

Charity registration number: 268218

Macmillan Caring Locally

Annual Report and Financial Statements

for the Year Ended 31 August 2020

Macmillan Caring Locally

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Macmillan Caring Locally

Reference and Administrative Details

Legal Status

Macmillan Caring Locally was set up by a Trust Deed dated 26 July 1974 as Macmillan Cancer Trust as a charitable trust and is registered with the Charity Commission under registration number 268218. The name was changed with the consent of the Charity Commission on 29 September 2009.

Trustees

Mr M E Emsley (Chairman)

Mr J J K Harvey

Mrs J Kelleway

Mr K Lomas

Mr K T Wilkinson

The original trustees were as set out in the Trust Deed, and subsequent trustees have been appointed by resolution of the current trustees.

Secretary

Mr N S C Williams

Other Officers

Mr B G Ford FCA, Treasurer

Principal Office

Macmillan Unit
Christchurch Hospital
Christchurch
Dorset
BH23 2JX

Charity Registration Number

268218

Solicitors

Lester Aldridge
Russell House
8 Oxford Road
Bournemouth BH8 8EX

Bankers and Investment Managers

HSBC Bank Plc
Charities Property Fund

Macmillan Caring Locally

Reference and Administrative Details

Auditors

Francis Clark LLP
Chartered Accountants & Statutory Auditors
Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Macmillan Caring Locally

Trustees' Report

The Trustees present their report and the audited financial statements of the charity for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published.

Trustees

Mr M E Emsley (Chairman)

Mr J J K Harvey

Mrs J Kelleway

Mr K Lomas

Mr K T Wilkinson

Objectives and Activities

The Trust, which was formed in 1974 has its main objective set out in the Trust Deed which, with the approval of the Charity Commission, was amended in 2019 and can be summarised as "the relief of people suffering from cancer or a life limiting illness or condition".

Since formation, the Trust has concentrated principally on the Macmillan Unit at Christchurch Hospital, the construction of which it funded and which it has continued to maintain, equip and improve. Funds have also been provided to enable small units to be constructed on hospitals at Wimborne and Wareham. In addition, in partnership with what is now Macmillan Cancer Support, funds were provided to enable Forest Holme, a hospice adjoining and part of Poole Hospital, to be constructed.

Funds were also provided to Dorset County Council to assist in the building of Avon View, a nursing home adjoining Christchurch Hospital, to provide "step down" beds for those discharged from the Macmillan Unit.

Over many years the Trust has provided funds to the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (RBCH) and Poole Hospital Foundation Trust to enable the employment of consultants, doctors and nurses, including home care nurses, and to assist in the purchase of medical equipment and services for the benefit of those falling under the Trust's objects.

In 1986 the Trust acquired Albany Lodge in Bournemouth which was used to provide holiday accommodation for cancer patients and their carers. As matters progressed it was decided that Albany Lodge was not suitable and in 2011 The Grove in Bournemouth, a 30 bedroom hotel was purchased. After considerable refurbishment the hotel opened in 2012 and traded until March 2020 when it was closed following the COVID 19 pandemic.

Contributions have been made to other charities and appeals with similar objectives.

Public Benefit Statement

The Trustees have given due regard to public benefit when planning activities and requests for support in accordance with the Charity Commission's guidance on Public Benefit.

The section below sets out some of our activities during the year and further details can be found on our website (www.macmillanlocal.org). All of these are directly related to the objects and purposes for which the charity exists. The charity achieves these objects and purposes through funding provided to assist patients in the Macmillan Unit, part of the NHS and free to all patients referred, and in respect of funding for staff and facilities again part of the NHS and free to all patients. In addition, The Grove, run on a non-profit basis by the trust accepts guests from all areas on a subsidised basis.

Achievements and Performance

During the year the Trust continued its support of services provided at the Macmillan Unit by funding the costs of the community specialist palliative care sisters, RBCH palliative care service, the Macmillan Day Centre, the Macmillan rehabilitation team, the family support team, the aromatherapy team and welfare benefits advice.

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Trustees' Report

This support was affected by the changes brought about by the COVID 19 pandemic. On 23rd March 2020 the Day Centre was closed to patients attending. This has been replaced by a 'virtual Day Centre' run by the Day Centre Nursing team. During the first lockdown the Macmillan Unit at Christchurch was closed and the service moved to the Derwent Ward at the RBCH site in Bournemouth, re-opening in Christchurch on 21st May 2020 with many changes in procedures having taken place.

The grateful thanks of the Trustees are due to the service provided by the Consultants, Doctors, Nursing team, and all the staff at the Macmillan Unit for the way they coped with these major disruptions, whilst continuing to provide the excellent and compassionate service to patients for which the Unit is renowned.

The trust continued its support for the multi award winning Grove Hotel, the UK's only holiday hotel for people with life limiting illnesses. Unfortunately, following the initial enforced closure caused by the pandemic, the Trustees took the difficult decision to close The Grove permanently as it was felt that even when permitted to re-open, the measures that would have to be put in place, coupled with the vulnerable nature of the prospective guests, made it unlikely that the same atmosphere could be maintained and the increased costs of operating and therefore increased losses, would be too much for the reduced income of the Trust.

The Trust, working with the team of professionals and volunteers at the Macmillan Unit have established a comprehensive and varied education programme to ensure a spread of knowledge and expertise throughout the community. The programme can be seen at www.macmillanlocal.org/education. Unfortunately due to the pandemic, these courses have been paused.

The Volunteer project continued with yet more volunteers aiding the work at the Unit and The Grove Hotel. Volunteers are always available to visit patients at home, as well as assisting in the Unit by sitting and talking to patients to provide valuable emotional support. Volunteer drivers have made their own valuable contribution by bringing patients into the Day Centre, providing transport for patients and carers who have no transport of their own, and by assisting the fundraising team collecting and delivering collection boxes. The pandemic initially put a stop to the use of volunteers, but this has now re-commenced on a limited basis

During the year in excess of 130 volunteers contributed over 7,000 hours of their time with an estimated value to the Trust of over £62,000. All outcomes from volunteering are measured against the original Volunteer Strategy with outcomes carefully noted. This Strategy will be updated as the proposed new Unit becomes a reality.

The Trust continues to be grateful to the many organisations and individuals who fundraise on behalf of the Trust. In addition to the many long running events, such as the White Christmas Dip, the Beach Hut Café Christmas open day, and the Sarah Green golf tournament, many more people have organised events large and small to raise funds.

Although the designs for the new Macmillan Unit, to be built at Christchurch Hospital, were signed off in 2019 the advent of the pandemic stopped the building tendering process, and lessons learnt in operating during the pandemic have caused the original designs to be revisited. On receipt of Planning Permission, now expected in 2021, the Capital Appeal, Brick by Brick, will be formally launched with a target of raising some £6m to add to the £5m already handed over to RBCH in 2018 and a further £500,000 raised by the Trust.

The grateful thanks of the trustees are due to all staff who work tirelessly to help the Trust achieve its objectives.

Financial Review (including reserves policy).

During the year, the Trust, after making provisions for all known obligations, spent £1,060,091 (2019 £5,320,563) more than it received in fulfilling its objectives. The bulk of the overspend relates to the financial support towards the losses sustained and impairment of The Grove. After taking account of investment revaluation the accumulated fund now stands at £2,232,726.

Since the year end, and following the decision to close The Grove permanently, the Trust has, regrettably, been forced to make all employees at The Grove redundant at a total cost to the Trust, including accrued holiday pay, payment in lieu of notice and redundancy of £201,104 of which £102,973 is accrued for in these financial statements.

The advent of the pandemic has stopped many fundraising efforts by supporters and thanks are due to those who are finding increasingly imaginative ways of raising funds.

Macmillan Caring Locally

Trustees' Report

Special mention must be made of the Sarah Green golf tournament organised by Anthony Rogers, which raised over £12,000, bringing the cumulative total to over £116,000 and the Macmillan White Christmas Dip, organised by Tommy Baker and John White which in 2019 raised over £48,000, this year for the Capital appeal, bringing the cumulative total to over £265,000.

The Beach Hut Café at Friars Cliff who have been fundraising for the Trust since 2005 reached a cumulative total of over £72,000 in 2020. During the first and second wave of the pandemic when our clinical teams were at their most stretched, the Beach Hut Café provided and delivered hot lunches seven days a week to the Macmillan Unit free of charge.

The Trust would also like to thank the organisations and individuals who offered their support through the pandemic in so many ways, either financially, delivering gifts for patients and staff, and making personal protection equipment.

In addition, the Trust is grateful to the following organisations who have helped the Trust through grants in support of our objectives:

Talbot Village Trust - £25,000

Bournemouth, Christchurch & Poole Council -£25,000 grant and Non- Domestic rate relief

The Leonard Laity Stoaite Charitable Trust £1,000

The Trust has benefitted from support through the Coronavirus Job Retention Scheme in respect of employees at both the Trust and at The Grove to the extent of £187,745 during the year and continuing into 2020/21.

Further support was received in respect of donation shortfall from a retrospective funding scheme set up by the NHS which was accessed in partnership with RBCH to the extent of £58,476

The Trustees are grateful to those who have worked hard to secure this income and to the organisations that have provided it.

It had been the policy of the Trust to maintain sufficient reserves to meet immediate commitments for 3 years but following the substantial donation of funds to RBCH to support the rebuild of the Macmillan Unit the Trust will now maintain sufficient funds to meet its obligations on an annual basis on the basis that no further income accrues to the Trust.

As previously mentioned a Capital Appeal, for which much preparatory work has been done, and indeed some donations have been received, will be launched with a target of £12,000,000 towards the rebuilding of the Macmillan Unit. The Trust has already contributed £5,000,000 from its reserves towards this.

The results for the year have been improved by the inclusion of £758,917 of legacies received after the year end, which would not have been included had the financial statements been approved and authorised for issue in December 2020, in accordance with our normal timetable. The delay in approval, caused mainly by the Coronavirus pandemic has meant that under the provisions of the SORP an additional amount of legacies, due at the year end, could be quantified and included. Under normal circumstances this amount would have been accounted for in the financial statements to 31 August 2021.

Plans for future periods

As mentioned, the Trusts has as its focus the raising of additional funds to enable the rebuild to go ahead, and to maintain a flow of income to provide the funds for the day- to -day activities of the Trust.

Work is actively under way to market The Grove building, with the hope that it will continue as a hotel.

Macmillan Caring Locally

Trustees' Report

Structure, Governance and Management

The trust is governed by its Trust Deed of July 1974, as amended subsequently.

The Trust currently has five Trustees and is actively seeking to recruit as certain long serving Trustees are seeking to retire. New trustees are appointed to fill vacancies following a review of skills needed and a formal selection process in accordance with Charity Commission recommendations.

The Trust, with appropriate professional advice, has established a Corporate Trust status, into which the assets and business of the Trust will be transferred. This process has been delayed by the pandemic and the closure of The Grove but is likely to complete in 2021.

The Trustees delegate day to day responsibility for management of the Trust to the Trust secretary. Any matters relating specifically to The Grove have been delegated to the hotel manager, who reports to the Trust Secretary.

The Trustees have carefully considered the fundraising activities of the Charity and have decided not to employ external fundraisers. A number of the Trust team are employed as fundraisers for the Trust. Fundraising policies are monitored by the Trustees who would receive reports on any complaints received and the actions taken. To date, no such complaints have been received.

Fundraising for day- to- day activities is carried out under the supervision of the Trust Secretary, supported by other staff and the Treasurer.

As mentioned elsewhere in the report, preparations are being made for the launch of a Capital Appeal towards the rebuild of the Macmillan Unit. Appropriate registrations, policies and safeguards are being put in place by the Capital Appeal Manager which will be reviewed by the Trustees when considering the Capital Appeal Strategy.

The Trustees set the remuneration policy of the Trust annually, taking into account matters such as performance, the cost of living, other charity remuneration and any other relevant factors.

The trustees set the investment policy of the Charity from time to time with day to day management being delegated to the Treasurer.

The Trustees have continued to monitor the implications of the GDPR regulations and their impact on the trust.

Trustees had been meeting formally four times a year, but have been meeting virtually on a regular basis since the pandemic, and have responsibilities for all policy matters concerning the Trust.

The trustees consider annually a statement of the major risks to which the Charity is exposed and consider actions to be taken in mitigation.

Trustees are encouraged to visit the Macmillan Unit regularly to familiarise themselves with the work of the Trust, in addition to being informed by regular bulletins. Briefings are given at Trustees meetings by Consultants and senior staff.

Briefings and training on Charity Law and any other matters is available to all Trustees.

The Annual Report was approved by the trustees of the Charity on 20 April 2021 and signed on its behalf by:

.....
Mr M E Emsley (Chairman)
Trustee

Macmillan Caring Locally

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures 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 trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the Charity on 20 April 2021 and signed on its behalf by:

.....
Mr M E Emsley (Chairman)
Trustee

Macmillan Caring Locally

Independent Auditors' Report to the Members of Macmillan Caring Locally

Opinion

We have audited the financial statements of Macmillan Caring Locally (the 'charity') for the year ended 31 August 2020, which comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Macmillan Caring Locally

Independent Auditors' Report to the Members of Macmillan Caring Locally

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of responsibilities of trustees set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

Macmillan Caring Locally

Independent Auditors' Report to the Members of Macmillan Caring Locally

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mark Johns FCA FCCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Date: 29 April 2021

Macmillan Caring Locally

Statement of Financial Activities for the Year Ended 31 August 2020 (Including Income and Expenditure Account)

	Note	Restricted funds £	Unrestricted funds £	Total 2020 £	Total 2019 £
Income and Endowments from:					
Donations and legacies	2	-	2,439,963	2,439,963	1,838,418
Charitable activities	4	-	434,571	434,571	516,909
Investment income	3	-	55,752	55,752	78,265
Capital appeal	5	119,044	-	119,044	263,811
		<u>119,044</u>	<u>2,930,286</u>	<u>3,049,330</u>	<u>2,697,403</u>
Expenditure on:					
Raising funds	6	-	(46,268)	(46,268)	(48,872)
Charitable activities	7	-	(2,937,311)	(2,937,311)	(7,855,464)
Capital appeal		(65,505)	-	(65,505)	(113,630)
Other expenditure	14	-	(1,060,337)	(1,060,337)	-
Total Expenditure		<u>(65,505)</u>	<u>(4,043,916)</u>	<u>(4,109,421)</u>	<u>(8,017,966)</u>
Net income (expenditure)		53,539	(1,113,630)	(1,060,091)	(5,320,563)
Other recognised gains and losses					
losses on investment assets	15	-	(72,334)	(72,334)	(74,193)
Net movement in funds		53,539	(1,185,964)	(1,132,425)	(5,394,756)
Reconciliation of funds					
Total funds brought forward		<u>388,801</u>	<u>2,976,350</u>	<u>3,365,151</u>	<u>8,759,907</u>
Total funds carried forward	20	<u>442,340</u>	<u>1,790,386</u>	<u>2,232,726</u>	<u>3,365,151</u>

All of the Charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 20.

The notes on pages 14-23 form part of these financial statements.

Macmillan Caring Locally
(Registration number: 268218)
Balance Sheet as at 31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	1,280,228	2,384,764
		<u>1,280,228</u>	<u>2,384,764</u>
Current assets			
Investments	15	1,374,274	1,446,608
Stocks	16	10,918	10,816
Debtors	17	969,880	420,019
Cash at bank and in hand		483,043	293,370
		<u>2,838,115</u>	<u>2,170,813</u>
Creditors: Amounts falling due within one year	18	(1,885,617)	(1,190,426)
Net current assets		<u>952,498</u>	<u>980,387</u>
Net assets		<u>2,232,726</u>	<u>3,365,151</u>
Funds of the Charity:			
Unrestricted income funds			
Unrestricted income funds	20	1,790,386	2,976,350
Restricted income funds			
Restricted income funds	20	442,340	388,801
Total funds		<u>2,232,726</u>	<u>3,365,151</u>

The notes on pages 14-23 form part of these financial statements.

The financial statements on pages 11 to 23 were approved by the trustees and authorised for issue on 20 April 2021 and signed on their behalf by:

.....
Mr M E Emsley (Chairman)
Trustee

Macmillan Caring Locally

Cash Flow Statement for the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash income		(1,132,425)	(5,394,756)
Adjustments to cash flows from non-cash items			
Depreciation and impairment	4/7/14	1,116,705	60,240
Profit on disposal of tangible fixed assets		-	-
Loss on sale of tangible fixed assets	9	-	-
Loss on the sale of investments	9/15	-	80,575
Investment income	3	(55,752)	(78,265)
		(71,472)	(5,332,206)
Working capital adjustments			
(Increase)/decrease in stocks	16	(102)	(545)
(Increase)/decrease in debtors	17	(549,861)	(243,339)
Increase/(decrease) in creditors	18	695,191	(6,097)
Net cash flows from operating activities		145,228	(5,582,187)
Cash flows from investing activities			
Interest receivable and similar income	3	396	6,069
Purchase of tangible fixed assets	14	(12,169)	(10,585)
Sale of tangible fixed assets		-	-
Sale of Investments	15	-	3,138,759
Revaluation of investments	15	72,334	(6,382)
Income from dividends	3	55,356	72,196
Net cash flows from investing activities		115,917	3,200,057
Net decrease in cash and cash equivalents		189,673	(2,382,130)
Cash and cash equivalents at 1 September 2019		293,370	2,675,500
Cash and cash equivalents at 31 August 2020		483,043	293,370

All of the cash flows are derived from continuing operations during the above two periods.

The notes on pages 14-23 form part of these financial statements.

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

Basis of preparation

Macmillan Caring Locally is a registered charity, registration number 268218, registered in the United Kingdom. The address of the charity is given in the reference and administrative details on page 1-2 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees annual report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

As explained in the Trustees Report the board has considered the uncertainty relating to the coronavirus pandemic which occurred during the year and its impact on the charity's operations and finance in the short to medium term. In the opinion of the board and with the continuing support of the Coronavirus job retention scheme, other grant funding received due to Coronavirus, significant fund raising efforts and proactive cash flow management, the charity has sufficient working capital to continue to meet its financial obligations and pay its liabilities as they fall due for the foreseeable future (defined as 12 months from the date of approving these financial statements) and therefore the financial statements have been prepared on a going concern basis.

Income and endowments

Voluntary income including donations, gifts and legacies that provide core funding or are of a general nature is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations including receipts for the capital appeal and gifts are recognised when receivable by the charity.

Legacies are recognised in the year in which probate has been granted and where also the legacy has been received before the financial statements have been approved, or where there is sufficient evidence that it will be received and the amount can be ascertained with sufficient reliability.

Investment income

All investment income is recognised on a receivable basis.

Charitable activities

Income from charitable activities relates to the Grove Hotel and includes income recognised as earned as the related goods and services are provided.

Government grants

Grants relating to revenue are recognised in income over the period in which the related costs are recognised.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

Raising funds

These are costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

In the case of contributions to staff costs the total commitment is included in accordance with the terms of the agreement.

Governance costs

These include the costs attributable to the Charity's compliance with constitutional and statutory requirements, including audit, strategic management and Trustee's meetings and reimbursed expenses.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leaseholds and additions	over the term of the lease
Grove fixtures and fittings	15% - 20% reducing balance
Motor vehicles	20% reducing balance

Current asset investments

Current asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO) method.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables.

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Fund accounting

Unrestricted income funds are general funds that are available for use at the trustee's discretion in furtherance of the objectives of the Charity.

Designated funds are unrestricted funds that are designated by the board for particular purposes.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

2 Income from Donations and Legacies

	Unrestricted Total 2020 £	Unrestricted Total 2019 £
Donations and legacies:		
Legacies	1,869,072	1,291,235
Donations	454,927	547,183
Grants and Miscellaneous	115,964	26,743
	<hr/> 2,439,963	<hr/> 1,838,418

The total of legacies has been increased by £758,917, being legacies received after the year end, which would not have been included had the financial statements been approved and authorised for issue in December 2020, in accordance with our normal timetable. The delay in approval, caused mainly by the Coronavirus pandemic has meant that under the provisions of the SORP an additional amount of legacies, due at the year end, could be quantified and included. Under normal circumstances this amount would have been accounted for in the financial statements to 31 August 2021.

3 Investment Income

	Unrestricted Total 2020 £	Unrestricted Total 2019 £
Income from dividends:		
Dividends receivable from investments	55,356	72,196
Interest receivable on bank deposits	396	6,069
	<hr/> 55,752	<hr/> 78,265

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

4 Income from charitable activities

	2020	2019
	£	£
Grove Hotel		
Income:		
Sales	221,290	494,039
Sundry income	13,563	22,869
Grants and CJRS recoveries	199,718	-
Total income	434,571	516,909
Expenditure:		
Cost of sales	42,839	73,177
Staff costs	703,516	619,620
Establishment costs	111,438	100,471
House costs	47,320	59,204
Administration costs	50,431	65,832
Depreciation	50,328	51,440
Total expenditure	(1,005,872)	(969,745)
	(571,301)	(452,836)

5 Capital appeal

	Restricted Total 2020 £	Restricted Total 2019 £
Capital appeal donations	119,044	263,811

6 Expenditure on raising funds

Costs of generating donations and legacies

	Total 2020 £	Total 2019 £
Cost of generating donations and legacies	46,268	48,872

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

7 Expenditure on charitable activities

	Total 2020 £	Total 2019 £
Grove Hotel (see note 4)	1,005,872	969,745
Medical and other equipment	7,371	8,881
Patients activities	19,132	23,533
Garden maintenance	1,034	3,812
Aromatherapy	27,728	32,077
Volunteers travelling costs	9,395	16,751
Subscriptions	642	1,011
Courses and other training	10,854	8,566
Christmas expenses	4,859	7,397
Minibus running costs	2,652	2,610
Minibus depreciation	6,040	8,800
Support costs (see note 8)	119,908	103,512
Contribution to Macmillan Unit costs	1,636,454	1,597,321
Contribution to Macmillan Unit rebuild	-	5,000,000
Benefits service	45,400	36,913
Governance costs (see note 8)	39,970	34,535
	2,937,311	7,855,464

8 Analysis of governance and support costs

	Cost of generating voluntary income £	Charitable activities £	Governance £	2020 Total £	2019 Total £
Salaries, honorarium and pensions	30,410	91,228	30,410	152,048	115,106
Printing, postage and stationery	3,226	9,679	3,226	16,131	17,377
Insurance	777	2,332	777	3,886	4,215
Telephone	606	1,816	606	3,028	3,578
Audit	1,116	3,345	1,116	5,577	5,000
Professional fees	2,355	7,068	2,355	11,778	19,069
Staff travelling	185	556	185	926	1,766
Sundry expenses	1,295	3,884	1,205	6,474	6,471
2019/2020	39,970	119,908	39,970	199,848	172,582
2018/2019	34,535	103,512	34,535	172,582	

The Trust allocates its support costs as shown in the table above and apportions those costs between activities undertaken. Support costs are allocated on a basis consistent with the use of resources.

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

9 Net incoming/outgoing resources

Net incoming/outgoing resources for the year include:

	2020 £	2019 £
Audit fees	10,137	9,400
Loss on disposal of investments	-	80,575
Loss/ (surplus) on revaluation of investments	72,334	(6,382)
Depreciation of fixed assets	56,368	60,240
Impairment of fixed assets	1,060,337	-
Operating lease	51,512	26,940
	<hr/>	<hr/>

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	830,318	750,816
Social security costs	53,533	56,794
Pension costs	68,608	73,011
	<hr/>	<hr/>
	952,459	880,621
	<hr/>	<hr/>

The monthly average number of persons (including senior management team) employed by the Charity during the year was as follows:

	2020 No	2019 No
Charitable activities	44	44
	<hr/>	<hr/>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the Charity were £58,884 (2019 - £58,692).

12 Auditors' remuneration

	2020 £	2019 £
Other fees to auditors		
Audit-related assurance services	10,137	9,400
	<hr/>	<hr/>

13 Taxation

No tax was charged in the year (2019 - £nil).

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

14 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2019	2,510,424	514,071	67,447	3,091,942
Additions	-	12,169	-	12,169
Impairment	(1,016,380)	(43,957)	-	(1,060,337)
At 31 August 2020	1,494,044	482,283	67,447	2,043,774
Depreciation				
At 1 September 2019	263,572	412,693	30,913	707,178
Charge for the year	32,292	17,769	6,307	56,368
At 31 August 2020	295,864	430,462	37,220	763,546
Net book value				
At 31 August 2020	1,198,180	51,821	30,227	1,280,228
At 31 August 2019	2,246,852	101,378	36,534	2,384,764

15 Fixed asset investments

	Listed investments £	Total £
Cost or Valuation		
At 1 September 2019	1,446,608	1,446,608
Revaluation	(72,334)	(72,334)
At 31 August 2020	1,374,274	1,374,274
Net book value		
At 31 August 2020	1,374,274	1,374,274
At 31 August 2019	1,446,608	1,446,608

16 Stock

	2020 £	2019 £
Stocks	10,918	10,816

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

17 Debtors

	2020 £	2019 £
Income tax recoverable	7,803	5,478
Other debtors	962,077	414,541
	<u>969,880</u>	<u>420,019</u>

18 Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	<u>1,885,617</u>	<u>1,190,426</u>

19 Commitments

Other financial commitments

As shown in note 23, the Trust has commitments to the Royal Bournemouth and Christchurch Hospital (RBCH) for staff costs under existing agreements. Discussions are taking place with the RBCH regarding future financial contributions to staff, services and the rebuilding of the Unit.

As at 31 August 2020 the charity had annual commitments under non-cancellable operating leases on its land and buildings. The lease on these ends in 2089 and the total commitment, calculated on the basis of the current rent is £2,546,500 (2019 - £1,874,544). This is not provided in the financial statements.

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

20 Funds

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 August 2020 £
Unrestricted funds						
<i>Unrestricted general funds</i>						
Unrestricted Funds	2,976,350	2,930,286	(4,043,916)	-	(72,334)	1,790,386
<i>Restricted Funds</i>						
Restricted Funds	388,801	119,044	(65,505)	-	-	442,340
Total funds	3,365,151	3,049,330	(4,109,421)	-	(72,334)	2,232,726
	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 August 2019 £
Unrestricted funds						
<i>Unrestricted general funds</i>						
Unrestricted Funds	3,521,287	2,433,592	(2,904,336)	-	(74,193)	2,976,350
<i>Unrestricted designated funds</i>						
Designated Funds	5,238,620	-	(5,000,000)	(238,620)	-	-
<i>Restricted Funds</i>						
Restricted Funds	-	263,811	(113,630)	238,620	-	388,801
Total funds	8,759,907	2,697,403	(8,017,966)	-	(74,193)	3,365,151

Designated funds: The designated funds are unrestricted funds that are designated by the board for the capital appeal.

Restricted funds: The restricted funds are funds that are to be used specifically for the capital appeal and the construction of the new Macmillan unit.

Macmillan Caring Locally

Notes to the Financial Statements for the Year Ended 31 August 2020

21 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,280,228	-	1,280,228
Fixed asset investments	1,374,274	-	1,374,274
Current assets	1,021,501	442,340	1,463,841
Current liabilities	(1,885,617)	-	(1,885,617)
Total net assets	1,790,386	442,340	2,232,726

22 Analysis of net funds

	At 1 September 2019 £	Cash flow £	At 31 August 2020 £
Cash at bank and in hand	293,370	189,673	483,043
Net debt	293,370	189,673	483,043

23 Related party transactions

During the year the Charity made the following related party transactions:

Royal Bournemouth and Christchurch Hospital (RBCH)

The Trust works closely with RBCH. The administrative offices of the Trust are based at Christchurch Hospital. During the year the Trust contributed £1,636,454 (2019: £1,597,321) to RBCH staff costs and services under existing agreements. At the balance sheet date the amount due to RBCH was £1,558,014 (2019 - £1,103,225).