

**EAST CHESHIRE NHS TRUST CHARITABLE FUND**

**ECHO**

(Registered Charity Number 1059228)

**TRUSTEE'S ANNUAL REPORT**

**AND**

**ACCOUNTS**

**FOR THE YEAR ENDED 31st MARCH 2021**

## **Introduction**

The Trustee presents the Annual Report for the East Cheshire NHS Trust Charitable Fund (also known as ECHO) for the year ended 31st March 2021. The charity is registered with the Charity Commission for England and Wales, registration number 1059228.

The charity's annual report and accounts for the year ended 31st March 2021 have been prepared by the Corporate Trustee 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 Charities Act 2011 and UK Generally Accepted Practice as it applies from 1st January 2019.

The charity's report and accounts include all the separately established funds and are used for the benefit of those who may require NHS services in the area covered by East Cheshire NHS Trust.

## **Reference and administrative details**

The main charity, East Cheshire NHS Trust Charitable Fund is constituted of 79 individual funds as at 31st March 2021 (79 as at 31<sup>st</sup> March 2020) and the notes to the accounts distinguish the types of fund held and disclose separately all material funds.

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

## **Trustee**

The Trustee of the ECHO is the corporate body, East Cheshire NHS Trust. Details of the members of East Cheshire NHS Trust are given in note 20 of the accounts.

## **Registered office**

The registered office of the charity is: -

Trust Headquarters  
East Cheshire NHS Trust  
Victoria Road  
Macclesfield  
Cheshire  
SK10 3BL

## **Governing document**

The Trust is governed by the governing document produced along model lines supplied by the Charity Commission. The charity's objects are to apply the income, and at its discretion, so far as may be permissible, the capital, for any charitable purpose or

purposes relating to the National Health Service wholly or mainly for the services provided by East Cheshire NHS Trust.

The ECHO charity is made up of a number of administrative sub-funds, which represent the services provided within East Cheshire NHS Trust.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund. By designating funds the Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

From 1<sup>st</sup> April 2016 Non-executive members and the Chairman of the Trust Board are appointed by NHS Improvement for a fixed term, following open invitations among members of the local community. The NHS and trust recruitment guidance and policy are followed in these appointments, including open competition and the involvement of an independent external assessor.

The Chief Executive is appointed by the Chairman and non-executive directors. The executive directors are recruited by a panel led by the Chief Executive.

Members of the Trust Board and the Charitable Funds Committee are not individual trustees under Charity Law but act as agents on behalf of the corporate Trustee.

All members of the Board, in their capacity as corporate trustee, are made aware of their duties and responsibilities and directed to view the Charity Commission Booklet "CC3 – The Essential Trustee – what you need to know". The Director of Finance ensures that all new Board members are given this information as part of their induction.

The Trustee is responsible for the overall management of the charitable fund. The Trustee is required to: -

- Control, manage and monitor the use of the fund's resource
- Provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income
- Ensure that 'best practice' is followed in the conduct of all its affairs, fulfilling all of its legal responsibilities
- Ensure that the investment policy is adhered to and that performance is continually reviewed whilst being aware of ethical considerations
- Keep fully informed of the activity, performance and risks of the charity

### **Principal Advisor**

The Trustee has overall responsibility for expenditure from charitable funds. Two nominated fund holders for each fund have delegated authority to make purchases up to £5,000 per request.

The accounting records and the day-to-day administration of the funds are dealt with by the finance department of East Cheshire NHS Trust located at the Trust.

### **Principal Professional Advisors**

<b>Bankers</b>	<b>Solicitors</b>	<b>Independent Examiner</b>
National Westminster Bank plc PO Box 65 2 Chestergate Macclesfield Cheshire SK11 6BS	Hill Dickinson Pearl Assurance House 2 Derby Square Liverpool L2 9XL	Heywood Shepherd Chartered Accountants 1 Park Street Macclesfield SK11 6SR

### **Objectives and Strategy**

The charity works in partnership with other charities, volunteers and fundraisers to raise and receive much needed funds for the relief of sickness for people whom East Cheshire NHS Trust provides healthcare services.

### **Income and expenditure**

Income is received via individuals giving donations, undertaking fund-raising, leaving legacies, and from other charities providing grants to the charity. The Trustee works closely with the League of Hospital Friends and is grateful to them and all our generous donors for the fundraising and contributions they make to further the objects of East Cheshire NHS Charitable Fund for the benefit of patients and staff.

During the year the charity received income of £282k (£259k 20019/20) of which donations and legacies totalled £273k (£250k 2019/20). Income from other trading activities was £3k (£4k 2019/20). Bank interest was £6k (£5k 2019/20), earned from funds (including endowment funds) deposited in a twelve-month Charities Aid Foundation (CAF) fixed rate saver and a three-month fixed saver account with Shawbrook bank.

During the year charitable expenditure totalled £230k (£167k 2019/20). Of this, £61k (£144k 2019/20) was spent on medical equipment and patient welfare.

Major grants and purchases during the year included: -

<b>Item</b>	<b>Cost</b>	<b>Description</b>
Health Hub project (funded by Sir Captain Tom monies)	£98,153	For the ultimate benefit of patients through ensuring the health & wellbeing of hospital staff
Health Hub furniture items (funded by Sir Captain Tom monies)	£9,811	For the ultimate benefit of patients through ensuring the health & wellbeing of hospital staff
Android tablets	£9,178	For the benefit of patients on Covid ward, enabling contact with family members
Dementia therapy system	£9,000	For the benefit of patients with dementia to engage with activities that will stimulate and improve health, wellbeing and the quality of care with the benefit of reducing hospital stays
Chemotherapy chairs	£8,406	For the benefit of lung cancer screening patients
Staff training	£7,024	For the ultimate benefit of patients through ensuring the health & wellbeing of hospital staff
Staff reward re bank and facilities management staff	£5,952	For the ultimate benefit of patients through recognition of the important contribution made by the hospital staff
Staff refreshments (funded by Sir Captain Tom monies)	£6,198	For the ultimate benefit of patients through recognition of the important contribution made by the hospital staff
Moving & handling equipment	£4,994	For the benefit of patients accessing Aston ward
Patient turning equipment	£4,492	For the benefit of patients accessing adult physio
Treatment boots	£3,950	For the benefit of patients accessing urology
Walking frames	£3,078	For the benefit of patients accessing adult physio
NHS Mural (funded by Sir Captain Tom monies)	£2,899	To commemorate the work of staff during the Pandemic.
Gastrolyzer	£2,645	For the benefit of patients accessing gastroenterology

We are grateful to local charities, volunteers, supporters, fund-raisers and NHS Charities Together, who have helped to fund the purchase of many of these items.

## **Fund-raising**

The Trustee recognises the importance of proactive fundraising in the current climate to help increase the support given to those who use the services of East Cheshire NHS Trust.

We utilise electronic methods of donating, including Text Giving and on-line giving through a Just Giving portal on the Trust's website ([www.eastcheshire.nhs.uk/Get-Involved/our-charity.htm](http://www.eastcheshire.nhs.uk/Get-Involved/our-charity.htm)) and also via the dedicated ECHO website <http://www.echohospitalcharity.org>. Donation envelopes are widely available across the Trust to enable more effective data capture to promote Gift Aid. Donation boxes are available within wards and departments in the Trust sites, and in various venues within the community.

We are grateful to all our volunteers, supporters, fund-raisers and partner organisations for all their help and support during the year.

## **Impact of Covid**

This was an extraordinary year for the NHS, with the virulent disease Coronavirus (Covid 19). For the most part charity events were cancelled, and our retail space stopped trading, this reduced the charity's general donated income. However, those who did give continued to embrace online fundraising and when and where possible set up Just Giving pages, in memory events and continued to support East Cheshire NHS Trust Charitable Fund.

It is with thanks to NHS Charities Together grants (Sir Captain Tom's monies) that the Charity has been able to support the Trust's staff, specifically with the creation of a new Wellbeing hub developed for staff. The hub provides a space to learn, think and allows well-earned time out from the impact of the roles faced and some time for reflection and consideration. There is space to meet, speak and come together with colleagues or simply be alone with access to a range of wellbeing services.

## **Investments**

The charity no longer has any monies invested in the stock market as it was agreed in June 2013 to hold investments in liquid form to facilitate the use of the charitable funds. This policy is reviewed on a regular basis to ensure that the charity receives the best return on its liquid assets subject to an acceptable level of risk.

## **Reserves policy**

The reserves policy of the Trustee is to expend all appropriate funds subject to: -

- (i) maintaining six months' worth of annual running costs;
- (ii) maintaining a balance on the general funds to ensure that there are sufficient funds to pay for on-going commitments;
- (iii) any amounts held which are being built up for the purchase of a specific item of equipment or other specific purpose.

## Risks

The major risks, to which the charity is exposed, as identified by the Trustee, are reviewed at each Charitable Funds Committee meeting to mitigate those risks.

Signed on behalf of the Trustee



Signed by: Mr. A Smith

Date: 18<sup>th</sup> November 2021



Signed by: Mr. G Murphy

Date: 18<sup>th</sup> November 2021

## FOREWORD

The 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 Charities Act 2011 and UK Generally Accepted Practice as it applies from 1st January 2019.

### Statutory background

East Cheshire NHS Trust is the Corporate Trustee ("Trustee") of the charitable fund.

### Main purpose of the charity

The main purpose of the charity, as stated in its objects, is to apply its income and, at its discretion, so far as may be permissible, the capital, for any charitable purpose or purposes relating to the National Health Service, wholly or mainly in relation to the services provided by East Cheshire NHS Trust.



## Trustee's responsibilities in relation to the financial statements

The charity's Trustee is responsible for preparing a trustee's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity's Trustee to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of these resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the charity and enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations and the provisions of the Trust deed. The Trustee is also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

The Trustee confirms that the responsibilities set out above have been met, and the requirements for preparing the accounts have been complied with. The financial statements set out on pages 11 to 27 attached have been compiled from, and are in accordance with, the financial records maintained by the Trustee.

By order of the Trustee

Signed on behalf of the Trustee

Mr A Smith



Date: 18th November

Mr G Murphy



Date: 18th November

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF EAST CHESHIRE NHS TRUST CHARITABLE FUND

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### Independent examiner's report to the trustees of East Cheshire NHS Trust Charitable Fund

I report to the charity trustees on my examination of the accounts of East Cheshire NHS Trust Charitable Fund (the Trust) for the year to 31 March 2021.

### Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

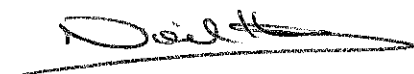
### Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of FCA which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mr Neil Kennington  
FCA  
Heywood Shepherd  
Chartered Accountants  
1 Park Street  
Macclesfield  
Cheshire  
SK11 6SR

Date: 18<sup>th</sup> November 2021

East Cheshire NHS Trust Charitable Fund - Annual Accounts 2020/21

Statement of Financial Activities for the year ended 31 March 2021

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021 £000	Total Funds 2020 £000
<b>Income and endowments from:</b>						
Donations and legacies	3	271	2	0	273	250
Other trading activities	4	3	0	0	3	4
Investment income	5	6	0	0	6	5
<b>Total incoming resources</b>		<b>280</b>	<b>2</b>	<b>0</b>	<b>282</b>	<b>259</b>
<b>Expenditure on:</b>						
Raising funds	6	0	0	0	0	0
Charitable activities:						
Patient welfare	7	(45)	(16)	0	(61)	(144)
Staff welfare	7	(168)	(1)	0	(169)	(23)
		<b>(213)</b>	<b>(17)</b>	<b>0</b>	<b>(230)</b>	<b>(167)</b>
<b>Total expenditure</b>		<b>(213)</b>	<b>(17)</b>	<b>0</b>	<b>(230)</b>	<b>(167)</b>
<b>Net movement in funds</b>		<b>67</b>	<b>(15)</b>	<b>0</b>	<b>52</b>	<b>92</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		270	300	147	717	625
<b>Total funds carried forward</b>		<b>337</b>	<b>285</b>	<b>147</b>	<b>769</b>	<b>717</b>

The notes on pages 14 to 27 form part of these accounts.

Balance Sheet as at 31 March 2021

	<b>Note</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>Total Funds 2021 £000</b>	<b>Total Funds 2020 £000</b>
<b>Current assets</b>						
Debtors	13	28	0	0	<b>28</b>	45
Cash and cash equivalents	14	297	197	147	<b>641</b>	521
Investments - Shawbrook Bank Ltd	15	295	105	0	<b>400</b>	347
<b>Total Current Assets</b>		<b>620</b>	<b>302</b>	<b>147</b>	<b>1,069</b>	<b>913</b>
 <b>Creditors:</b>						
<b>Amounts falling due within one year</b>	16	(244)	(13)		<b>(257)</b>	(137)
 <b>Commitments:</b>						
<b>Amounts falling due within one year</b>	16.1	(39)	(4)		<b>(43)</b>	(59)
<b>Net Current Assets</b>		<b>337</b>	<b>285</b>	<b>147</b>	<b>769</b>	<b>717</b>
<b>Total Net Assets</b>		<b>337</b>	<b>285</b>	<b>147</b>	<b>769</b>	<b>717</b>
 <b>The funds of the charity</b>						
Endowment funds	18					
	18.1			147	<b>147</b>	147
Restricted funds	18.3		285		<b>285</b>	300
Unrestricted funds	18.5	337			<b>337</b>	270
<b>Total charity funds</b>		<b>337</b>	<b>285</b>	<b>147</b>	<b>769</b>	<b>717</b>

The notes on pages 14 to 27 form part of these accounts.

Signed on behalf of the Trustee

Mr Andrew Smith



Date: 18th November

Statement of Cash Flows for the year ended 31 March 2021

	<b>Note</b>	<b>Total Funds 2021 £000</b>	<b>Total Funds 2020 £000</b>
<b>Net cash generated in operating activities</b>	17	<u>167</u>	<u>91</u>
<b>Cash flows from investing activities</b>			
Interest and dividends from investments		6	5
Purchase of financial assets/investments		<u>(200)</u>	<u>(200)</u>
<b>Net cash generated by investing activities</b>		<u>(194)</u>	<u>(195)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(27)</b>	<b>(104)</b>
Re-categorisation in year - from investments to cash and cash equivalents		<b>147</b>	0
Cash and cash equivalents as at 1 April		<b>521</b>	625
<b>Cash and cash equivalents as at 31 March</b>		<u><b>641</b></u>	<u>521</u>

## Notes to the Accounts

### **1 Accounting Policies**

#### **1.1 Basis of preparation**

The financial statements have been prepared under the historic cost convention.

The 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 Charities Act 2011 and UK Generally Accepted Practice as it apply from 1st January 2019.

The Trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

The Trustee has a reasonable expectation that the Charity has adequate resources to continue as a going concern. Expenditure is discretionary, and balanced against the reserves policy requirements. Accounting for income and expenditure is on an accruals basis to ensure all committed expenditure is reflected in the reporting process, and the Charity has sufficient resources to meet its committed expenditure for 12 months from the date that the financial statements were approved by the Corporate Trustee.

#### **1.2 Funds structure**

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as either:

- a restricted fund, or
- an endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.

Those funds which are neither endowment nor restricted funds, are classified as unrestricted funds. These include designated (earmarked) funds where the Trustee has set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors and unrestricted funds which are to be used at the Trustee's discretion, including the general fund.

The major funds held in each of these categories are disclosed in note 18.

### **1.3 Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources; and 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.

### **1.4 Incoming resources from legacies**

Legacies are accounted for as incoming resources either upon receipt or where the receipt is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted;
- The executors have established that there are sufficient assets in the estate to pay the legacy; and
- All conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

### **1.5 Investment Income**

Investment income reported in the Statement of Financial Activity (SOFA) and in notes 2.1 and 5 is interest on deposit and bank accounts. It is accounted for on an accruals basis.

## **1.6 Resources expended and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

Expenditure is recognised when the following criteria are met:

- There is a present legal or constructive obligation resulting from a past event;
- It is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement; and
- The amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

## **1.7 Recognition of expenditure and associated liabilities as a result of a grant**

Grants payable are payments made to a linked, related party or third party NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily for the relief of those who are sick.

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:

- The charity has communicated their intention to award a grant to a recipient who then has a reasonable expectation that they will receive a grant.
- The charity has made a public announcement about a commitment which is specific enough for the recipient to have a reasonable expectation that they will receive a grant.
- There is an established pattern of practice which indicates to the recipient that the charity will honour its commitment.

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, those conditions have to be met before the liability is recognised.



### **1.8 Allocation of support costs**

Support costs are those costs which do not relate directly to a single activity. These include administration costs, external audit costs and IT support costs. Support costs have been apportioned between fundraising costs and charitable activities on an appropriate basis. The analysis of support costs and the bases of apportionment applied are shown in note 9.

### **1.9 Fundraising costs**

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objectives.

### **1.10 Charitable activities cost**

The cost of charitable activities comprises all costs incurred in the pursuit of the charitable objectives of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of the charitable expenditure include an apportionment of support costs, as shown in note 7.

### **1.11 Debtors**

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

### **1.12 Cash and cash equivalents**

Cash and cash equivalents are held to meet short term cash commitments as they fall due. Cash equivalents are short term, highly liquid investments which have a maturity date of, say, three months or less from the date of acquisition.

### **1.13 Current asset investments**

Current asset investments are investments which a charity holds for resale or pending their sale and cash or cash equivalents with a maturity date of less than one year. This heading includes cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet short term cash commitments as they fall due.

### **1.14 Creditors**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

Amounts which are owed greater than one year from the balance sheet date are shown as non-current creditors.

Commitments for future expenditure are recognised if there is an expectation the funds will be used for a particular purpose. This will ordinarily take the form of an approval of the expenditure by the Trustee. They are recognised in expenditure and in the balance sheet under the heading 'Commitments' split between current and non current categories.

#### **1.15 Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. The charity has no unrealised gains or losses.

#### **1.16 Pooling scheme**

An official pooling scheme, registered with the Charity Commission on 7 August 1998, is operated for the investments relating to the expendable funds. An official pooling scheme was also registered on 19 April 2000 for the permanently endowed funds.

#### **1.17 Consolidation**

From 2013/14, the divergence from the Treasury's Financial Reporting Manual (FRM) that NHS Charitable Funds are not consolidated with their NHS Trust's own annual accounts was removed.

Following the Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the Trust has established that as it is the Corporate Trustee of the linked East Cheshire NHS Trust Charitable Fund (ECHO), it effectively has the power to exercise control so as to obtain economic benefits. However the transactions between the two entities are immaterial in the context of the group and as such the transactions have not been consolidated. Details of the transactions with East Cheshire NHS Trust are included in notes 8 and 19.

#### **1.18 Financial instruments**

The charity only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## 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 Activity and the Balance Sheet for each of the three classifications of fund that the charity manages.

### 2.1 Unrestricted funds - Statement of Financial Activity for the year ended 31 March 2021

	2021 £000	2020 £000
<b>Income and endowments from:</b>		
Donations and legacies	271	245
Other trading activities	3	4
Investment income	6	5
<b>Total incoming resources</b>	<b>280</b>	<b>254</b>
<b>Expenditure on:</b>		
Charitable activities:		
- Patient welfare	(21)	(99)
- Staff welfare	(168)	(22)
- Equipment	(24)	(38)
	<b>(213)</b>	<b>(159)</b>
<b>Total expenditure</b>	<b>(213)</b>	<b>(159)</b>
<b>Net Income / (expenditure)</b>	<b>67</b>	<b>95</b>
<b>Net movement in funds</b>	<b>67</b>	<b>95</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	270	175
<b>Total funds carried forward</b>	<b>337</b>	<b>270</b>

### Unrestricted funds - Balance Sheet as at 31 March 2021

	2021 £000	2020 £000
<b>Current assets</b>		
Debtors	28	44
Cash at bank and in hand	297	318
Investments	295	95
<b>Total current assets</b>	<b>620</b>	<b>457</b>
<b>Liabilities</b>		
Creditors falling due within one year	(244)	(129)
Commitments: Amounts falling due within one year	(39)	(58)
<b>Net current assets</b>	<b>337</b>	<b>270</b>
<b>Total net assets for unrestricted funds</b>	<b>337</b>	<b>270</b>
<b>Total unrestricted funds</b>	<b>337</b>	<b>270</b>

**2.2 Restricted funds - Statement of Financial Activity for the year ended 31 March 2021**

	2021 £000	2020 £000
<b>Income and endowments from:</b>		
Donations and legacies	2	5
Other trading activities	0	0
Investment income	0	0
<b>Total incoming resources</b>	<b>2</b>	<b>5</b>
<b>Expenditure on:</b>		
Charitable activities:		
- Patient welfare	(4)	0
- Staff welfare	(1)	(1)
- Equipment	(12)	(7)
<b>Total expenditure</b>	<b>(17)</b>	<b>(8)</b>
<b>Net income / (expenditure)</b>	<b>(15)</b>	<b>(3)</b>
<b>Net movement in funds</b>	<b>(15)</b>	<b>(3)</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	300	303
<b>Total funds carried forward</b>	<b>285</b>	<b>300</b>

**Restricted funds - Balance Sheet as at 31 March 2021**

	2021 £000	2020 £000
<b>Current assets</b>		
Debtors	0	1
Cash at bank and in hand	197	203
Investments	105	105
<b>Total current assets</b>	<b>302</b>	<b>309</b>
<b>Liabilities</b>		
Creditors falling due within one year	(13)	(8)
Commitments: Amounts falling due within one year	(4)	(1)
<b>Net current assets</b>	<b>285</b>	<b>300</b>
<b>Total net assets for restricted funds</b>	<b>285</b>	<b>300</b>
<b>Total restricted funds</b>	<b>285</b>	<b>300</b>

## 2.3 Endowment funds - Statement of Financial Activity for the year ended 31 March 2021

	2021 £000	2020 £000
<b>Reconciliation of funds</b>		
Total funds brought forward	147	147
Net movement of funds	0	0
<b>Total funds carried forward</b>	<b>147</b>	<b>147</b>

Investment income of £1,140 (£1,775 2019/20) (included in note 2.1) was received on the endowment fund cash balance.

## Endowment funds - Balance Sheet as at 31 March 2021

	2021 £000	2020 £000
<b>Current Assets</b>		
Investments	147	147
<b>Total current assets</b>	<b>147</b>	<b>147</b>
<b>Net current assets</b>	<b>147</b>	<b>147</b>
<b>Total net assets for endowment funds</b>	<b>147</b>	<b>147</b>
<b>Total endowment funds</b>	<b>147</b>	<b>147</b>

### 3 Income from donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000	Total 2020 £000
Donations from individuals and other organisations	94	2	0	96	188
Corporate donations			0	0	0
Legacies	22	0	0	22	62
Grants	155	0	0	155	0
	<b>271</b>	<b>2</b>	<b>0</b>	<b>273</b>	<b>250</b>

Donations from individuals are gifts from members of the public, relatives of patients and staff. This includes income collected through our collection boxes around the hospital and placed in businesses in the Macclesfield area. Grant Income has been received from Charities Together

### 4 Analysis of income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000	Total 2020 £000
Events organised by the trust	3	0	0	3	4

### 5 Analysis of investment income

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021 £000	Total 2020 £000
Interest - cash on bank deposit	0	0	0	0	1
Charities Aid Foundation (CAF)	6	0	0	6	4
	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>5</b>

### 6 Analysis of expenditure on raising funds

There was no expenditure on raising funds in 2020/21 (2019/20 - £nil).

### 7 Analysis of charitable expenditure

The charity did not undertake any direct charitable activities on its own account during the year. All of the charitable expenditure was in the form of grant funding.

Grants were approved in favour of the charity's partner organisation, East Cheshire NHS Trust, to carry out activities that will benefit NHS patients and their families and NHS staff. The charity incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by them.

	Grant funded activity £000	Support costs £000	Total 2021 £000	Total 2020 £000
Patient welfare	56	5	61	144
Staff welfare	143	26	169	23
	<b>199</b>	<b>31</b>	<b>230</b>	<b>167</b>

## 8 Analysis of grants

The charity does not make grants to individuals. All grants are made to East Cheshire NHS Trust or other institutions to provide for the care of NHS patients and staff in furtherance of our charitable aims. The majority of grant support was given to East Cheshire NHS Trust. The total cost of making grants, including support costs, is disclosed on the face of the Statement of Financial Activities, and the actual funds spent on each category of charitable activity is disclosed in note 7.

The Trustee operates a scheme of delegation for the majority of the charitable funds, under which fund holders manage the day to day disbursements on their projects in accordance with the directions set out by the Trustee in the charity's standing orders and financial instructions. All grants over £5,000 are approved by the charity's trustee committee.

All grants awarded during 2020/21, totalling £199,000 (2019/20 - £136,000), were made to East Cheshire NHS Trust.

## 9 Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of the charity.

The bases of allocation used are for both allocation between fundraising activities and charitable activities and, for allocation between funds, is expenditure during the year.

	<b>Fundraising Activities £000</b>	<b>Charitable Activities £000</b>	<b>2021 Total £000</b>	<b>2020 Total £000</b>
Governance: Independent examiner's fee	0	2	<b>2</b>	1
Administrative services	0	22	<b>22</b>	22
Information technology costs	0	7	<b>7</b>	8
<b>Total</b>	<b>0</b>	<b>31</b>	<b>31</b>	31

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Fundraising activities	0	0	0	<b>0</b>	0
Charitable activities	28	3	0	<b>31</b>	31
	<b>28</b>	<b>3</b>	<b>0</b>	<b>31</b>	31

# **10 Trustee's remuneration, benefits and expenses**

The Board members of East Cheshire NHS Trust, detailed in note 20, in their capacity as Corporate Trustee give their time freely and receive no remuneration for the work which they undertake.

# **11 Analysis of staff costs and remuneration of key management personnel**

The charity has no employees (2019/20 - none). Administrative support is provided to the charity by staff who work for East Cheshire NHS Trust, the host NHS body.

# **12 Independent examiner's remuneration**

The independent examiner's remuneration for 2020/21 of £1,500, inclusive of VAT (2019/20: £1,200), related solely to the independent examination of the financial statements, with no additional work being undertaken.

# **13 Analysis of current debtors**

	2021 £000	2020 £000
<b>Debtors due in under 1 year</b>		
Accrued income	28	45
Accrued Legacy income	0	0
	<u>28</u>	<u>45</u>

# **14 Analysis of cash and cash equivalents**

	2021 £000	2020 £000
Cash at bank and in hand	<u>641</u>	<u>521</u>

Cash is held in a National Westminster bank business reserve account and Shawbrook Bank Ltd, in a three month notice saver account.

# **15 Analysis of current investment assets**

	2021 £000	2020 £000
Investment	<u>400</u>	<u>347</u>

Deposits are held at Shawbrook Bank Ltd in a charity aid foundation (CAF) matured funds account, which is due to mature in May 2021.

# **16 Analysis of current liabilities**

	2021 £000	2020 £000
Current amounts falling due within one year:		
Creditors	257	137
Accruals for Commitments	43	59
<b>Total creditors falling due within one year</b>	<u>300</u>	<u>196</u>

The Creditors figure disclosed above relates to costs due not yet paid for goods or services received on or before 31st March 2021.

# **16.1 Accruals for commitments payable**

	2021 £000	2020 £000
Opening Balance	59	15
Committed in Year	149	60
Paid in Year (utilised)	(105)	(15)
Released in Year	(23)	(1)
Re-categorisation (commitment to accrual)	(37)	
	<u>43</u>	<u>59</u>

Commitments comprise £42k for grants approved in 2020/21 and £1k approved in 2019/20 which will be incurred in 2021/22.



**17 Reconciliation of net income to net cash flow from operating activities**

	2021 £000	2020 £000
<b>Net income/(expenditure) for year</b>	<b>52</b>	<b>92</b>
Interest/Investment income	(6)	(5)
(Increase) / decrease in debtors	17	(18)
Increase / (decrease) in creditors	104	22
<b>Net cash provided by operating activities</b>	<b>167</b>	<b>91</b>

**18 Analysis of charitable funds****18.1 Analysis of endowment fund movements**

Name of fund	Balance 1 April 2020 £000	Income £000	Expenditure £000	Balance 31 March 2021 £000
Thomas Clapham bequest	70	0	0	70
Thorneycroft convalescent fund	52	0	0	52
Others (3)	25	0	0	25
<b>Total</b>	<b>147</b>	<b>0</b>	<b>0</b>	<b>147</b>

**18.2 Details of funds with balances over £20,000 - endowment funds**

Name of fund	Nature and purpose of fund
Thomas Clapham	Originated from a legacy given pre 1978. Bequeathed to Macclesfield Infirmary to be applied as an endowment fund, and the income (interest) to be used for the general purpose of the said infirmary which is now East Cheshire NHS Trust
Thorneycroft	Originally received as a transfer from the Thorneycroft Convalescent Fund in 1997 and given for rehabilitation.

**18.3 Analysis of restricted fund movements**

Name of Fund	Balance 1 April 2020 £000	Income £000	Expenditure £000	Balance 31 March 2021 £000
Cancer Resource Centre Fund	188			188
DGH General Equipment Fund	28			28
Adult Physiotherapy	58		(11)	47
Chapel Fund	0			0
Congleton Hospital Fund	15		(5)	10
Coronary Care	9	2	(1)	10
Special Care Baby Unit	2			2
<b>Total</b>	<b>300</b>	<b>2</b>	<b>(17)</b>	<b>285</b>

It can be seen in table 18.3 that there has been limited expenditure against the restricted funds in year. The key reasons for this include the Cancer Resource Centre Fund which was originally earmarked for the Trust's cancer services. Further work will be completed to agree plans to utilise the funds going forward.

#### 18.4 Details of funds with balances over £20,000 - restricted funds

Name of fund	Nature and purpose of fund
DGH General Equipment Fund	A legacy received for equipment at Macclesfield District General
Cancer Resource Centre Fund	A legacy given for the benefit of the Cancer Resource Centre.
Adult Physiotherapy	A legacy given for the neuro physiotherapy gymnasium.

#### 18.5 Analysis of unrestricted funds movements

Name of fund	Balance 1 April 2020 £000	Income £000	Expenditure £000	Transfer between funds	Balance 31 March 2021 £000
East Cheshire NHS Trust General Fund	57	46	(27)	9	85
Oncology Fund	39	5	(9)	0	35
Palliative Care Nurse Fund	22	1	(1)	0	22
Others (64)	152	230	(178)	(9)	195
<b>Total</b>	<b>270</b>	<b>282</b>	<b>(215)</b>	<b>0</b>	<b>337</b>

#### 18.6 Details of funds with balances over £20,000 - unrestricted funds

Name of fund	Nature and purpose of fund
East Cheshire NHS Trust General Fund	Donations and legacies received for healthcare within East Cheshire.
Oncology Fund	Donations and legacies received for the benefit of patients requiring oncology services.
Palliative Care Nurse	Donations and legacies received for the benefit of patients requiring palliative care services.

#### 19 Related party transactions

East Cheshire NHS Trust ("Trust"), which provides healthcare services to the people of East Cheshire and surrounding areas, is the Corporate Trustee of East Cheshire NHS Trust Charitable Funds. The patients and staff of the Trust are the main beneficiaries of the charity. The charity has made revenue and capital payments to the Trust totalling **£199,000** in 2020/21 (2019/20: £136,000) for the benefit of NHS patients and staff, and these are detailed in note 7.

## 20 Related party transactions, continued

During the year; neither the Trustee, nor members of the Trust Board, whose names are listed below, or parties related to them have undertaken any material transactions with the charity.

None of the Trust Board members in their capacity as Corporate Trustee received any remuneration or expenses.

The Trust Board members during the year were: -

- Lynn McGill, Chairman
- Andrew Smith, Non-Executive Director
- Tim Shercliff, Non-Executive Director
- Mr Peter Madden, Non-Executive Director
- Ian Goalen, Non Executive Director
- Mike Wildig, Non-Executive Director
- John Wilbraham, Chief Executive
- Mark Ogden, Director of Finance
- Rachael Charlton, Director of People and Culture
- Julie Green, Director of Corporate Affairs & Governance
- Dr John Hunter, Medical Director
- Kath Senior, Deputy CEO and Director of Nursing and Quality
- Jayne Wood, Chief Operating Officer (left the Trust July 2020)
- Simon Goff, Chief Operating Officer (appointed June 2020)

The Trust makes a number of clerical and transactional services available to the charity by agreement with the Trustee. These are included within support costs (see note 9) and include:

- Administrative services at a cost of **£21,500** (2019/20: £21,500) in support of the charity's grant making activities.
- Information Technology costs of **£6,779** (2019/20: £8,000).

The amounts paid for administrative services and IT costs are set at an amount which allows the Trust to recover some of its costs. For 2020/21, as was also the position in 2019/20, the Trust has waived the majority of its fee for administrative services.

As at 31 March 2021, creditors includes £208,535 owed to East Cheshire NHS Trust (£125,919 as at 31 March 2020).

The total income of the Corporate Trustee, East Cheshire NHS Trust, for the year ended 31 March 2021 was **£193,589,000** (2019/20: £176,706,000.), and a surplus of **£3,244,000** (2019/20: Surplus £50,000).

## 21 Events after the end of the reporting period

There are no events to disclose, which happened after the end of the reporting period.