

**EAST CHESHIRE NHS TRUST CHARITABLE FUND**

**ECHO**

(Registered Charity Number 1059228)

**TRUSTEE'S ANNUAL REPORT**

**AND**

**ACCOUNTS**

**FOR THE YEAR ENDED 31st MARCH 2022**

## **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 2022. 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 2022 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 2022 (79 as at 31<sup>st</sup> March 2021) 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 East Cheshire NHS Trust Charitable Fund 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 Chair of the Trust Board are appointed by the 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. From 1<sup>st</sup> July 2022 the responsibility for appointing non-executive members and the Chair sits has transferred to the Secretary of State for Health and Social Care.

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>Auditor</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 is grateful to 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 £1,832k (£282k 20020/21) of which donations and legacies totalled £1,829k (£273k 2020/21). No Income was received from other trading activities (£3k 2020/21). Bank interest was £3k (£6k 2020/21), earned from funds (including endowment funds) deposited in a twelve-month Charities Aid Foundation (CAF) deposit and a twelve-month 60-day notice fixed saver account with Shawbrook bank.

During the year charitable expenditure totalled £137k (£230k 2020/21). Of this, £107k (£61k 2020/21) was spent on medical equipment and patient welfare.

Major grants and purchases during the year included: -

Item	Cost	Description
Manikin simulator	£46,671	For the ultimate benefit of patients through training and education
Zero tolerance training	£17,220	For the ultimate benefit of patients through ensuring training and education of hospital staff
Patient weighing scales oncology	£3,757	For the benefit of oncology patients
Rise & recline chair - lung cancer	£4,155	For the benefit of lung cancer screening patients
Minibus wrap	£1,920	For the ultimate benefit of patients through promoting Trust Charity and awareness
Oncology staff training	£1,236	For the ultimate benefit of patients through ensuring training and education of hospital staff
Laptop and projector for patient education sessions	£1,204	For the ultimate benefit of patients through training and education

## 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.

Donations can be made on-line through <https://charity.eastcheshire.nhs.uk/>. 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 local charities, volunteers, supporters, fund-raisers and NHS Charities Together, for all their help and support during the year, which have helped to fund the purchase of many of the above items.

## 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: Dr. Andrew Smith

Date: 31<sup>st</sup> January 2023



Signed by: Mrs. Kara Mason

Date: 31<sup>st</sup> January 2023

## 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 xx to xx 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

Dr. Andrew Smith



Date: 31st January 2023

Mrs. Kara Mason



Date: 31st January 2023



## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE EAST CHESHIRE NHS TRUST CHARITABLE FUND

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### Opinion

We have audited the financial statements of The East Cheshire NHS Trust Charitable Fund (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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 conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE EAST CHESHIRE NHS TRUST CHARITABLE FUND

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### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for 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 the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Trust through discussions with management, and from our commercial knowledge and experience of the charity sector
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including charities SORP FRS 102, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Trust's financial statements to material misstatements, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; a

To address the risk of fraud through management bias and override controls, we:

- Performed analytical procedures to identify any unusual or expected relationships;
- Tested journal entries to identify unusual transactions; and
- Investigate the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from errors as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF  
THE EAST CHESHIRE NHS TRUST CHARITABLE FUND**

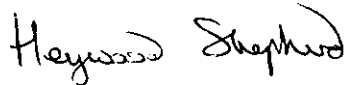
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**Other Matters which we are required to address**

We draw your attention to the fact that the prior year comparative figures have not been audited.

**Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Heywood Shepherd  
Chartered Accountants  
1 Park Street  
Macclesfield  
Cheshire  
SK11 6SR

31<sup>st</sup> January 2023

Statement of Financial Activities for the year ended 31 March 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021/22 £000	Total Funds 2020/21 £000
<b>Income and endowments from:</b>						
Donations and legacies	3	947	882		1,829	273
Other trading activities	4				0	3
Investment income	5	3			3	6
<b>Total incoming resources</b>		<b>950</b>	<b>882</b>	<b>0</b>	<b>1,832</b>	<b>282</b>
<b>Expenditure on:</b>						
Charitable activities:						
Patient welfare	6	(101)	(6)	0	(107)	(61)
Staff welfare	6	(30)		0	(30)	(169)
		<b>(131)</b>	<b>(6)</b>	<b>0</b>	<b>(137)</b>	<b>(230)</b>
<b>Total expenditure</b>		<b>(131)</b>	<b>(6)</b>	<b>0</b>	<b>(137)</b>	<b>(230)</b>
<b>Net movement in funds</b>		<b>819</b>	<b>876</b>	<b>0</b>	<b>1,695</b>	<b>52</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		337	285	147	769	717
<b>Total funds carried forward</b>		<b>1,156</b>	<b>1,161</b>	<b>147</b>	<b>2,464</b>	<b>769</b>

The notes on pages 15 to 28 form part of these accounts.

Balance Sheet as at 31 March 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds 2021/22 £000	Total Funds 2020/21 £000
<b>Current assets</b>						
Debtors	12	378	375		753	28
Cash and cash equivalents	13	689	703	147	1,539	641
Investments - Shawbrook Bank Ltd	14	295	105		400	400
<b>Total Current Assets</b>		<b>1,362</b>	<b>1,183</b>	<b>147</b>	<b>2,692</b>	<b>1,069</b>
<b>Creditors:</b>						
<b>Amounts falling due within one year</b>	15	(153)	(15)		(168)	(257)
<b>Commitments:</b>						
<b>Amounts falling due within one year</b>	15.1	(53)	(7)		(60)	(43)
<b>Net Current Assets</b>		<b>1,156</b>	<b>1,161</b>	<b>147</b>	<b>2,464</b>	<b>769</b>
<b>Total Net Assets</b>		<b>1,156</b>	<b>1,161</b>	<b>147</b>	<b>2,464</b>	<b>769</b>
<b>The funds of the charity</b>						
Endowment funds	17					
	17.1			147	147	147
Restricted funds	17.3		1,161		1,161	285
Unrestricted funds	17.5	1,156			1,156	337
<b>Total charity funds</b>		<b>1,156</b>	<b>1,161</b>	<b>147</b>	<b>2,464</b>	<b>769</b>

The notes on pages 15 to 28 form part of these accounts.

Signed on behalf of the Trustee

Dr. Andrew Smith



Date: 31st January 2023

Statement of Cash Flows for the year ended 31 March 2022

	<b>Note</b>	<b>Total Funds 2021/22 £000</b>	<b>Total Funds 2020/21 £000</b>
<b>Net cash generated in operating activities</b>	16	<u>895</u>	<u>167</u>
<b>Cash flows from investing activities</b>			
Interest and dividends from investments		3	6
Purchase of financial assets/investments		<u>0</u>	<u>(200)</u>
<b>Net cash generated by investing activities</b>		<u>3</u>	<u>(194)</u>
<b>Change in cash and cash equivalents in the year</b>		898	(27)
Re-categorisation in year - from investments to cash and cash equivalents			147
Cash and cash equivalents as at 1 April		641	521
<b>Cash and cash equivalents as at 31 March</b>		<u><u>1,539</u></u>	<u><u>641</u></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 17.

### **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 SOFA.

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 basis 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 6.

### **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 SOFA as they arise. The charity has no unrealised gains or losses.

### **1.16 Consolidation**

From 2013/14, the divergence from the Treasury's Financial Reporting Manual (FReM) 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 7 and 17.

### **1.17 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 SOFA and the Balance Sheet for each of the three classifications of fund that the charity manages.

### 2.1 Unrestricted funds - SOFA for the year ended 31 March 2022

	2021/22 £000	2020/21 £000
<b>Income and endowments from:</b>		
Donations and legacies	947	271
Other trading activities		3
Investment income	3	6
<b>Total incoming resources</b>	<b>950</b>	<b>280</b>
<b>Expenditure on:</b>		
Raising funds	0	0
Charitable activities:		
- Patient welfare	(44)	(21)
- Staff welfare	(30)	(168)
- Equipment	(57)	(24)
	<b>(131)</b>	<b>(213)</b>
<b>Total expenditure</b>	<b>(131)</b>	<b>(213)</b>
<b>Net Income / (expenditure)</b>	<b>819</b>	<b>67</b>
<b>Net movement in funds</b>	<b>819</b>	<b>67</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	337	270
<b>Total funds carried forward</b>	<b>1,156</b>	<b>337</b>

### Unrestricted funds - Balance Sheet as at 31 March 2022

	2021/22 £000	2020/21 £000
<b>Current assets</b>		
Debtors	378	28
Cash at bank and in hand	689	297
Investments	295	295
<b>Total current assets</b>	<b>1,362</b>	<b>620</b>
<b>Liabilities</b>		
Creditors falling due within one year	(153)	(244)
Commitments: Amounts falling due within one year	(53)	(39)
<b>Net current assets</b>	<b>1,156</b>	<b>337</b>
<b>Total net assets for unrestricted funds</b>	<b>1,156</b>	<b>337</b>
<b>Total unrestricted funds</b>	<b>1,156</b>	<b>337</b>

**2.2 Restricted funds - SOFA for the year ended 31 March 2022**

	<b>2021/22</b>	2020/21
	<b>£000</b>	£000
<b>Income and endowments from:</b>		
Donations and legacies	882	2
Other trading activities	0	0
Investment income	0	0
<b>Total incoming resources</b>	<b>882</b>	<b>2</b>
<b>Expenditure on:</b>		
Charitable activities:		
- Patient welfare	(4)	(4)
- Staff welfare	0	(1)
- Equipment	(2)	(12)
<b>Total expenditure</b>	<b>(6)</b>	<b>(17)</b>
<b>Net income / (expenditure)</b>	<b>876</b>	<b>(15)</b>
<b>Net movement in funds</b>	<b>876</b>	<b>(15)</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	285	300
<b>Total funds carried forward</b>	<b>1,161</b>	<b>285</b>

**Restricted funds - Balance Sheet as at 31 March 2022**

	<b>2021/22</b>	2020/21
	<b>£000</b>	£000
<b>Current assets</b>		
Debtors	375	0
Cash at bank and in hand	703	197
Investments	105	105
<b>Total current assets</b>	<b>1,183</b>	<b>302</b>
<b>Liabilities</b>		
Creditors falling due within one year	(15)	(13)
Commitments: Amounts falling due within one year	(7)	(4)
<b>Net current assets</b>	<b>1,161</b>	<b>285</b>
<b>Total net assets for restricted funds</b>	<b>1,161</b>	<b>285</b>
<b>Total restricted funds</b>	<b>1,161</b>	<b>285</b>

## 2.3 Endowment funds - SOFA for the year ended 31 March 2022

	2021/22 £000	2020/21 £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 2022

	2021/22 £000	2020/21 £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 2021/22 £000	Total 2020/21 £000
Donations from individuals and other organisations	32	2		34	96
Corporate donations				0	0
Legacies	915	880		1,795	22
Grants				0	155
	<b>947</b>	<b>882</b>	<b>0</b>	<b>1,829</b>	<b>273</b>

Donations from individuals are gifts from members of the public, relatives of patients and staff. This includes income collected through collection boxes around the hospital and placed in businesses in the Macclesfield area. Grant income in 2020/21 was received from Charities Together, no grant income has been received in 2021/22.

### 4 Analysis of income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021/22 £000	Total 2020/21 £000
Events organised by the trust	0	0	0	0	3

### 5 Analysis of investment income

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2021/22 £000	Total 2020/21 £000
Interest - cash on bank deposit	0	0	0	0	0
Charities Aid Foundation (CAF)	3	0	0	3	6
	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>6</b>

### 6 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 2021/22 £000	Total 2020/21 £000
Patient welfare	83	23	106	61
Staff welfare	22	9	31	169
	<b>105</b>	<b>32</b>	<b>137</b>	<b>230</b>

## 7 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 SOFA, and the actual funds spent on each category of charitable activity is disclosed in note 6.

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 2021/22, totalling £105,000 (2020/21 - £199,000), were made to East Cheshire NHS Trust.

## 8 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 basis 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>Total 2021/22</b>	<b>Total 2020/21</b>
Governance: Independent examiner's fee	0	4	<b>4</b>	2
Administrative services	0	23	<b>23</b>	22
Information technology costs	0	4	<b>4</b>	7
<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 2021/22 £000</b>	<b>Total 2020/21 £000</b>
Fundraising activities	0	0	0	<b>0</b>	0
Charitable activities	29	2	0	<b>31</b>	31
	<b>29</b>	<b>2</b>	<b>0</b>	<b>31</b>	31



## 9 Trustee's remuneration, benefits and expenses

The Board members of East Cheshire NHS Trust, detailed in note 19, in their capacity as Corporate Trustee give their time freely and receive no remuneration for the work which they undertake.

## 10 Analysis of staff costs and remuneration of key management personnel

The charity has no employees (2020/21 - none). Administrative support is provided to the charity by staff who work for East Cheshire NHS Trust, the host NHS body.

## 11 Independent auditor's remuneration

The auditor's remuneration for 2021/22 is £4,200, inclusive of VAT (2020/21: £1,500). In 2021/22 due to the receipt of legacy income the Charity exceeded the threshold under which only an independent examination of the financial statements is required.

## 12 Analysis of current debtors

	2021/22 £000	2020/21 £000
<b>Debtors due in under 1 year</b>		
Accrued income	3	28
Accrued Legacy income	750	0
	<b>753</b>	<b>28</b>

## 13 Analysis of cash and cash equivalents

	2021/2 £000	2021 £000
Cash at bank and in hand	<b>1,539</b>	<b>641</b>

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

## 14 Analysis of current investment assets

	2021/2 £000	2021 £000
Investment	<b>400</b>	<b>400</b>

Deposits are held at Shawbrook Bank Ltd in a charity aid foundation (CAF) matured funds account, which is due to mature in May 2022.

## 15 Analysis of current liabilities

	2021/2 £000	2021 £000
Current amounts falling due within one year:		
Creditors	168	257
Accruals for Commitments	57	43
<b>Total creditors falling due within one year</b>	<b>225</b>	<b>300</b>

The Creditors figure disclosed above relates to costs due not yet paid for goods or services received on or before 31st March 2022.

### 15.1 Accruals for commitments payable

	2021/2 £000	2021 £000
Opening Balance	43	59
Committed in Year	67	149
Paid in Year (utilised)	(27)	(105)
Released in Year	(26)	(23)
Re-categorisation (commitment to accrual)	0	(37)
	<b>57</b>	<b>43</b>

Commitments comprise £31k for grants approved in 2021/22, £25k for grants approved in 2020/21 and £1k approved in 2019/20 which will be incurred in 2022/23.

**17.4 Details of funds with balances over £20,000 - restricted funds**

<b>Name of fund</b>	<b>Nature and purpose of fund</b>
Cancer Resource Centre Fund	A legacy given for the benefit of East Cheshire NHS Trust Cancer services
DGH General Equipment Fund	A legacy received for equipment at Macclesfield District General
Adult Physiotherapy	A legacy given for the neuro physiotherapy gymnasium

**17.5 Analysis of unrestricted funds movements**

<b>Name of fund</b>	<b>Balance 1 April 2021 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfer between funds</b>	<b>Recoding between Funds</b>	<b>Balance 31 March 2022 £000</b>
East Cheshire NHS Trust General Fund	85	925	(43)	3	(37)	<b>933</b>
Oncology Fund	35	1	(8)			<b>28</b>
Palliative Care Nurse Fund	22		(1)			<b>21</b>
Others (64)	195	24	(79)	(3)	37	<b>174</b>
<b>Total</b>	<b>337</b>	<b>950</b>	<b>(131)</b>	<b>0</b>	<b>0</b>	<b>1,156</b>

**17.6 Details of funds with balances over £20,000 - unrestricted funds**

<b>Name of fund</b>	<b>Nature and purpose of fund</b>
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.

**18 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 **£105,000** in 2021/22 (2020/21: £199,000) for the benefit of NHS patients and staff, and these are detailed in note 7.

## 19 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 (retired August 2021)
- Mr Peter Madden, Non-Executive Director
- Ian Goalen, Non Executive Director
- Mike Wildig, Non-Executive Director (retired October 2021)
- John Wilbraham, Chief Executive (planned period of absence November 2021 - March 2022)
- Mark Ogden, Director of Finance (retired July 2021)
- Ged Murphy, Director of Finance, Estates and Planning (appointed August 2021), Acting Chief Executive ( November 2021)
- 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 (retired August 2021)
- Simon Goff, Chief Operating Officer
- Kate Daly-Brown, Director of Nursing and Quality (appointed July 2021)
- Katherine Sheeran, Director of Transformation and Partnerships (appointed December 2021)
- Kara Mason, Acting Director of Finance, Estates and Planning (December 2021)
- Tony Ward, Associate Non Executive Director (appointed February 2022)

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** (2020/21: £21,500) in support of the charity's grant making activities
- Information Technology costs of **£4,327** (2020/21: £6,779)

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 2021/22, as was also the position in 2020/21, the Trust has waived the majority of its fee for administrative services.

As at 31 March 2022, creditors include £150,863 owed to East Cheshire NHS Trust (£208,535 as at 31 March 2021).

The total income of the Corporate Trustee, East Cheshire NHS Trust, for the year ended 31 March 2022 was **£199,224,000** (2020/21: £193,589,000.), and a surplus of **£513,000** (2020/21: Surplus £3,244,000).

## 20 Events after the end of the reporting period

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