Unaudited Balance 31 Mar 20 £000
Permanent Endowment Funds	0	0	0	0	0	0
Restricted Funds						
Smaller Restricted Legacies	388	218	0	(75)	0	531
Keyhole Cancer Appeal	(21)	21	0	0	0	0
MacMillan Information Centre	45	16	(4)	0	0	57
Dementia Fund	33	34	(22)	(7)	0	38
20th Anniversary Fund	96	62	(71)	(68)	0	19
Gynae / Oncology COPES Fund	38	3	(2)	0	0	39
Other Restricted Funds	94	88	(21)	(31)	0	130
Sub Total Restricted Funds	673	442	(120)	(181)	0	814
Unrestricted Funds						
Charity Equipment Fund	65	71	(201)	120	0	55
Charity Shop	1	59	(41)	0	0	19
E Loury Ward Fund	59	29	(2)	(3)	0	83
Oncology Fund	47	7	0	(6)	0	48
Breast Fund	54	24	(17)	0	0	61
Stroke Unit Fund	55	19	(12)	(13)	0	49
Stambridge (surgical) ward Fund	33	2	0	0	0	35
Staff Lottery Fund	9	13	(3)	(10)	0	9
Chemotherapy Unit Fund	33	19	(9)	(2)	0	41
Critical Care Unit Fund	41	12	(6)	(1)	0	46
Other Designated Funds	421	300	(484)	96	0	333
Sub Total Unrestricted Funds	818	555	(775)	181	0	779
Total Funds	1,491	997	(895)	0	0	1,593

21. Related party transactions

Mid and South Essex NHS Foundation Trust is the Corporate Trustee of the Mid and South Essex NHS Foundation Trust Charity. The members of the Board are listed on page 6 of the Annual Report.

During the year, none (2019/20: None) of the members of the Trust Board or key management staff or parties to them have undertaken any material transactions with the Mid and South Essex NHS Foundation Trust Charity.

The Mid and South Essex NHS Foundation Trust Charity has made revenue and capital payments to the Mid and South Essex NHS Foundation Trust where the corporate trustees are also members of the Trust Board.

An administrative recharge for the year 2020/21 of £401k (2019/20: £272k) was made by the Trust to the Charity.

During the year the Charity made grants of £1,728k (2019/20: £571k) to Mid and South Essex NHS Foundation Trust.

At the year end, the Charity had a balance outstanding owed to the Trust of £336k (2019/20: £78k). This represents trade creditors paid by Mid and South Essex NHS Foundation Trust, and recharged to Mid and South Essex NHS Foundation Trust Charity.

22. Connected organisations

The connected organisation of the Mid and South Essex NHS Foundation Trust Charity is Mid and South Essex NHS Foundation Trust by giving charitable support in their provision of health care.