

# EAST CHESHIRE HOSPICE

England & Wales · Charity number 515104

## Details

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**Status** Registered

**Legal form** Charitable company

**Company number** [01807691](#)

**Registered** 1984-04-25

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** East Cheshire Hospice  
Millbank Drive  
Macclesfield  
SK10 3DR

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**Website** [www.eastcheshirehospice.org.uk](http://www.eastcheshirehospice.org.uk)

## Activities

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**Objects:** TO PROMOTE THE RELIEF OF ILLNESS AND SUFFERING IN SUCH WAYS AS THE ASSOCIATION SHALL FROM TIME TO TIME THINK FIT, AND IN PARTICULAR IN THE COUNTY OF CHESHIRE AND ADJACENT AREAS.

**Activities:** To provide specialist palliative care to patients and their families and carers within our catchment area. This is provided via an In-patient and Day Care facility, and also through education and research to improve services.

## Classification

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- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

## Geography

- **Area of benefit:** IN PARTICULAR THE COUNTY OF CHESHIRE
- Cheshire East
- Derbyshire

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£7,839,735	£7,837,887	£17,348,140	133
2024-03-31	£8,069,591	£6,978,250	£17,367,562	120
2023-03-31	£8,250,303	£6,455,223	£15,707,262	112
2022-03-31	£7,208,385	£5,358,783	£14,422,639	102
2021-03-31	£6,206,377	£5,397,304	£12,355,131	101

## Trustees

Name	Role	Appointed
Deborah Ann Maxwell		2021-05-13
IAN GRANT WILLIAMS		2023-09-14
Jenny Mallon		2022-09-15
Juliette White		2024-09-05
Karen Renita Waters		2021-11-25
Louise Haughton		2022-09-15
Neil Langford McArthur		2019-09-05
Nicola Charlotte Jane Sampson		2021-05-13
Stephen Dickenson		2021-05-13
dr Jonathan Beck		2023-09-14

**EAST CHESHIRE HOSPICE**

England & Wales - Charity number 515104

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# Accounts

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**EAST CHESHIRE HOSPICE**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**Registered company number 01807691 (England and Wales)**  
**Registered Charity number 515104**

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2025**

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**EAST CHESHIRE HOSPICE**

**LEGAL AND ADMINISTRATIVE INFORMATION**  
**For the year ended 31 March 2025**

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<b>Registered Company Number</b>	01807691 (England and Wales)
<b>Registered Charity Number</b>	515104
<b>Constitution</b>	Company limited by guarantee
<b>Principle and Registered Office</b>	Millbank Drive Macclesfield Cheshire SK10 3DR
<b>Auditors</b>	Harts Limited Westminster House 10 Westminster Road Macclesfield SK10 1BX
<b>Bankers</b>	Royal Bank of Scotland PLC 52 Chestergate Macclesfield Cheshire SK11 6BU
<b>Investment Advisors</b>	Quilter Cheviot One Kingsway London WC2B 6AN

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**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2025**

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The Trustees (who are also the directors of the charity for the purposes of the Companies Act 2006) who served during the year were:

Mrs Juliette White CBE	Chair Elect (Appointed Sep-24, Chair from 1 Aug-25)	Dr J Mallon	
Mr W Spinks	Chair (Retired Sep-25)	Dr D A Maxwell	
Dr J Beck		Mr N L McArthur	Vice Chair
Mrs G Crawford		Mrs N C Sampson	
Mr S J Dickenson		Mrs K R Waters	
Mrs L Haughton		Mr I Williams	

All trustees are members of the Company and have no beneficial interest in it. Unless indicated above, they were all trustees at the time that this Report and the attached Financial Statements were approved.

<b>Patrons:</b>	Mr M Oliver OBE DL	Mr J Corrigan
	Dr W Mansoor	Mr Noddy Holder
	Mr Nick Robinson	Mrs Suzan Holder
	Prof A Burns	

**President:** Mr David Briggs CVO MBE KStJ

<b>Vice Presidents:</b>	Mr P Bianchi	Mr P Morrissey
	Mr N Bianchi	Mr D Pollock DL
	Mrs F Brereton	Mr R Raymond
	Mrs F Bruce MP (to May-24)	Mr T Roca MP (from July-24)
	Mrs J Clowes	Mrs S Russell MP (from July-24)
	Mrs C Hayward DL	Mr D Rutley MP (to May-24)
	Dr S Hayward	Lady A Winterton
	Mr M Jones	Sir N Winterton
	Mr P E Jones	Mr R Barrow MBE DL (to Nov-24)
	Miss E McVey MP	

**Honorary Vice President** Mrs E Keefe

**Management Team:**

Mrs K Johnston	Chief Executive
Dr D Alexander	Medical Director
Mrs R Allcock	Income Generation Director
Mrs S Dale	Clinical Director of Quality & Innovation
Ms S Jones	Clinical Director (retired Dec-24)
Mrs S Seabourne	Finance Director

2024/25

365 Days of Hospice Care  
in numbers

932 Patients cared for  
over the year

382 Carers supported  
throughout the year



46,234 Meals and snacks served to patients,  
family members, staff and volunteers

17 Major digital  
transformation  
projects delivered

£2.1m Donated by our  
supporters to fund  
essential care

765 People signed into our newly refurbished  
Sunflower Living Well Centre



580 Training courses  
attended by Hospice  
staff and volunteers

1 New charity shop  
opened in Congleton

746 Referrals to our  
Dementia Carers  
Wellbeing sessions

46 New recruits to our  
growing staff team



8,500 Daytime home visits made by our  
Hospice @Home team, allowing patients  
to receive care in a place they choose

382 Adults and children  
accessed  
bereavement support

7 Private bedrooms  
refurbished and redecorated  
on our Inpatient Unit

6 New Chaplaincy  
volunteers and  
1 Chapel refurbishment

1,716 Fresh flower  
arrangements to  
adorn our rooms

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2025**

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In submitting their Annual Report together with the consolidated financial statements of East Cheshire Hospice and its subsidiary for the year ended 31 March 2025, the Trustees have ensured that all financial statements comply with the Charity Act 2011, the Companies Act 2006, and Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019).

## **CHARITABLE PURPOSE & PUBLIC BENEFIT**

The objects and principal activities of East Cheshire Hospice are to provide palliative care and support to people with life limiting illnesses within the communities of Buxton, Congleton, Handforth, High Legh, High Peak, Knutsford, Macclesfield, Poynton, Wilmslow and the 72 villages and hamlets in between, serving a total population of c.200,000. It does this by:

- operating a residential hospice
- providing care to end-of-life patients in their own home
- operating a day hospice wellbeing centre
- operating a range of outpatient clinics
- providing social, psychological and spiritual support services for patients and carers.

The Trustees have carefully considered the Charity Commission guidance on public benefit in setting our objectives and planning our services, which are provided free of charge for the benefit of the public. Our mission is to provide the highest quality care and support to the people we serve. Our values and principles can be summarised by the acronym CARE – compassion, association, resourcefulness and excellence.

- **Compassion:** We ensure we put our patients, their families and carers at the centre of everything we do, and we always act with care and compassion
- **Association:** We work in partnership and collaboration, forming productive alliances in the interests of our patients
- **Resourcefulness:** We make the best use of our resources, ensuring that donations from our communities are directly channelled into the care and support for patients and their families
- **Excellence:** We will act with integrity and treat patients, families, colleagues, collaborators and supporters with respect at all times. We will invest in learning and development for our staff and volunteers – striving for excellence in all we do.

### **Our Vision**

Our vision is that by 2028, East Cheshire Hospice will be at the centre of a whole-system solution delivering or facilitating high quality, seamless, co-ordinated end of life care to people affected by life limiting illness, ensuring they are prepared, supported and cared for in a place of their choosing and with the minimum of stress and anxiety.

## **ACTIVITIES**

East Cheshire Hospice offers both specialist palliative and specialised end of life care and support to adults who are approaching the final stages of life. We extend this comfort and compassion to assist families, caregivers, and loved ones so that they are better able to cope with this life changing event. Our comprehensive range of services is provided without any cost to those in need. We continuously review our services to meet the evolving needs of our communities, including addressing the growing number of patients with frailty, dementia, and complex comorbidities.

This report encompasses the period from 1 April 2024 to 31 March 2025, a year in which a sluggish UK economy and geopolitical uncertainty resulted in a negative forward view of household discretionary spending, a key indicator of people's propensity to give to charity. This economic backdrop presented a perfect storm for an organisation such as East Cheshire Hospice, reliant as we are on voluntary donations to meet an ever-increasing cost base whilst experiencing increased demand for services. The communities, individuals, companies, legators and retail shoppers and donors in East Cheshire continued to support our work and although at each quarter in the year one or more of our income streams struggled, we ultimately met both the demand for services and our income targets.

Our frontline and support services are made up of the following key elements:

- **Our Inpatient Unit (IPU)** offers specialist support for patients in the final stages of their lives, providing both end-of-life care and acute symptom management treatment. The IPU is managed by an exceptional team of highly trained palliative clinical specialists who are dedicated to ensuring that our patients receive the best possible care.
- **Our Hospice @Home Service** offers specialised palliative care to patients in the comfort of their own homes, with the aim of preventing unnecessary hospital admissions and allowing them to remain in the place where they feel most at ease. By providing this specialised care, we strive to honour our patients' wishes and enhance their quality of life during this challenging time.
- **Our Sunflower Living Well Centre** is a day hospice that offers a range of nurse-led clinics and therapeutic interventions for individuals with various disease types and conditions, including specialised assistance for conditions such as Dementia and Motor Neurone Disease (MND). Our services encompass a diverse range of offerings, such as a living well programmes, a breathlessness clinic, complementary therapies and guidance on advanced care planning. Our dedicated team ensures that individuals receive the necessary care and support to enhance their overall wellbeing and quality of life.
- **Our Outpatient Facility** offers personalised appointments for essential services that alleviate suffering and help patients manage their symptoms more effectively. These services include lymphoedema management, art psychotherapy, and various complementary therapies. Our goal is to deliver comprehensive care tailored to each patient's unique needs, ensuring they receive the necessary support and treatment to enhance their overall well-being.
- **Our Family Support Services** focus on addressing the practical, social, psychological, and spiritual needs of individuals connected to our patients. These services include pre- and post-bereavement

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**For the year ended 31 March 2025**

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counselling for adults, specialised support for childhood bereavement, and spiritual assistance for people of all faiths and those without specific religious affiliations. Our compassionate team, led by a dedicated chaplain, aims to provide holistic care that caters to the diverse needs of our patients' families and loved ones.

- **Our Education and Learning** remain fundamental to the provision of our exceptional services that cater to the needs of our community. We offer a wide range of training opportunities for our volunteers, staff, and colleagues, utilising internal training opportunities and experience as well as attending external events. We continue towards our goal of cultivating a more adaptable workforce that is well-trained, empowered, and capable of seamlessly transitioning across various service areas as needed.
- **Our Dedicated Volunteers** uplift and enrich our Hospice every day, fostering a strong connection between us and our local community. They generously contribute their skills, talents, and unique perspectives to enhance our work in various ways. Whether it's offering support to patients on the ward, staffing our busy reception area, making handmade goods, driving our furniture van, or assisting with fundraising activities, their unwavering support and enthusiasm plays an invaluable role in our Hospice community.

## **ACHIEVEMENTS AND PERFORMANCE**

In this year we: supported more people than we had ever done before; reopened the refurbished Sunflower Centre; refurbished our inpatient bedrooms; launched the discovery phase of Palliative Advice Centre East (PACE); strengthened the team in Knutsford Home First; identified two new retail premises, one opening in year. This marks the third increase in the number of people we have supported in as many years, as we strive to meet the growing demand for palliative care services in East Cheshire and generate the necessary income to ensure our sustainability.

Operationally our plans were organised under our perpetual Continuous Improvement workstream and a set of multi-year Change Programmes with specific milestones for the year to March 2025, as detailed below:

### **Continuous Improvement**

This workstream managed the organisation's business as usual service delivery and operational support functions to ensure ECH developed in the right direction, meeting its charitable objects as well as its fiscal responsibilities.

In terms of Governance, the Trustee Board faced some changes this year, as the incumbent Chair Will Spinks was set to reach the maximum time-served limit of 3x3 year terms of office. The Board therefore undertook a comprehensive recruitment process, including staff and supporter consultation, and successfully appointed Juliette White in September 2024 to be our Chair Elect. Juliette has been shadowing our existing Chair for almost a year and will take up her role as Chair in August 2025. We are confident that this extended handover period will allow for continuity and that our Board will continue to provide seamless scrutiny and challenge of our operations.

This year saw some significant strides in our IT strategy, including several infrastructure upgrades such as a new phone system, a stronger, wider Wi-Fi network and new smart TVs and mood lighting controls for Inpatient Unit bedrooms. We have integrated sound, lighting, climate and audio-visual controls in the Sunflower Living Well Centre, provided mobile IT equipment for clinical services expansion and

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implemented a new Nurse Call System for both the Inpatient, Living Well and Outpatient units. Our transition from analogue to digital has been impressive with staff and volunteers adapting to the well rolled out, more efficient processes with ease.

Our reliance of IT puts even greater pressure on the reliability and security of our systems, therefore we were reassured by gaining the highest standard of accreditation again this year. The Cyber Essentials Plus certification demonstrates our high standards of cybersecurity and commitment to protecting our systems and data from cyber threats. Achieving this certification involved thorough assessments conducted by specialists, and proactive monitoring and interventions by the IT team to ensure compliance. Not only does this strengthen our security position but also demonstrates that we are a trusted organisation that prioritises cyber security. It reassures our patients, staff, and community that we are taking proactive steps to safeguard data.

We have enhanced our digital capabilities with interactive Microsoft Whiteboards allowing our clinicians to share real-time patient activity and department dependency and capacity between partner clinicians regardless of their physical location. Digital applications have now replaced paper-based processes and forms, with the latest development being digital sign-in pads on Reception desks and electronic feedback forms. Our Inpatient Unit digital signage screens now feature real-time data dashboards within Reception and the clinical units to give patients and families access to our performance.

## **Change Programmes**

### **1. Development of Existing Hospice Services**

Strategic objective: To ensure we have the capacity and capability to deliver or facilitate accessible, relevant and inclusive services which support people and their families to live well whatever their condition.

Following the substantial investment in Dementia Services in 23/24, the Dementia Carer Wellbeing Programme expanded from half days in the five Care Communities to five full days. Alongside the structured programme offered to support carers, they now have access to a range of activities they can attend with their loved ones in community venues, including Dementia Café drop ins, a Sunshine Social group with games and music, Singing Together and Love to Move exercise sessions. The Hospice has continued to raise awareness among healthcare professionals about the expansion of Dementia services, resulting in increased engagement and referrals.

The Sunflower Living Well Centre, which offers Outpatient appointments and Living Well programmes for people living with a terminal diagnosis, underwent a significant transformation and was relaunched in April 2024. The Centre now boasts modern facilities designed to better serve patients and their loved ones and informal carers. The renovation project, costing £1.3 million, was completed over nine months and included enhancements such as increased natural light, smart technology integration and dementia-friendly designs such as colour-coded areas. The new-look Centre has seen an increase in activity since relaunching and footfall has more than doubled from 179 people per month to 388.

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## **2. Hospice Sustainability**

Strategic Objective: To ensure that ECH remains financially sustainable and meets our communities' needs.

Using our donors' resources we have been able to test the efficacy of different models of hyper-local home-based care and have used this empirical evidence to demonstrate to our NHS Partner Providers a more efficient way of working. Our System partners have, in turn, used this to create a business case to be considered by senior leaders in our local NHS helping them to achieve care closer to home and hospital avoidance goals.

As an active and current Chair holder of the Cheshire & Merseyside Hospice Provider Collaborative we have contributed to a review of funding for palliative and end-of-life care services. The aim of this review is to identify disparity of service provision and inequitable funding arrangements in each of the 9 Places which make up Cheshire & Merseyside Integrated Care Board (ICB). We are confident that when this review concludes East Cheshire Hospice will be independently verified as an efficient, reliable and productive provider of palliative and end-of-life care services for the people of East Cheshire.

In addition to this work, we have focused our fundraising resources on developing our Individual Giving income stream, working closely with clinical colleagues to help support friends and loved ones of patients to become long term Hospice supporters. Our Ambassador Group, which oversees our philanthropic giving, launched a new campaign to raise money to fund a new way of delivering fully integrated palliative and end of life care for everyone who needs it, no matter which healthcare professional they engage with initially. This innovation which the Group is raising funding of £1.55m for is called Palliative Care Centre East (PACE).

## **3. System Integration for Palliative & End of Life Care**

Strategic Objective: To work with partners to fully integrate our services so that patients and families experience a crisis-free last year of life with choice and control right to the end.

The launch of the discovery phase of our Palliative Advice Centre East (PACE) in early 2025 was the first step in offering a Healthcare System-wide single point of access to coordinated palliative and end-of-life care for individuals with life-limiting illnesses and their loved ones or carers in East Cheshire.

In year, we developed the PACE team comprising of Advanced Nurse Practitioners, Medical Lead and Clinical Coordinator who work seamlessly with the Hospice @Home team and other community palliative health care professionals to improve quality of life for patients and carers. This new model of working aims to care for patients for at least the last 12 months of life by providing 24/7 access to support at the right time in the right place by the right people and to improve the experience and reduce crisis admissions to hospital.

Other System Integration achievements include:

- Advanced Nurse Practitioner home visits evenings and weekends: These face-to-face assessments allow prescribing of end-of-life medication in the community, facilitating coordinated and supportive care for those who wish to remain at home and preventing unwanted admissions to acute care.
- Daily 'huddles': These have been extended to all community teams from the five Care Communities, ensuring seamless collaboration across Hospice, community and hospital settings. An additional huddle on Friday afternoons ensures patients with complex symptoms or needs have direct access

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to support over the weekends.

- New Community Consultant: Starting in August 2024, they provide expert clinical support and strengthen the connection between the Hospice and the Specialist Palliative Care Teams.
- Band 6 clinical workforce: Now covering seven days a week, providing the ability to rapidly respond in all clinical areas, offering senior support and clinical guidance both in the Inpatient Unit and in the community.
- Knutsford Home First: This initiative providing specialist palliative care and support to patients with a Knutsford GP in their own homes is part of the broader Hospice @Home programme run by East Cheshire Hospice.

#### **4. Facilities Development**

Strategic Objective: To ensure our facilities are fit for purpose, efficient to run and safe to use

During 2024, our Inpatient Unit bedrooms underwent major refurbishments to optimise comfort levels for our patients and their loved ones. For example:

- Precision lighting control was installed to help reduce patient stress and create a comfortable and relaxing environment. The new lighting features include colour temperature control, smart dimming and remote-control keypads to allow patients to create the desired mood
- All bathrooms are now fitted with automatic door release, while in the ensuite bathrooms easily accessible wall pads now promote patient independence
- We have replaced all bedroom windows and external doors into our gardens with patio-style doors.
- A media wall was a welcome addition to each room, housing smart TVs and bespoke shelving for patients to display their own personal trinkets and family photographs. A foldable table and chairs attached to the media wall allows a patient's loved ones to dine with them at mealtimes.
- We opted for curtains and bedding fabric designs which are warm and inviting, complementing each room with a different coloured feature wall.
- Each bedroom has its own chair bed enabling patients' loved ones to stay in the room with them overnight, or sit with them in comfort during the day

## **FINANCIAL REVIEW**

The Statement of Financial Activities is set out on page 25, and a summary of the financial results is given below. The group achieved a small surplus on net operating activity of £1,848 (2023/24: surplus £1,191,341). The overall result, after allowing for stock market gains and losses on the market value of our investment fund, is a deficit of £19,422 (2023/24: surplus £1,660,300).

### **Income Generation Activity**

Our total Income Generation Activity for the year ended at £3.765m, which was slightly higher than our original budget, by £77K. It was a challenging and busy year for both our Commercial and Fundraising teams, as outlined below:

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**For the year ended 31 March 2025**

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### **Commercial**

After several years of searching for retail properties in both Knutsford and Congleton, this year saw us find ideal venues in both towns simultaneously. We therefore took the unprecedented step of taking on both properties in year. Our Congleton shop opened in West Heath shopping centre on 14th December, and it is now open 7 days a week. Despite being a much larger shop than we are used to, it is proving incredibly busy both in terms of shoppers and donations. In March, the income from Congleton was just over £24K, which is in line with our original predictions of £25K once the shop is fully operational.

Our Knutsford shop is undergoing significant renovations to convert it from its original use as a private gym and is due to open in July 2025.

### **Fundraising**

We benefited from another year of strong support from our local community, despite the uncertainty of the current financial climate and the resulting fundraising challenges this created. Our Fundraising income for the year was £2.738m against an original budget of £2.647m. This represents an increase of 16% from £2.358m last year.

We had a packed calendar full of both Hospice-run and community events throughout the year. Some of our major events were the Starlight Walk, Fashion on the Edge and Light Up A Life. We also kept busy with all the usual favourites—coffee mornings, open gardens, plant and cake sales, quiz nights, fetes, golf days, festivals, balls, and plenty more. A few of the standout moments from the year included:

- We celebrated 25 years of the Christmas Tree Collection this year. This year's event was another incredible success, raising more than £160,000 and collecting 7,234 trees. Even more incredibly, during the weekend, the Collection passed the total of £2 million raised for the Hospice since it first began. This represents a truly amazing legacy for our founding volunteers, Pete Chapman and Richard Raymond, who still run the Collection each year.
- We held our biannual Art Fair this year in Macclesfield Town Hall in October, showcasing the work of local and nationally renowned artists. All art sold raised money for the Hospice, and altogether the Art Fair brought in almost £45,000. This event would not have been possible without the contribution of a massive team of volunteers who took part in the event during the week, manning tills, serving tea and cakes, and stewarding the exhibition rooms.
- One of the highlights of the Art Fair was when our new Patrons, Noddy and Suzan Holder, were surprised to encounter a mini paper mâché version of Noddy, complete with his guitar, made by renowned local artist Patty Callaghan. The model was snapped up by a keen buyer on the night, but Noddy and Suzan were so impressed they commissioned a second version which was raffled off, raising more than £10,000 for the Hospice.
- Our handmade goods volunteers have had another amazing year, creating knitted, sewed, crocheted, carved and lovingly created items to raise money for the Hospice. Their goods are always available in our Reception for sale to any visitors. In addition, our volunteers continue to create 'pairs of bears' and 'pairs of hearts' which are an increasingly popular idea, matching mementos that are shared between someone nearing the end of their life and their family/carer as a sign of their ongoing love.
- We held our glamorous Fashion on the Edge event at Alderley Edge Cricket Club on a beautiful summer day. The event includes a two-course lunch, shopping and a fashion show, and it was so popular that we had to extend our marquee this year to accommodate more guests. A total of £32,000 was raised by this event, which is being held in again June 2025.

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- We were proud to be chosen as one of AstraZeneca's Charity Partners again this year. Not only did they share their expertise and support with us throughout the year, but they also generously donated £47,821 to the Hospice in 2024, through sponsorship, employee fundraising and matched giving.
- This year we celebrated an extraordinary milestone for our supporter group, What Women Want. This incredible group of ladies have raised a staggering £447,000 for East Cheshire Hospice since they began their fundraising journey. Including bingo nights and fashion shows, their events are always filled with fun, laughter, and a heartfelt passion for supporting our work. We could not be more grateful for their dedication and generosity.
- Our philanthropy activity continued, launching a new campaign to raise money for a new way of delivering Hospice services, PACE. The target for the new campaign is £1.55 million which will pay for the first five years of the service delivery. We held a number of events this year, including a special Meeting of the Minds with our Patron Nick Robinson, a thank you event at Biddulph Old Hall and our traditional Christmas Carol Concert at Capesthorpe Hall.
- In November this year, a team of 11 brave supporters took part in our 'Land of Ice and Fire' Trek challenge over three days in Iceland. The trek itself was really challenging due to the terrain and weather conditions, but the team emerged intact and raised an amazing £35,000 for the Hospice in the process.

### **Fundraising complaints**

We did not receive any complaints about our fundraising activities during the last year. Our fundraising team abides by the Fundraising Regulator's Code of Practice and their Fundraising Promise. We strive always to act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

### **Funding from statutory bodies**

We are grateful for the continued support of our main commissioner, Cheshire & Merseyside Integrated Care Board (C&M ICB), despite the well documented financial pressures that the health service, and in particular C&M ICB, are operating under. We received a 3.87% (£22,866) uplift on our general grant which is very welcome but only a fraction of the equivalent increase in salary costs as a result of matching NHS pay rates.

Our involvement in the Palliative Care in Partnership contract, under agreement with Mid Cheshire Hospitals NHS Foundation Trust (MCHT) has remained strong, and provides at home end of life care, enabling us to provide care 24/7 in more patients own homes. This service has proved very popular with patients and has been well received by C&M ICB and we are looking at ways to expand its reach and provide more support to the local health economy. In line with our objective of being at the centre of end-of-life care in East Cheshire, we were pleased to support Macclesfield District General Hospital with a community doctor for 6 months, and the funding for this went some way to offsetting the withdrawal of winter bed pressures monies in the current year.

In year we received £134,481 from the Department of Health and Social care to be used for capital expenditure. These funds were used to complete the upgrade of patient bedrooms, replace a leaking roof and bring the Hospice's 38-year-old electric wiring up to safer modern standards.

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## **Expenditure**

Total costs increased by £860k (12%) in the year to £7,837,887. This follows on from an 8% increase in costs in 2023/24. The last 2 years have seen significant service expansion with the growth of our Hospice at Home day service, the Knutsford Home First Initiative, Community Dementia Outreach and PACE. The Board understand that the pace of development has been rapid and are expecting costs to stabilise as these new services become embedded.

Staffing remains the single largest cost in the Hospice, and £576k of the increase in costs in the current year relates to salaries, following on from £500k last year. This underlines that the excellent care our patients and their families receive is reliant on our ability to recruit and retain experienced and highly sought-after care staff. The increase in salary costs is driven both by the 5.5% NHS Agenda for Change Pay deal announced in July 2024, which the Hospice also implemented, and the additional staffing in Hospice at Home, Community Dementia and PACE. The increases in National Insurance Contributions and staffing for these services was phased throughout the year and so we would expect staffing costs to increase in 2025/26 to reflect a fully staffed year, but then level out into 2026/27.

The cost of raising funds also increased £148k in the year, and this reflects the expansion of our retail offering, with the new Congleton shop which opened in December 2024 and the purchase of a retail shop in Knutsford which is currently under renovation and expected to open in July 2025. The extra revenue generated by this expansion will be pivotal in helping to fund the clinical service expansion over the last few years.

We are mindful as always of the need to use our donated income and resources in the most efficient way, and to provide the maximum benefit for our patients and their families. We continue to review all our activity to ensure we meet the changing needs of the community we serve.

## **Investment Objectives and Returns**

The Trustees have the power to invest in such assets as they see fit. The Hospice maintains a mixture of liquid funds and longer-term stock market investments which act as both an income stream and reserves. Income flows can be hard to predict, and so cash balances over and above those required for immediate operational purposes are invested in a mix of term deposits to allow for possible funding gaps and in the stock market. The investment portfolio is invested in the Quilter Cheviot Global Income and Growth Fund for Charities, a Charity Authorised Investment Fund (CAIF), which has a similar risk profile to the Hospice's previous discretionary fund with the benefit of reduced fees.

Quilter Cheviot's performance is reviewed quarterly against the Asset Risk Consultants (ARC) Steady Growth benchmark. The total return on the portfolio for the year to 31 March 2025 was 2.7%, slightly under the benchmark (3.0%). The performance has been reviewed by our specialist advisory group and Trustees remain confident in the investment holding.

## **Reserves**

At 31 March 2025, the Hospice held total reserves of £17,348,140, a small decrease of £19,422 over the previous year. Total reserves are a mix of restricted (relating to fixed assets or donor intentions), designated (where Trustees have set aside funds for specific projects), and free reserves – used by the charity to manage its in year cash flow. See note 22 on page 38 of these accounts.

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### **Restricted Reserves**

Since 2017, the Hospice has adopted a successful strategy of fundraising in advance for major new service developments and only going live with these services when sufficient pledges are received to ensure service viability for 5 years. As this can often take several years to achieve, the Hospice is in receipt of significant restricted funds which can only be spent on specific projects and in future periods. The high restricted balances can give a misleading view of the Hospice's need for additional funding for non-restricted services.

Of the total reserves, £6,686,544 is restricted, a decrease of £425,170 in the year. The main reductions in restricted funds relate to Knutsford Home First and Hospice at Home – both of these services received significant one-off donations from Mr Michael Oliver in recent years (£700k in 2024 and £800k in 2023) to fund expansion over the medium term, and so this reduction was expected. Our newer campaigns for PACE and Dementia services are performing well, with both services having gone live in 2024/25.

The main restriction is in respect of the Hospice building (£4.5m), a decrease of £0.56m in the year. Should the Hospice cease to operate, or the building be sold, all proceeds must be returned to the Secretary of State for Health and Social Care.

### **Designated Reserves**

The Trustees have designated funds to support service development, facilities maintenance and building development. These will help to support ambitious plans in the fields of dementia, single point of access, and further Hospice at Home expansion, as well as support the maintenance and phased redevelopment of the Millbank Drive site to make it fit for modern services.

### **Free Reserves**

The Hospice's 'free reserves' are those unrestricted funds that are freely available to spend on any of the charity's purposes, and excludes all fixed assets, restricted and designated funds. Free reserves at 31 March 2025 are £6,538,888 compared to £6,538,805 last year. This is equivalent to 10.0 months of operating costs at the 2024/25 level.

During the year, the Trustees reviewed the reserves policy and set a range within which it was deemed prudent to hold free reserves. This is based on a minimum level required to support the Hospice through two fallow income generation years and sufficient funds to wind up the Hospice in the event of a forced closure and a maximum level of 12 months' operating costs. Reserves in excess of the minimum are held to support service development and to meet exceptional circumstances.

### **Risk Management**

The Board carefully evaluates the potential risks that the Charity may face. Robust governance systems are in place to supervise risk management across clinical, support services, and business administration, ensuring that high standards are upheld in accordance with best practices, laws, and accreditation requirements. The implemented processes aim to offer reasonable assurance, though not absolute, against significant errors or losses. These include the following:

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- identification and management of risks, using an Organisational Risk Register;
- insurance covers for the major financial risks which are reviewed annually;
- a three-year rolling strategic plan and an annual delivery plan with budgets and key performance indicator targets, all approved by the trustees;
- regular consideration by trustees of financial results in comparison with budgets and prior year performance;
- regular review of financial and non-financial performance indicators and bench-marking reports;
- appropriate levels of delegation of authority and segregation of duties.

The trustees recognise that the Hospice's reliance on voluntary income to cover the majority of annual operating costs creates a financial sustainability risk. In response, the trustees have adopted a strategy of ongoing enhancement in service delivery and have made investments in income generation to mitigate this risk to the greatest extent feasible.

Demand for ECH services is expected to increase driven by population growth, aging local demographic and the organisation's ambition to ensure palliative care is accessible to all who need it. The primary risk faced is the potential for services to be overwhelmed rendering them ineffective. To mitigate this risk, staff numbers will increase, and trustees have tasked the Senior Leadership Team to create a fully rotational workforce which can be deployed to any service facing short-term surges in demand.

Cheshire & Merseyside Integrated Care Board is facing significant budgetary constraints which may have adverse impact on the commissioning of palliative and end-of-life services. There is a potential risk that we may face challenges in obtaining adequate statutory funding to sustain our services at their current levels. To mitigate this risk, East Cheshire Hospice, as part of the Cheshire & Merseyside Hospice Provider Collaborative, is participating in an ICB-led review to find a fairer statutory funding model for charitably funded hospice care.

## **PLANS FOR FUTURE PERIODS**

### **Continuous Improvement**

Our ambition is and always will be to continuously improve our services to meet the needs and expectations of the people we serve. To achieve this, we make sure that efficiency and effectiveness is embedded in our culture, our plans and in the personal objectives of each individual who makes up our high-performing ECH team. We demonstrate our commitment to this ambition by using data from patient and family feedback, incident reports and the frontline experiences of healthcare professionals to continuously improve what we do so that better outcomes can be achieved for the next cohort of patients and family members.

Both qualitative and quantitative data collection and analysis informs our service provision and helps to ensure that we can accurately define the impact we are having on the experiences of our patients and their families. We will carry on our work to fully integrate our services with those in the wider health system ensuring that patients are informed, prepared and in control of their choices from the point of diagnosis right to the end.

### **Delivery of responsive, effective, safe and caring services**

We will ensure that our existing services are consistently meeting needs of the people they serve by listening to and acting on feedback. We understand the urgency and importance of addressing the expedient demand for our palliative and end of life care services and those provided by public sector and other third sector organisations operating within an extremely constrained funding environment.

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We believe that we can meet this challenge with creativity, partnerships and efficiencies provided by adopting new and evolving technologies.

**People development** It is our aim to give our staff and volunteer workforce fulfilling opportunities to grow as individuals, be part of a winning team and to use their time and talents for positive change in our communities. We will do this by ensuring that each job or volunteering opportunity has all the elements of a rewarding, manageable and fulfilling experience. We have identified that a local shortage in qualified health and social care staff represents a future risk to the sustainability of our services, therefore we will carry out a major workforce review and set a strategy to address issues.

**Governance and oversight** By March 2026 we will deliver a comprehensive review of our governance structures and processes using the Charity Governance Code as a validated best practice guide and seek to benchmark our governance against our partners in the Cheshire & Merseyside Hospice Provider Collaborative. Improvements will be implemented as they are identified to give patients, families, donors and the wider public the assurance that ECH is a well-run, stable care provider.

**Innovation and collaboration** We will continue to be creative in our problem solving, brave in our delivery and be generous in sharing our learning with partners in our Locality (East Cheshire), our Place (Cheshire East), our Region (Cheshire & Merseyside) and nationally through Hospice UK.

**Care and business support services** We will focus on removing unnecessary barriers to optimal operating processes, making efficiencies in our key support services of Information & Communication Technology, Finance, Income Generation, Human Resources including Learning and Development, Hospitality and Facilities.

**Community Engagement** We will use our considerable connections with the communities we serve to inform the development of responsive services and increase donor, staff and volunteering opportunities. By partnering in a Cheshire East Health Literacy pilot, we will empower patients and carers to understand how to make local healthcare provision work for them.

**Digital Transformation** We will continue to increase productivity and security in our service provision and be a digitally agile organisation using emerging technologies, with reliable IT infrastructure, 'smart' facilities and interoperability with partners.

**Data Analytics** Integrate all ECH information sources to give Board, Senior Managers, Heads of Functions and Team Leaders greater visibility of, and confidence in, data for effective monitoring, reporting and timely decision-making.

## **Change programmes 2025/26 Milestones**

### **1. Development of Existing Hospice Services**

Strategic objective: To ensure ECH has the right services in place with adequate capacity to meet growing demand for care closer to home.

We will explore the impact the Terminally Ill (Adults) Bill will have on existing services and gain further insights into patient and carers support requirements to assist us with future planning. We will measure our performance using the internationally recognised palliative care impact tools, Outcome Assessment and Complexity Collaboration (OACC) and Integrated Patient Outcome Scale (IPOS), to help demonstrate the effect our services have on patients and where necessary, improvements can be made. We will also determine which facets of the NHS 10-year plan will influence the development of ECH services in the future.

We will deliver:

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- the test and learn phase for PACE with ongoing collaboration with internal and external healthcare professionals. Ensuring data collection is effective to identify gaps and evidence the need to move to an integrated model of care closer to home.
- increased capacity in complementary therapies so that Hospice @Home patients and carers can have the same holistic service
- increased access to Dementia clinics, ad hoc support and Dementia Carers Wellbeing Programme fully operational in all five care communities and be a leading provider involved in the Cheshire East Place Dementia Strategy
- increased use of our Sunflower Living Well Centre for patients (all diseases), family & friends and community groups

## **2. Hospice Sustainability**

Strategic Objective: To ensure that ECH remains financially sustainable and meets our communities' needs

This change programme is wide ranging with each element aimed at ensuring ECH has the skills and requisite human, financial and material resources to comfortably maintain prevailing services whilst ensure the long-term stability and low environmental impact necessary to deliver innovative services in partnership with others long into the future.

- **Financial Infrastructure**

We will identify and exploit the benefits of new and existing technology such as Artificial Intelligence (AI) and the Microsoft Power BI data analysis software to develop financial literacy and insights with colleagues. We will maximise opportunities to automate and improve the availability of real time financial information to colleagues and partners.

We will deliver:

- Effective team structure and invest in staff development
- Introduce new Auditors and create working protocols
- Identify and carry out due diligence on new payroll services supplier
- Introduce a Finance Business Partnering (FBP) approach
- Implement new cloud-based accounting system to support efficient working, budget holder information and system integration
- Implement Fund reporting for greater clarity on how different services are funded
- Review systems to support cross charging of rotational operational staffing

- **Income generation and statutory funding to meet rising costs**

We will explore the impact the Terminally Ill (Adults) Bill will have on our income generation activity and the need for a fairer statutory funding model for hospices across Cheshire & Merseyside. We will also identify future uses for philanthropic giving following completion of PACE campaign.

We will deliver:

- An integrated campaign for the Bed Appeal, encompassing all income streams
- A new retail shop in Knutsford
- Increased use of AI to target activities

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- **Data-driven decision making**

We will explore the use of AI tools for advanced reporting, insights and trend analysis, Maximise the use of NHS Data Analytics tools and build a case for a Data Analyst role at ECH

***We will deliver:***

- an upgrade of our accounting software to create a seamlessly integrated business information system including real-time data dashboards
- lead the participation in the NHS Cheshire & Merseyside Data Project
- Early development of Power BI reporting

- **Workforce Planning**

We will explore ways in which each role within ECH can be made more efficient, enjoyable and rewarding, identify learning and development efficiencies achieved through increased in-house training provision/alternative providers. We will also invest in technology to support data analytics & future workforce flexibility.

We will deliver:

- increase in Retail workforce both staff and volunteers
- implement initiatives to enhance workforce wellbeing and support
- maximise opportunities for volunteer-led community services
- increase in Healthcare Assistant resource should an increase in funding allow

- **Information Technology**

We will explore technologies to enhance efficiency and productivity across ECH and utilising AI tools we will enhance the visibility of data to improve business decisions and efficiency. We will also explore the feasibility of ECH connecting to local NHS Virtual Wards and becoming fully integrated with the wider Digital Care System.

We will deliver:

- Continuous IT infrastructure upgrades to ensure systems are up to date, secure and stable for the Hospice's day-to-day running.
- Virtual Reality technologies to enhance patient services and experience.
- Microsoft Copilot AI adoption for ECH Management.

- **Deliver our services in a sustainable, low carbon, energy efficient way**

We will complete our Sustainability Plan for 2025-28, engage with other Hospices within our cluster group to share best practice and expand our collaboration with our Corporate and Community support network

We will deliver:

- A comprehensive analysis of efficiencies and carbon impact partnering with Ecologi
- Conduct sustainability audits
- Deliver goals within the sustainability plan

- **Equality, Diversity and Inclusion**

We will reassess our current EDI practices, identify gaps in accessibility and representation and engage with diverse communities to understand their needs

We will deliver:

- impactful competency training
- improvements to the accessibility of services
- regularly review progress to foster a truly inclusive environment

### **3. System Integration for Palliative & End of Life Care**

Strategic Objective: To work with partners to fully integrate our services so that patients and families experience a crisis-free last year of life with choice and control right to the end

We will assess existing collaboration with healthcare partners (NHS, social care, charities) to identify service gaps and barriers to seamless end-of-life care. We will also explore digital solutions for improved communication and real-time patient data sharing across services and engage with patients, families, and underrepresented groups to understand their end-of-life care preferences and challenges.

We will deliver:

- ECH resources used to accommodate and facilitate the initial setup and delivery of PACE care co-ordination centre with the aim of ensuring everyone at end of life has fair access to appropriate care and support services when and where they need them
- Knutsford Home First team in collaboration with the Primary Care Network and District Nursing team. Research existing early identification tools, explore the use of Ai and test possible solutions in Knutsford Care Community
- Improved integration with Care Communities by strengthening relationships and communication channels

### **4. Facilities Development**

Strategic Objective: To ensure our facilities are fit for purpose, efficient to run and safe to use

We will design and cost phase three of the plan to upgrade kitchen, staff changing and breakout rooms and increase efficiency through technology, equipment and sustainability.

We will deliver:

- A planned preventative maintenance schedule, aimed to improve efficiency, minimise downtime and prevent breakdown. To enable safety, reliability, productivity and reduce costs.
- Staff training and development, improving facilities staff retention, creating teamwork and flexible working.
- IPU ward makeover, chapel refurbishment and IPU sedum roof removed and resurfaced.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hospice is a charitable company limited by guarantee, incorporated in England and Wales on 10 April 1984 and registered as a charity on 25<sup>th</sup> April 1984. The company is established under a

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Memorandum of Association which sets out the objects and powers and is governed under its Articles of Association, as updated in March 2015.

The Nominations and Remuneration Committee is responsible for monitoring and evaluating the trustee recruitment, selection and appraisal process. The governing document requires between 5 and 14 trustees. Board vacancies are identified through regular skills audits and vacancies are filled through a formal recruitment process. The Hospice serves the needs of the broad community, so the Board endeavours to reflect this in the make-up of its membership, whilst meeting the need to have an appropriate mix of professional skills necessary for the day-to-day and longer term running of the Charity. Once appointed to the Board, new trustees undertake an induction programme, supported by an existing member of the Board, and are supplied with a comprehensive information pack detailing the responsibilities of their trusteeship. Trustees are appointed to serve for a term of three years, but can seek re-appointment for two further periods, with a total permitted maximum of nine consecutive years.

The Board meets at least four times a year and is responsible, through its committees, for setting and monitoring progress against the Strategic Plan, Annual Delivery Plans and Key Performance Indicators. These meetings are attended by the Chief Executive and members of the management team, who are responsible for the day-to-day running of Hospice services.

The committees are attended by designated Trustees and management team. The committees make proposals to the Board and have approved terms of reference with specific assigned responsibilities. The committees are:

- **Patient Care and Clinical Governance Committee** which is responsible for monitoring patient care/services, partnership and clinical governance, and meets quarterly;
- **Finance and Resources Committee** which is responsible for monitoring and compliance of all matters financial, donor engagement, partnerships, use of technology and all other resources inclusive of human resources, and meets quarterly;
- **Nominations and Remuneration Committee** which meets quarterly is responsible for the appointment of Trustees, President, Vice Presidents and Patrons, the recruitment of the chief executive as well as the remuneration of senior staff.

The Finance and Resources Committee reviews all staff pay on an annual basis to determine whether an inflation pay award can be given. The management team is included in this review and receives any increase on the same basis as all other staff.

Individual indemnities have been provided to the Trustees, under which the charitable company has agreed to indemnify the Trustees to the fullest extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, their execution of their powers, duties and responsibilities as Trustees of the charitable company and of the group.

The Hospice is a member of The End of Life Partnership, a local charity involved in end of life care issues across Cheshire. It also promotes the delivery of high-quality palliative care education in order to ensure all communities are prepared for end of life care. The Hospice does not have any control over this charity. The Hospice is also a shareholder, but again has no control over, the Hospice Quality Partnership, a commercial company set up by hospices nationally to provide more efficient and better-quality procurement in the sector through collective bulk purchasing power.

The Hospice's wholly owned subsidiary, ECH Trading Limited, was established to run commercial retail activities. The subsidiary donates its profits to the Hospice and all related party transactions are provided in the notes to these accounts.

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## **RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The Trustees (who are directors of East Cheshire Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Board is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## **AUDITORS**

Harts Limited were re-appointed as the charitable company's auditors and have expressed their willingness to continue in that capacity.

**Approved by the Board on 16 December 2025 and signed on its behalf by:**

**Mrs J White**

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## **Opinion**

We have audited the financial statements of East Cheshire Hospice (the 'parent charitable company' or the 'charity') and its subsidiaries (together the 'group') for the year ended 31 March 2025 which comprise the consolidated Statement of Financial Activities, the consolidated group and charity Balance Sheet, the consolidated group and charity 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable group's and parent charitable company's affairs as of 31 March 2025 and of the group's incoming resources and application of resources, including its income and expenditure, 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group 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 doubt on the group and parent charitable company'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 trustees' 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 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

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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.

### **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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 parent charitable company's 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, or
- the trustees were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework 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 group's and parent charitable company's ability to continue as a going concern, as well as disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but it 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The primary responsibility for the prevention and detection of non-compliance with laws and regulations, including fraud, rests with both those charged with governance of the entity and management. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

The objectives of our audit, in respect to fraud, are:

- to identify and assess the risks of material misstatement of the financial statements due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the parent charitable company and the group, and determined that the most significant are in respect of Employment Law, the Health and Social Care Act and compliance with Care Quality Commission fundamental standards.

We understood how group companies are complying with those frameworks by making inquiries of management responsible for charity and company legislation and legislation procedures.

We assessed the susceptibility of the parent charitable company and group's financial statements to material misstatement, including how fraud might occur by discussion with trustees to understand where it is considered there was a susceptibility to fraud. We considered the controls that the parent charitable company and the group established to address identified risks that otherwise prevent, deter and detect fraud.

To address the risk of fraud through management bias and override of controls, we performed analytical procedures to identify unusual or unexpected relationships; investigated the rationale behind significant or unusual transactions; and tested journal entries to identify unusual transactions.

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

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non-compliance with laws and regulations enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Material misstatement that arises due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations that could materially impact the financial statements. Taking into account our understanding of the parent charitable company and group, our procedures involved enquires of management and focused testing as appropriate with consideration to risk assessment.

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/auditors-responsibilities](http://www.frc.org.uk/auditors-responsibilities). This description forms part of our Report of the Independent Auditor's.

**Use of our report**

This report is made solely to the charitable company's members, 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 charitable company's members those matters we are required to state to them in a Report of the Independent Auditors 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 the charitable company's members as a body, for our audit work for this report, or for the opinions we have formed.

Melissa Bowers FCCA (Senior Statutory Auditor)  
For and on behalf of Harts Limited  
Chartered Accountants and Statutory Auditors  
Westminster House,  
10 Westminster Road  
Macclesfield  
Cheshire  
SK10 1BX

16 December 2025

EAST CHESHIRE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating Income & Expenditure account)  
As at 31 March 2025

	Notes	2025			2024		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income from:</b>							
Donations and legacies	2	4,562,296	669,705	5,232,001	4,434,132	1,153,829	5,587,961
Charitable activities	3	872,660	-	872,660	865,314	-	865,314
Other trading activities	4	1,277,320	9,613	1,286,933	1,257,964	6,295	1,264,259
Investments	5	448,141	-	448,141	352,057	-	352,057
<b>Total</b>		<b>7,160,417</b>	<b>679,318</b>	<b>7,839,735</b>	<b>6,909,467</b>	<b>1,160,124</b>	<b>8,069,591</b>
<b>Expenditure on:</b>							
Raising funds	7	1,422,991	970	1,423,961	1,284,496	624	1,285,120
Charitable activity	8						
Inpatient services		3,050,028	5,923	3,055,951	2,821,988	93,000	2,914,988
Day-care and outpatients		868,201	159,603	1,027,804	754,863	59,075	813,938
Hospice @Home		1,053,828	691,504	1,745,332	1,110,599	257,160	1,367,759
Family support services		456,511	20,472	476,983	444,364	26,261	470,625
Outreach and education		106,292	1,564	107,856	86,634	39,186	125,820
<b>Total</b>		<b>6,957,851</b>	<b>880,036</b>	<b>7,837,887</b>	<b>6,502,944</b>	<b>475,306</b>	<b>6,978,250</b>
Net gains/(losses) on investments	13	(21,270)	-	(21,270)	568,959	-	568,959
Net income/(expenditure)		181,296	(200,718)	(19,422)	975,482	684,818	1,660,300
Transfers between funds	22	224,452	(224,452)	-	(474,581)	474,581	-
<b>Net income/(expenditure) for the year</b>		<b>405,748</b>	<b>(425,170)</b>	<b>(19,422)</b>	<b>500,901</b>	<b>1,159,399</b>	<b>1,660,300</b>
Total funds brought forward		10,255,848	7,111,714	17,367,562	9,754,947	5,952,315	15,707,262
<b>Total funds carried forward</b>	22	<b>10,661,596</b>	<b>6,686,544</b>	<b>17,348,140</b>	<b>10,255,848</b>	<b>7,117,714</b>	<b>17,367,562</b>

The statement of financial activities includes all gains and losses recognised in the year and all amounts derive from continuing activities. The transfer between funds is in respect of movements in fixed assets.

The notes on pages 28 to 40 form part of these accounts.

**EAST CHESHIRE HOSPICE**

**BALANCE SHEET**  
For the year ended 31 March 2025

	Notes	Group		Charity	
		2025 £	2024 £	2025 £	2024 £
<b>Fixed Assets</b>					
Tangible assets	12	5,724,330	4,978,299	5,724,330	4,978,299
Investments	13	6,035,225	6,056,495	6,035,227	6,056,497
		<u>11,759,555</u>	<u>11,034,794</u>	<u>11,759,557</u>	<u>11,034,796</u>
<b>Current Assets</b>					
Stock	15	720	337	-	-
Debtors	16	591,042	519,098	591,042	519,098
Cash at bank and in hand		5,519,234	6,432,592	5,519,232	6,432,590
		<u>6,110,996</u>	<u>6,952,027</u>	<u>6,110,274</u>	<u>6,951,688</u>
Creditors: amounts falling due within one year	17	<u>522,411</u>	<u>619,259</u>	<u>522,509</u>	<u>619,740</u>
<b>Net Current Assets</b>		<u>5,588,585</u>	<u>6,332,768</u>	<u>5,587,765</u>	<u>6,331,948</u>
<b>Total Assets Less Current Liabilities</b>		<u>17,348,140</u>	<u>17,367,562</u>	<u>17,347,322</u>	<u>17,366,744</u>
<b>Net Assets</b>		<u>17,348,140</u>	<u>17,367,562</u>	<u>17,347,322</u>	<u>17,366,744</u>
Restricted funds		6,686,544	7,111,714	6,686,544	7,111,714
Unrestricted - general funds		7,714,128	6,792,299	7,713,310	6,791,481
- designated funds		2,947,468	3,344,167	2,947,468	3,344,167
- revaluation reserve		-	119,382	-	119,382
<b>Total Funds</b>	22	<u>17,348,140</u>	<u>17,367,562</u>	<u>17,347,322</u>	<u>17,366,744</u>

The financial statements have been prepared according with the special provisions of part 15 of the Companies Act 2006 relating to small charitable companies. These financial statements of East Cheshire Hospice (charity number 515104; company number 01807691) were approved by the Board of Trustees on 16 December 2025 and signed on its behalf by:

Mrs J White

Mr N L McArthur

The notes on pages 28 to 40 form part of these accounts

**EAST CHESHIRE HOSPICE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2025

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash provided by / (used in) operating activities	<u><b>(329,794)</b></u>	<u>1,489,635</u>
<b>Cash flow from investing activities:</b>		
Dividends and interest from investments	<b>448,141</b>	352,057
Purchase of property, plant and equipment	<u><b>(1,031,705)</b></u>	<u>(1,175,819)</u>
Net cash provided by / (used in) investing activities	<u><b>(583,564)</b></u>	<u>(823,762)</u>
<b>Change in cash and cash equivalents in the year</b>	<b>(913,358)</b>	665,873
Cash and cash equivalents b/f	<u><b>6,432,592</b></u>	<u>5,766,719</u>
<b>Cash and cash equivalents c/f</b>	<u><b>5,519,234</b></u>	<u>6,432,592</u>

**Notes to the consolidated cash flow statement**

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

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for the reporting period	<b>(19,422)</b>	1,660,300
Depreciation charge	<b>285,674</b>	241,784
(Gains) / losses on investments	<b>21,270</b>	(568,959)
Investment income	<b>(448,141)</b>	(352,057)
Loss / (profit) on sale of fixed assets	-	149,374
Decrease/(increase) in stock	<b>(383)</b>	357
(Increase)/decrease in debtors	<b>(71,944)</b>	421,730
(Decrease)/increase in creditors	<u><b>(96,848)</b></u>	<u>(62,894)</u>
Net cash provided by / (used in) operating activities	<u><b>(329,794)</b></u>	<u>1,489,635</u>

Analysis of cash and cash equivalents:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Cash in hand	<b>1,455,767</b>	1,681,250
Notice deposits	<u><b>4,063,468</b></u>	<u>4,751,342</u>
Total cash and cash equivalents	<u><b>5,519,234</b></u>	<u>6,432,592</u>

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2025

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### 1. Summary of Significant Accounting Policies

#### General Information and Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS102, 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 (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets. The financial statements are presented in GB Sterling, which is the functional currency, rounded to the nearest Pound.

#### Basis of consolidation

These accounts consolidate the results of the charity and its wholly owned trading subsidiary, ECH Trading Limited, on a line by line basis. A separate Statement of Financial Activities and Income & Expenditure Account has not been presented for the charity as allowed by Section 408 of the Companies Act 2006. The net loss of the Hospice for the year is £19,422 (2024: net gain £1,660,300).

#### Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

#### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are donations which the donor has specified are to be used for specific projects. The aim and use of each significant restricted fund is set out in the notes to these accounts.

#### Incoming Resources and Debtors

All income is recognised in the statement of financial activities when the Hospice has entitlement to the funds, receipt is probable, and the amount can be reliably measured. The following policies are applied to income:

- Voluntary income is included in full when receivable. Grant income is recognised when the charity becomes unconditionally entitled to it.
- Legacies are included at the earlier of when the Executors notify the Hospice that a distribution will be made, or when a distribution is received. Where legacies have been notified to the Hospice, but the recognition criteria have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Gifts in kind and donated services are recognised within incoming resources and expenditure at an estimate of open market value. The value of services provided by volunteers is not included in the accounts.
- Items donated for resale through the charity's shops are included as incoming resources when they are sold.
- Investment income is included when receivable.
- Lottery income received in advance is deferred and released in the week that the draw takes place.

Debtors are recognised at settlement value.

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2025

---

### 1. Summary of Significant Accounting Policies (continued)

#### Resources Expended and Creditors

Expenditure is recognised when there is a legal or constructive obligation to a third party, payment is probable, and the amount is reliably measurable. Irrecoverable VAT is allocated as a support cost. Expenditure is classified under the following activity headings:

- Costs of raising funds are those associated with fundraising activity, including the charity's shops and lottery operations and their associated support costs.
- Charitable expenditure is incurred in the delivery of the charity's activities and services for its beneficiaries. It includes costs that can be directly apportioned and indirect associated support costs.

Grants payable are made to third parties in the furtherance of the Hospice's charitable objectives. Grants are accounted for when the conditions for payment have been met by the recipient, or in full when no conditions have been set.

Redundancy and termination payments are recognised on an accruals basis as a liability is incurred. Creditors are recognised where it is probable that a reliably estimated present obligation will result in a payment to a third party. Creditor are recognised at their settlement value.

#### Support and Governance costs

Support costs are those back-office functions that are necessary for the effective running of the Hospice but are not directly involved in providing care. They are allocated between the cost of raising funds and charitable activities as set out in the notes to these accounts. Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulation and good practice

#### Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over their estimated useful life as follows:

- |                                 |  |
|---------------------------------|--|
| • Buildings                     | 2 – 10% p.a. straight line depending on the asset nature |
| • Leasehold improvements        | Straight line over the life of the lease                 |
| • Plant, equipment and vehicles | 12.5% p.a. straight line                                 |
| • Computer hardware             | 25% straight line  |

The land at Millbank Drive is included at market value at the time of donation from the Health Authority.

#### Investments and cash

Listed investments are stated at market value at the balance sheet date. Unlisted investments are valued at cost. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Cash at bank is held to meet the day to day running costs of the Hospice as they fall due.

#### Stock

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

#### Financial instruments

Basic financial instruments are initially measured at transaction price and subsequently measured at amortised cost, with the exception of investments and cash at bank which are held at fair value. Financial assets held at amortised cost comprise trade and other debtors and financial liabilities held at amortised cost comprise trade and other creditors, except taxation and social security.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2025**

**1. Summary of Significant Accounting Policies (continued)**

**Leases**

Rental payable under operating leases are charged to the statement of financial activities in equal annual instalments over the period of the lease.

**Pensions**

The Hospice contributes to the NHS pension scheme as allowed under direction of the Secretary of State in England and Wales. This is an unfunded, defined benefit pension scheme and it is not possible to identify the assets and liabilities which are attributable to the Hospice. The scheme is therefore accounted for as defined contribution scheme. The Hospice also operates 2 further defined contribution pension schemes. The assets of all schemes are held separately from those of the Hospice in independently administered funds. Contributions payable for the year are charged to the SOFA in line with the activity carried out by the relevant pension scheme member.

**Taxation**

The Hospice is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**Going Concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of Hospice reserves to be able to continue as a going concern.

**2. Donations and legacies:**

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Donations	1,294,643	304,843	1,599,486	972,214	951,427	1,923,641
Legacies	1,913,040	-	1,913,040	2,100,930	-	2,100,930
Community activity	439,158	42,745	481,903	489,711	7,538	497,249
Grants	915,455	322,117	1,237,572	871,277	194,864	1,066,141
	<b>4,562,296</b>	<b>669,705</b>	<b>5,232,001</b>	<b>4,434,132</b>	<b>1,153,829</b>	<b>5,587,961</b>

Grants receivable were:	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Cheshire & Merseyside ICB – care	519,671	-	519,671	499,448	-	499,448
Cheshire & Merseyside ICB – drugs	108,972	-	108,972	108,000	-	108,000
Cheshire & Merseyside ICB – other	55,600	-	55,600	54,929	-	54,929
Derbyshire ICB – care	20,720	-	20,720	20,000	-	20,000
Hospice UK – Hospice Capital Grant	-	134,481	134,481	-	-	-
National Lottery Community Fund	-	55,000	55,000	-	-	-
Other grants and trusts	210,492	132,636	343,128	188,900	194,864	383,764
	<b>915,455</b>	<b>322,117</b>	<b>1,237,572</b>	<b>871,277</b>	<b>194,864</b>	<b>1,066,141</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2025

**2. Donations and legacies (continued):**

The Hospice's main grant agreements are with Cheshire & Merseyside Integrated Care Board (ICB). The ICB makes a contribution to the provision of 24-hour specialist palliative care for patients and families in the East Cheshire region and for drugs. The Hospice has a similar arrangement with Derbyshire ICB as the boundaries of the Hospice's service area extend to parts of Derbyshire.

**3. Charitable activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Local government and NHS service contracts	769,542	-	769,542	795,393	-	795,393
Other ancillary income	103,118	-	103,118	69,921	-	69,921
	<b>872,660</b>	<b>-</b>	<b>872,660</b>	<b>865,314</b>	<b>-</b>	<b>865,314</b>

**4. Other trading activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Events and sponsorship	376,648	9,613	386,261	388,427	6,295	394,722
Lottery income	273,972	-	273,972	283,289	-	283,289
Shops	626,700	-	626,700	586,248	-	586,248
	<b>1,277,320</b>	<b>9,613</b>	<b>1,286,933</b>	<b>1,257,964</b>	<b>6,295</b>	<b>1,264,259</b>

**5. Investment income:**

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Dividends received	170,613	-	170,613	175,769	-	175,769
Interest received	277,528	-	277,528	176,288	-	176,288
	<b>448,141</b>	<b>-</b>	<b>448,141</b>	<b>352,057</b>	<b>-</b>	<b>352,057</b>

**6. Net incoming resources for the year (group and charity):**

	2025 £	2024 £
This is stated after charging:		
Depreciation (owned assets)	285,674	241,784
Auditor's remuneration (excluding VAT) - charity	10,500	9,500
Auditor's remuneration (excluding VAT) - subsidiary	1,250	1,000
Non audit fees (excluding VAT)	<b>300</b>	<b>5,905</b>

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2025

7. Raising funds:

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
<b>Donations and legacies:</b>						
Staff costs	430,327	-	430,327	394,715	-	394,715
Events and fundraising costs	205,002	-	205,002	178,157	-	178,157
	<b>635,329</b>	<b>-</b>	<b>635,329</b>	<b>572,872</b>	<b>-</b>	<b>572,872</b>
<b>Other trading activity:</b>						
Staff costs	297,772	-	297,772	266,878	-	266,878
Events and fundraising costs	76,451	-	76,451	91,411	-	91,411
Lottery management costs	12,444	-	12,444	13,491	-	13,491
Lottery prizes	78,000	-	78,000	79,312	-	79,312
Shop running costs	189,914	-	189,914	154,855	-	154,855
Shop depreciation	8,995	-	8,995	-	-	-
	<b>663,576</b>	<b>-</b>	<b>663,576</b>	<b>605,947</b>	<b>-</b>	<b>605,947</b>
Support costs	124,086	970	125,056	105,677	624	106,301
	<b>1,422,991</b>	<b>970</b>	<b>1,423,961</b>	<b>1,284,496</b>	<b>624</b>	<b>1,285,120</b>

8. Charitable activities:

	Unrestricted Funds £	Restricted Funds £	Total 2025 £	Unrestricted Funds £	Restricted Funds £	Total 2024 £
<b>Inpatient services:</b>						
Staff and related costs	2,249,018	-	2,249,018	2,075,647	1,499	2,077,146
Patient consumables – direct	148,682	-	148,682	126,651	-	126,651
Catering and housekeeping	56,792	451	57,243	52,719	407	53,126
Property occupation and repairs	208,208	3,472	211,680	170,301	1,933	172,234
Depreciation	131,400	-	131,400	124,929	87,557	212,486
Support costs	255,928	2,000	257,928	271,741	1,604	273,345
	<b>3,050,028</b>	<b>5,923</b>	<b>3,055,951</b>	<b>2,821,988</b>	<b>93,000</b>	<b>2,914,988</b>
<b>Day care and outpatients:</b>						
Staff and related costs	546,677	136,641	683,318	518,433	14,591	533,024
Patient consumables – direct	5,948	4,853	10,801	7,495	3,904	11,399
Catering and housekeeping	17,116	107	17,223	14,918	97	15,015
Property occupation and repairs	105,479	17,093	122,572	67,474	726	68,200
Depreciation	76,650	-	76,650	55,963	39,222	95,185
Support costs	116,331	909	117,240	90,580	535	91,115
	<b>868,201</b>	<b>159,603</b>	<b>1,027,804</b>	<b>754,863</b>	<b>59,075</b>	<b>813,938</b>
<b>Hospice @Home:</b>						
Staff and related costs	776,760	685,846	1,462,606	845,600	244,033	1,089,633
Patient consumables – direct	22,268	3,640	25,908	21,800	1,989	23,789
Catering and housekeeping	1,735	-	1,735	1,256	-	1,256
Property occupation and repairs	29,525	442	29,967	16,678	141	16,819
Depreciation	21,900	-	21,900	13,911	9,749	23,660
Support costs	201,640	1,576	203,216	211,354	1,248	212,602
	<b>1,053,828</b>	<b>691,504</b>	<b>1,745,332</b>	<b>1,110,599</b>	<b>257,160</b>	<b>1,367,759</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2025

**8. Charitable activities (continued):**

**Family support:**

Staff and related costs	278,320	18,543	296,863	293,918	753	294,671
Patient consumables – direct	2,072	500	2,572	1,998	100	2,098
Catering and housekeeping	3,470	-	3,470	3,174	-	3,174
Property occupation and repairs	59,051	883	59,934	42,168	357	42,525
Depreciation	43,800	-	43,800	35,171	24,650	59,821
Support costs	69,798	546	70,344	67,935	401	68,336
	<b>456,511</b>	<b>20,472</b>	<b>476,983</b>	<b>444,364</b>	<b>26,261</b>	<b>470,625</b>

**Outreach and education:**

Staff and related costs	91,446	-	91,446	57,489	36,590	94,079
Patient care and consumables	5,394	1,503	6,897	4,397	51	4,448
Patient care – grant	1,697	-	1,697	17,200	2,500	19,700
Support costs	7,755	61	7,816	7,548	45	7,593
	<b>106,292</b>	<b>1,564</b>	<b>107,856</b>	<b>86,634</b>	<b>39,186</b>	<b>125,820</b>

Support costs are now apportioned on the basis of headcount used in each activity.

**9. Allocation of support costs:**

	Raising funds £	Inpatient services £	Day care & outpatients £	Hospice @Home £	Family Support £	Outreach/ education £	Total 2025 £	Total 2024 £
Governance costs	7,963	16,424	7,465	12,940	4,479	498	49,769	43,520
Office support	11,379	23,470	10,668	18,492	6,401	711	71,121	41,703
Accounting and payroll	20,667	42,626	19,375	33,584	11,625	1,292	129,169	121,453
Information technology	32,919	67,896	30,862	53,494	18,517	2,057	205,745	226,915
Workforce & volunteers	34,601	71,365	32,439	56,227	19,463	2,163	216,258	205,000
Marketing	13,527	27,898	12,681	21,980	7,609	845	84,540	76,253
Irrecoverable VAT	4,000	8,249	3,750	6,499	2,250	250	24,998	44,448
	<b>125,056</b>	<b>257,928</b>	<b>117,240</b>	<b>203,216</b>	<b>70,344</b>	<b>7,816</b>	<b>781,600</b>	<b>759,292</b>

Governance includes audit £12,250 (2024 £10,000) and insurance costs £37,519 (2024 £33,520).

**10. Staff costs and numbers**

**Staff payroll costs (excluding agency) were:**

	2025 £	2024 £
Salaries	4,826,655	4,351,039
Social security costs	448,018	405,848
Employers pension – defined contribution	205,273	188,638
Employers pension – defined benefit	240,962	199,497
	<b>5,720,908</b>	<b>5,145,022</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2025**

**10. Staff costs and numbers (continued):**

The average monthly number of staffs employed during the year on a full time equivalent and headcount basis was:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
<b>Full time equivalent:</b>		
Clinical and patient support staff	94	81
Support – HR & Volunteer, Finance, Marketing, office and ICT	19	20
Income generation staff – retail, lottery and Fundraising	20	19
	<b>133</b>	<b>120</b>
 <b>Headcount – all areas:</b>		
	<b>182</b>	<b>162</b>

The number of staff whose emoluments exceeded £60,000 in the year was:

	<b>2025</b>	<b>2024</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £70,000	3	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
	<b>1</b>	<b>-</b>

Pension contributions of £29,569 (2024: £17,721) were made to a defined contribution scheme in respect of these employees. The total amount of salary and benefits paid to key management personnel, as identified on page 2 (Legal and administrative details – Management Team) was £507,663 (2024: £510,240 restated to include Employers NI). None of the Trustees received any remuneration or benefits from an employment with the charity or related entities.

During the year no expenses were paid to or on behalf of Trustees (2024: £nil). Trustees donate their time, talent and skills to the smooth running of the Hospice. As well as their ambassadorial duties, they have supported fundraising events and contributed to the commercial activity of the Hospice as Lottery members and by making donations to the shops. In addition to this, the aggregate unconditional donations from Trustees and parties related to them during the year was £12,493 (2024: £19,645).

The Hospice is grateful for the valuable support of all its volunteers who support the work of paid staff in all areas of the Hospice's work.

**11. Pensions:**

The Hospice, without obligation, contributes to 3 pension schemes for current employees:

- **Scottish Widows Group Personal Pension Plan** - a defined contribution scheme. The Hospice paid employers contributions of £197,755 (2024: £181,460), and the pension creditor at the yearend was £29,804 (2024: £25,702).
- **Now Pensions** - a defined contribution, auto-enrolment scheme for staff who do not wish to join the Scottish Widows or NHS schemes. The Hospice paid employers contributions of £7,518 during the year (2024: £7,178), and the pension creditor at the year end was £2,062 (2024: £1,727).
- **NHS Pension Scheme** – an unfunded defined benefit scheme under the direction of the Secretary of State in England and Wales. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. It is not designed to be run in a way that would enable NHS bodies to identify

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2025

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their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Hospice is taken as the contributions payable to that scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

Accounting valuation - A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**Full actuarial valuation** - The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates. The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

During the year, the Hospice paid employers contributions of £240,962 (2024: £199,497) on behalf of employees who were existing members of the scheme before joining the Hospice and are therefore able to carry on their membership under the scheme rules. This is based on a rate of 14.3% of pensionable pay, based on HMT Valuation Directions. The pension creditor as at the year-end was £32,369 (2024: £29,187). While the Employer contribution rate has been set at 20.6%, Employers have only been required to make contributions at 14.3% for both years. Had the full rate been in force, the Employer contributions in 2024/25 would have been £346,529 (2024: £286,898), an increase of £105,567 (2024: £87,401).

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2025**

**12. Tangible fixed assets (group and charity):**

	Freehold Land & Buildings	Leasehold improv'ts	Plant & Equipment	Vehicles	Computers	Total
<b>Cost</b>	£	£	£	£	£	£
At 1 April 2024	6,963,744	-	664,620	140,984	33,583	7,802,931
Additions	<b>841,526</b>	<b>86,835</b>	<b>90,810</b>	-	<b>12,534</b>	<b>1,031,705</b>
Disposals	-	-	<b>(31,118)</b>	-	-	<b>(31,118)</b>
At 31 March 2025	<b>7,805,270</b>	<b>86,835</b>	<b>724,312</b>	<b>140,984</b>	<b>46,117</b>	<b>8,803,518</b>
<b>Depreciation</b>						
At 1 April 2024	2,322,323	-	446,077	46,879	9,353	2,824,632
Charge for the year	<b>191,262</b>	<b>8,683</b>	<b>53,650</b>	<b>17,623</b>	<b>14,456</b>	<b>285,674</b>
Disposals	-	-	<b>(31,118)</b>	-	-	<b>(31,118)</b>
At 31 March 2025	<b>2,513,585</b>	<b>8,683</b>	<b>468,609</b>	<b>64,502</b>	<b>23,809</b>	<b>3,079,188</b>
<b>Net book values</b>						
At 31 March 2025	<b>5,291,685</b>	<b>78,152</b>	<b>255,703</b>	<b>76,482</b>	<b>22,308</b>	<b>5,724,330</b>
At 31 March 2024	4,641,421	-	218,543	94,105	24,230	4,978,299

Land and buildings include £663,000 of non-depreciable land.

**13. Investments:**

<b>Managed Portfolio</b>	<b>2025</b>	<b>2024</b>
	£	£
Market value b/f	<b>6,056,485</b>	5,487,526
Additions	<b>34,929</b>	31,122
Disposals	<b>(34,929)</b>	(31,122)
Net investment gains/(losses)	<b>(21,270)</b>	568,959
<b>Market value c/f</b>	<b>6,035,215</b>	6,056,485
<b>Historical cost c/f</b>	<b>5,937,103</b>	5,937,103
<b>The portfolio consisted of:</b>		
Charity Authorised Investment Fund units	<b>6,035,215</b>	6,056,485
Unquoted - Hospices Quality Partnership	<b>10</b>	10
	<b>6,035,225</b>	6,056,495
ECH Trading Ltd - wholly owned subsidiary (see note 14)	<b>2</b>	2
	<b>6,035,227</b>	6,056,497

**14. Results of Trading Subsidiary:**

ECH Trading Limited (Company number 05688814) is a wholly owned subsidiary of East Cheshire Hospice, operating a retail business selling new goods. The results for the year ended 31 March 2025 are:

	<b>2025</b>	<b>2024</b>
	£	£
Turnover	<b>20,619</b>	22,102
Cost of sales and administration	<b>(9,414)</b>	(10,531)
Management fee paid to the charity	<b>(6,440)</b>	(6,340)
Operating profit	<b>4,765</b>	5,231
Amount gift aided to the charity	<b>(4,765)</b>	(5,231)
Retained in subsidiary	-	-
<b>Balance Sheet</b>	<b>£</b>	<b>£</b>
Current assets	<b>820</b>	820
Total net assets	<b>820</b>	820

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2025

15. Stocks	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Merchandise stock	720	337	-	-
Carrying amount of stock sold during the year	<u>6,460</u>	<u>8,241</u>	<u>-</u>	<u>-</u>

**16. Debtors:**

Amounts falling due within one year:	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	58,000	71,236	58,000	71,236
VAT recoverable	10,318	107,115	10,318	107,115
Gift aid recoverable	44,437	40,835	44,437	40,835
Prepayments and accrued income	<u>478,287</u>	<u>299,912</u>	<u>478,287</u>	<u>299,912</u>
	<u>591,042</u>	<u>519,098</u>	<u>591,042</u>	<u>519,098</u>

**17. Creditors:**

Amounts falling due within one year:	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	145,096	234,869	145,096	234,869
Amount due to subsidiary company	-	-	98	481
Other creditors	64,235	56,616	64,235	56,616
Taxation & social security	101,369	93,236	101,369	93,236
Accruals	146,158	146,981	146,158	146,981
Deferred income	<u>65,553</u>	<u>87,557</u>	<u>65,553</u>	<u>87,557</u>
	<u>522,411</u>	<u>619,259</u>	<u>522,509</u>	<u>619,740</u>
<b>Analysis of deferred income:</b>				
Deferred income b/f	87,557	108,091	87,557	108,091
Income deferred in the year	329,495	319,046	329,495	319,046
Income released in the year	<u>(351,499)</u>	<u>(339,580)</u>	<u>(351,499)</u>	<u>(339,580)</u>
Deferred income c/f	<u>65,553</u>	<u>87,557</u>	<u>65,553</u>	<u>87,557</u>

Deferred income includes lottery subscription fees and event income received in advance. Lottery income is deferred on receipt and released in the week of the draw. Events income relates to ticket and participator sponsorship monies received in advance of events, which is deferred and released when the event takes place.

**18. Contingent assets:**

As at 31 March 2025 the Hospice is aware of 23 ongoing legacy cases (6 pecuniary and 17 residuary) where the value is uncertain as estate accounts are still to be finalised – no amounts have been included in income in relation to these legacies.

**19. Capital Commitments:**

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	2025	2024
	£	£
Contracted	<u>-</u>	<u>79,629</u>

There were no capital commitments at 31 March 2025. The capital commitment at 31 March 2024 represented the unfinished element of the Sunflower Wellbeing Centre refurbishment at that date.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2025**

**20. Operating lease commitments:**

At the year end, the group and charity had total commitments under operating leases expiring:

	Land & Buildings £	Equipment £	Total 2025 £	Total 2024 £
Within 1 year	111,000	6,246	117,246	85,422
Between 1 and 5 years	390,452	10,403	400,855	136,258
In more than 5 years	-	-	-	20,167
	<b>501,452</b>	<b>16,649</b>	<b>518,101</b>	<b>241,847</b>

Operating lease payments made during the year were £85,382 (2024: £78,657).

**21. Share capital and company status:**

The company is incorporated under the Companies Act 2006. It is limited by guarantee and, therefore, does not have any issued share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**22. Funds:**

	Balance 2024 £	Income £	Costs £	Transfers £	Gains/ (losses) £	Balance 2025 £
<b>Unrestricted Funds:</b>						
General	6,792,299	7,160,417	(6,837,719)	620,401	(21,270)	7,714,128
Revaluation reserve	119,382	-	-	(119,382)	-	-
<b>Designated Funds:</b>						
Service development	1,138,238	-	-	(230,439)	-	907,799
Repairs & equipment	348,503	-	(120,132)	(43,961)	-	184,410
Building Development	1,857,426	-	-	(2,167)	-	1,855,259
	<b>10,255,848</b>	<b>7,160,417</b>	<b>(6,957,851)</b>	<b>224,452</b>	<b>(21,270)</b>	<b>10,661,596</b>
<b>Restricted:</b>						
<b>Property Funds:</b>						
Hospice Premises	4,605,421	-	-	(56,333)	-	4,549,088
Capital Build Fund	-	134,481	-	(134,481)	-	-
Equipment fund	19,971	48,223	(3,701)	(25,276)	-	39,217
Hospice garden	686	3,636	(2,838)	-	-	1,484
<b>Service Funds:</b>						
Hospice @Home services	1,016,339	96,442	(380,944)	-	-	731,837
Knutsford Home First	666,382	7,686	(190,011)	-	-	484,057
PACE (Single point of access pilot)	437,147	171,059	(125,642)	(8,362)	-	474,202
Dementia services	365,209	195,996	(154,546)	-	-	406,659
Other services	-	21,795	(21,795)	-	-	-
<b>Other Funds:</b>						
Staff Fund	559	-	(559)	-	-	-
<b>Total Restricted</b>	<b>7,111,714</b>	<b>679,318</b>	<b>(880,036)</b>	<b>(224,452)</b>	<b>-</b>	<b>6,686,544</b>
<b>TOTAL FUNDS</b>	<b>17,367,562</b>	<b>7,839,735</b>	<b>(7,837,887)</b>	<b>-</b>	<b>(21,270)</b>	<b>17,348,140</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2025

**Funds (2024 comparatives):**

	Balance 2023	Income	Costs	Transfers	Gains/ (losses)	Balance 2024
	£	£	£	£	£	£
<b>Unrestricted Funds:</b>						
General	6,198,974	6,909,467	(6,441,546)	(443,555)	568,959	6,792,299
Revaluation reserve	-	-	-	119,382	-	119,382
<b>Designated Funds:</b>						
Service development	1,349,592	-	-	(211,354)	-	1,138,238
Repairs & equipment	425,328	-	(46,360)	(30,465)	-	348,503
Building Development	1,781,053	-	(15,038)	91,411	-	1,857,426
	<b>9,754,947</b>	<b>6,909,467</b>	<b>(6,502,944)</b>	<b>(474,581)</b>	<b>568,959</b>	<b>10,255,848</b>
<b>Restricted:</b>						
<b>Property Funds:</b>						
Hospice Premises	3,928,610	-	(161,179)	837,990	-	4,605,421
Capital Build Fund	227,886	115,010	-	(342,896)	-	-
Equipment fund	5,153	16,564	(1,746)	-	-	19,971
Hospice garden	1,355	500	(1,169)	-	-	686
<b>Service Funds:</b>						
Hospice @Home services	1,140,064	110,308	(234,033)	-	-	1,016,339
Knutsford Home First		700,000	(13,105)	(20,513)	-	666,382
Single point of access service	367,838	74,635	(5,326)	-	-	437,147
Dementia services	203,880	138,327	(6,562)	29,564	-	365,209
Other services	76,466	3,282	(50,184)	(29,564)	-	-
<b>Other Funds:</b>						
Staff Fund	1,063	1,498	(2,002)	-	-	559
<b>Total Restricted</b>	<b>5,952,315</b>	<b>1,160,124</b>	<b>(475,306)</b>	<b>474,581</b>	<b>-</b>	<b>7,111,714</b>
<b>TOTAL FUNDS</b>	<b>15,707,262</b>	<b>8,069,591</b>	<b>(6,978,250)</b>	<b>-</b>	<b>568,959</b>	<b>17,367,562</b>

**Unrestricted Funds:**

**General fund** – this is the accumulation of free reserves. **Revaluation Reserve** – represents the amount by which investments have been revalued from their historic cost. This has been released to the General Fund in 2024/25.

**Designated fund:**

**Service development** – this represents funds set aside to support the ongoing development and expansion of services with particular emphasis on our ambitious plans in the fields of dementia, PACE (single point of access) as well as further Hospice at Home expansion.

**Repairs and equipment** – funds have been designated in year to ensure that the fabric of the Millbank Drive building can be maintained to a high standard. Parts of the building is over 35 years old and inevitable repairs to areas such as boilers, windows, roof, plumbing and electrics are starting to be required on a rolling basis.

**Building Development** – in 2018 plans were drawn up to modernise the Millbank Drive site, making it fit for services required by our patients and their families now and in the future. The plans are phased so that they could be done as and when funding is available. The refurbishment of the Sunflower Living Well Centre was finished in 2023/24. The redevelopment of our original kitchen and staff areas was delayed in 2024-25 and will now be carried out in 2025-26.

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2025

#### Restricted Funds:

**Property Funds - Hospice Premises** - this fund represents the net book value of the Hospice's premises at Millbank Drive and includes £300,000 for the land originally donated by the Health Authority. It does not include costs relating to separate properties in Macclesfield and Knutsford. Should the Hospice's activities cease, and the Millbank Drive premises be sold, all the proceeds would be payable to The Secretary of State for Health and Social Care. This obligation is secured by a legal charge over the Hospice's premises at Millbank Drive. The value of the land and buildings is therefore considered to be restricted. The transfers result from movements in the property value arising from capital expenditure and depreciation.

**Capital Build Fund** – represents a grant from Hospice UK and funded by the Department for Health and Social Care which funded capital refurbishment programmes in our Inpatient Unit and chapel.

**Property funds - Equipment Fund and Hospice Garden funds** represents funds received for the purchase of equipment for all areas of the Hospice, and for the maintenance of the gardens.

#### Service funds:

The Hospice @Home service is supported by a well-received angel donor campaign. This work has led into the development of Knutsford Home First, a joint project with the NHS to provide at home services in the Knutsford Care Community, paid for by a generous donation from Mr Michael and Jennifer Oliver. Angel donor campaigns have continued in year for both our Single Point of Access and community dementia projects, both of which became operational in 2024/25. Other service funds represent monies received for the provision of specific Hospice services as requested by donors.

Dementia and PACE (Single Point of Access) are the most recent angel donor campaigns. The Dementia campaign is funding the expansion of dementia care into the 5 care communities in East Cheshire, taking the service out to patients and their carers. PACE (single point of access) is currently piloting a new way of working to bring all palliative healthcare services including those not provided directly by the Hospice, under one access point to support patients and their carers to get the help they need from the right service at the right time.

The **Staff Fund** - this represents donations given specifically for the benefit of staff and for staff training. The People and Development Manager is responsible for deciding benefits to be provided.

#### Transfers between funds:

These reflect the fulfilment of restrictions through the purchase of fixed assets with restricted donations, and depreciation of those restricted assets.

#### 23. Analysis of net assets between funds:

	Unrestricted Funds	Restricted Funds	Total 2025	Unrestricted Funds	Restricted Funds	Total 2024
	£	£	£	£	£	£
Tangible Fixed Assets	1,175,242	4,549,088	5,724,330	372,878	4,605,421	4,978,299
Investments	6,035,225	-	6,035,225	6,056,495	-	6,056,495
Net current Assets	3,451,129	2,137,456	5,588,585	3,826,475	2,506,293	6,332,768
Group Analysis:	<b>10,661,596</b>	<b>6,686,544</b>	<b>17,348,140</b>	10,255,848	7,111,714	17,367,562
Investments	2	-	2	2	-	2
Net current assets	(818)	-	(818)	(818)	-	(818)
Charity Analysis:	<b>10,660,778</b>	<b>6,686,544</b>	<b>17,347,322</b>	10,255,030	7,111,714	17,366,744

#### 24. Related parties:

There are no related party transactions that require disclosure other than those relating to Directors' donations (note 10) the trading company (note 14).

**EAST CHESHIRE HOSPICE**

England & Wales - Charity number 515104

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# Accounts

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**EAST CHESHIRE HOSPICE**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**

**Registered company number 01807691 (England and Wales)**  
**Registered Charity number 515104**

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2024**

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**EAST CHESHIRE HOSPICE**

**LEGAL AND ADMINISTRATIVE INFORMATION**  
**For the year ended 31 March 2024**

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<b>Registered Company Number</b>	01807691 (England and Wales)
<b>Registered Charity Number</b>	515104
<b>Constitution</b>	Company limited by guarantee
<b>Principle and Registered Office</b>	Millbank Drive Macclesfield Cheshire SK10 3DR
<b>Auditors</b>	Bright Partnership Chartered Accountants & Registered Auditors 1 Park Street Macclesfield Cheshire SK11 6SR
<b>Bankers</b>	Royal Bank of Scotland PLC 52 Chestergate Macclesfield Cheshire SK11 6BU
<b>Investment Advisors</b>	Quilter Cheviot One Kingsway London WC2B 6AN

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2024**

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The Trustees (who are also the directors of the charity for the purposes of the Companies Act 2006) who served during the year were:

Mr S W Spinks	Chair	Dr J Mallon	
Mr R Barrow DL MBE	(retired Sep-23)	Dr D A Maxwell	
Dr J Beck	(appointed Sep-23)	Mr N L McArthur	Vice Chair
Mrs G Crawford		Mrs N C Sampson	
Mr S J Dickenson		Mrs K R Waters	
Mrs L Haughton		Mr I Williams	(appointed Sep-23)
Mr J R Lovett	(retired Sep-23)		

All trustees are members of the Company and have no beneficial interest in it. Unless indicated above, they were all trustees at the time that this Report and the attached Financial Statements were approved.

<b>Patrons:</b>	Mr Nick Robinson	Mr J Corrigan (appointed May-23)
	Prof Alistair Burns CBE	Mr M Oliver OBE DL (appointed Nov-23)
	Dr W Mansoor (appointed May-23)	

**President:** Mr David Briggs CVO MBE KStJ

<b>Vice Presidents:</b>	Mr P Bianchi	Mrs J C Legh (resigned Jul-23)
	Mr N Bianchi	Miss E McVey MP
	Mrs F Brereton	Mr P Morrissey
	Mrs F Bruce MP	Mr D Pollock DL
	Mrs J Clowes	Mr R Raymond
	Mrs C Hayward DL	Mr D Rutley MP
	Dr S Hayward	Lady A Winterton
	Mr M Jones	Sir N Winterton
	Mr P E Jones	Mr R Barrow MBE DL (appointed Sep-23)

**Honorary Vice President** Mrs E Keefe

**Management Team:**

Mrs K Johnston	Chief Executive
Dr D Alexander	Medical Director
Mrs R Allcock	Income Generation Director
Mrs S Dale	Director of Quality & Innovation
Ms S Jones	Clinical Director
Mrs S Seabourne	Finance Director

# 2023/24 A year in the life of East Cheshire Hospice

**3<sup>rd</sup>** Team added to our Hospice @Home service

**365** Daily huddles joined by healthcare professionals to co-ordinate the care for palliative patients

**12** Hospices in Cheshire & Merseyside working together to ensure palliative care is not a postcode lottery

**1** Newly refurbished Sunflower Living Well Centre

**1,242** People cared for by our compassionate staff and volunteers



**753** Attendees welcomed to sessions in Living Well services

**8,051** Care visits to patients in their own homes

**510** People with dementia and the loved ones who care for them supported by the ECH Dementia team

**262** Admissions into our inpatient facility

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In submitting their Annual Report together with the consolidated financial statements of East Cheshire Hospice and its subsidiary for the year ended 31 March 2024, the Trustees have ensured that all financial statements comply with the Charity Act 2011, the Companies Act 2006, and Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019).

## **CHARITABLE PURPOSE & PUBLIC BENEFIT**

The objects and principal activities of East Cheshire Hospice are to provide palliative care and support to people with life limiting illnesses within the communities of Buxton, Congleton, Handforth, High Legh, High Peak, Knutsford, Macclesfield, Poynton, Wilmslow and the 72 villages and hamlets in between, serving a total population of c.200,000. It does this by:

- operating a residential hospice
- providing care to end-of-life patients in their own home
- operating a day hospice wellbeing centre
- operating a range of outpatient clinics
- providing social, psychological and spiritual support services for patients and carers.

The Trustees have carefully considered the Charity Commission guidance on public benefit in setting our objectives and planning our services, which are provided free of charge for the benefit of the public. Our mission is to provide the highest quality care and support to the people we serve. Our values and principles can be summarised by the acronym CARE – compassion, association, resourcefulness and excellence.

- **Compassion:** We ensure we put our patients, their families and carers at the centre of everything we do, and we always act with care and compassion
- **Association:** We work in partnership and collaboration, forming productive alliances in the interests of our patients
- **Resourcefulness:** We make the best use of our resources, ensuring that donations from our communities are directly channelled into the care and support for patients and their families
- **Excellence:** We will act with integrity and treat patients, families, colleagues, collaborators and supporters with respect at all times. We will invest in learning and development for our staff and volunteers – striving for excellence in all we do.

### **Our Vision**

Our vision is that by 2028, East Cheshire Hospice will be at the centre of a whole-system solution delivering or facilitating high quality, seamless, co-ordinated end of life care to people affected by life limiting illness, ensuring they are prepared, supported and cared for in a place of their choosing and with the minimum of stress and anxiety.

## **ACTIVITIES**

East Cheshire Hospice offers both specialist palliative and specialised end of life care and support to adults who are approaching the final stages of life. We extend this comfort and compassion to assist families, caregivers, and loved ones so that they are better able to cope with this life changing event. Our comprehensive range of services is provided without any cost to those in need. We continuously review our services to meet the evolving needs of our communities, including addressing the growing number of patients with frailty, dementia, and complex comorbidities.

This report encompasses the period from 1 April 2023 to 31 March 2024, a year in which the economic impact of the pandemic and geopolitical factors resulted in rapid inflationary hikes. In response, the Bank of England increased its base rate month on month which in turn put pressure on wage demands. This economic backdrop presented a perfect storm for an organisation such as East Cheshire Hospice, reliant as we are on voluntary donations to meet an ever-increasing cost base. The communities, individuals, companies, legators and retail shoppers and donors in East Cheshire continued to support our work but at each quarter in the year one or more of our income streams struggled, reflecting the wider economic climate.

Our frontline and support services are made up of the following key elements:

- **Our Inpatient Unit (IPU)** offers specialist support for patients in the final stages of their lives, providing both end-of-life care and acute symptom management treatment. The IPU is managed by an exceptional team of highly trained palliative clinical specialists who are dedicated to ensuring that our patients receive the best possible care.
- **Our Hospice @Home Service** offers specialised palliative care to patients in the comfort of their own homes, with the aim of preventing unnecessary hospital admissions and allowing them to remain in the place where they feel most at ease. By providing this specialised care, we strive to honour our patients' wishes and enhance their quality of life during this challenging time.
- **Our Sunflower Living Well Centre** is a day hospice that offers a range of nurse-led clinics and therapeutic interventions for individuals with various disease types and conditions, including specialised assistance for conditions such as Dementia and Motor Neurone Disease (MND). Our services encompass a diverse range of offerings, such as a living well programmes, a breathlessness clinic, complementary therapies and guidance on advanced care planning. Our dedicated team ensures that individuals receive the necessary care and support to enhance their overall wellbeing and quality of life.
- **Our Outpatient Facility** offers personalised appointments for essential services that alleviate suffering and help patients manage their symptoms more effectively. These services include physiotherapy, occupational health, lymphoedema management, art psychotherapy, and various complementary therapies. Our goal is to deliver comprehensive care tailored to each patient's unique needs, ensuring they receive the necessary support and treatment to enhance their overall well-being.
- **Our Family Support Services** focus on addressing the practical, social, psychological, and spiritual needs of individuals connected to our patients. These services include pre- and post-bereavement counselling for adults, specialised support for childhood bereavement, and spiritual assistance for

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people of all faiths and those without specific religious affiliations. Our compassionate team, led by a dedicated chaplain, aims to provide holistic care that caters to the diverse needs of our patients' families and loved ones.

- **Our Education and Learning** remain fundamental to the provision of our exceptional services that cater to the needs of our community. We offer a wide range of training opportunities for our volunteers, staff, and colleagues, utilising internal training opportunities and experience as well as attending external events. We continue towards our goal of cultivating a more adaptable workforce that is well-trained, empowered, and capable of seamlessly transitioning across various service areas as needed.
- **Our Dedicated Volunteers** uplift and enrich our Hospice every day, fostering a strong connection between us and our local community. They generously contribute their skills, talents, and unique perspectives to enhance our work in various ways. Whether it's offering support to patients on the ward, staffing our busy reception area, making handmade goods, driving our furniture van, or assisting with fundraising activities, their unwavering support and enthusiasm plays an invaluable role in our Hospice community.

## **ACHIEVEMENTS AND PERFORMANCE**

Over the course of the last year, we successfully delivered enhanced care to more patients and families than ever before and were able to contribute our palliative and end of life expertise and support to the wider system. Operationally our plans were organised under our perpetual Continuous Improvement workstream and a set of multi-year Change Programmes with specific milestones for the year to March 2024, as detailed below.

### **Continuous Improvement Workstream**

This workstream managed the organisation's business as usual service delivery and operational support functions to ensure ECH developed in the right direction, meeting its charitable objects as well as its fiscal responsibilities. The Trustee Board through its scrutiny committees was assured that resources were being managed well in both the clinical and support service areas. Our clinical leaders accepted more referrals into their services than in any year in the history of the Hospice and they were able to maintain quality and increase responsiveness by deploying the team where they were most needed based on patient or carer demand. Our business teams too showed great resilience in the face of funding challenges and were still able to maximise resources using collaboration, new ways of working, smart IT solutions and data intelligence to support high quality patient care.

2023/24 was the third year of our 5-year IT strategy roadmap designed to ensure that ECH stays at the cutting edge of healthcare technology, enhancing patient and staff experience and creating efficiencies in the way we operate. During the year all milestones on our IT roadmap were achieved and our systems and network infrastructure were externally tested for security robustness and gained the Cyber Essentials Plus accreditation.

For a large part of the year our day hospice and outpatient facilities were closed for the refurbishment however spaces in the main hospice site were repurposed and adapted to accommodate and continue running our services, albeit on a slightly reduced capacity than normal.

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As part of our governance improvement programme, the Nominations and Remuneration Committee, worked with trustees to ensure all mandatory training was completed, a streamlined and transparent recruitment and on-boarding process for new trustees was developed, tested and implemented and Board engagement with the workforce was improved. The Board also overhauled how risk was managed in the organisation using improved reporting and monitoring systems.

We are indebted to the staff and volunteers who, with their skills and dedication, have made 2023/24 another year of impressive continuous improvement for the Hospice.

## **Change Programmes**

Our achievement this year fell within four change programmes, developed to drive the organisation further and faster towards achieving its vision, namely:

**1. Development of Hospice Dementia Services** to ensure ECH has the capacity, competencies and facilities to meet the emerging needs of people dying from or with dementia in our community. This year we achieved the following:

- Launched weekly Dementia Carers Wellbeing Programmes in the five Care Communities in East Cheshire, extending the reach of this award-winning programme to 400 more people with dementia and their carers.
- Collaborated with other statutory and voluntary support services to create a strategy for a system-wide seamless patient and carer experience, with the appropriate level of care delivered when and where they want it and need it
- Fully refurbished our Sunflower Living Well Centre to ensure we have the facilities to deliver simultaneous services in a dementia-friendly environment.

**2. Hospice Sustainability** to ensure that ECH remains financially and environmentally sustainable, meets our communities' need for high quality care, is the go-to partner organisation for end of life care locally and continues to be the lead innovator in palliative and end of life service provision. This year we achieved the following:

- Added a new team into our Hospice @Home service to increase the number of people we could support to die well in the place they call home.
- Using a generous donation made by Mr Michael Oliver OBE, we were able to further support the local Home First Strategy by adding a dedicated palliative care team to the existing District Nursing team in Knutsford, supporting people and their healthcare professionals throughout the last year of life.
- Adapted our income generation activity to meet the changing needs of our supporters and the challenges of fundraising in a cost-of-living crisis, low-growth economy. Our Individual Giving team was expanded to help us improve relationships and communication between our Clinical and Fundraising teams, leading to enhanced support for families wishing to fundraise for us.
- The Ambassador Group, which helps the Hospice to access seed funding for innovation projects, successfully reached its target to fund the expansion of our Dementia Carers' Wellbeing Programme for the next five years, just one element of the large-scale Dementia Change Programme as detailed above.

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**3. Co-ordinated Care Service** to fully integrate this service with the wider health and care system by hosting and leading a single point of co-ordination for Palliative and End of Life Care patients, their families and healthcare professionals in the northern part of Cheshire East Place. This year we continued to develop plans for this collaboration, which will ensure everyone in their last year of life will have one number to call, one single source of information and be one multi-agency team working 24/7 across the integrated care system to meet their needs and avoid crisis. This year we achieved the following:

- Instigated daily 'Huddles' where all healthcare professionals supporting a person at end of life meet early in the working day to discuss patients' needs and agree the most appropriate care response.
- Agreed to accommodate and provide support services for the newly introduced role of Community Palliative Care Consultant funded and employed by East Cheshire NHS Trust.
- Collaborated with all health and care system partners to agree new referral pathways and communication channels for palliative patients registered with an East Cheshire GP.

**4. Facilities Development** to ensure our facilities are fit for purpose, efficient to run and safe to use, we are working through a five-phased redevelopment plan estimated to complete in 2028. This year we achieved the following:

- The Trustee Board approved the use of reserves to fund a £1.3m refurbishment of the Sunflower Living Well Centre designed to make the facility more accessible for those with any form of dementia and to increase the capacity to deliver more services. Despite some delays, the newly refurbished centre was completed by the end of the financial year, ready for its first patients and carers to use. Early feedback has been overwhelmingly positive.
- Migrated our IT services into the Cloud to build resilience and improve our ability to work flexibly.
- Implemented gold-standard cyber security systems and processes which were independently verified for robustness.
- Integrated assistive technologies into the design of the Sunflower Living Well Centre to bring maximum comfort and enjoyment from the use of the space.
- Enhanced our electronic patient record system to make it easier for healthcare professionals to input and access important information regarding patient care.
- Maximised the use of Vantage governance system adding to the number of modules deployed.

## **FINANCIAL REVIEW**

The Statement of Financial Activities is set out on page 22, and a summary of the financial results is given below. The group achieved a surplus on net operating activity of £1,191,341 (2022/23: surplus £1,795,080). The overall result, after allowing for stock market gains and losses on the market value of our investment fund, is a surplus of £1,660,300 (2022/23: surplus £1,284,623).

### **Income**

We benefited from another amazing year of support from our local community and commissioners. At £8.07m, income was only marginally lower than 2022/23, a fantastic result given that 2022/23 was our best funded year ever. Income was bolstered by another exceptional donation from Mr Michael Oliver, with £700,000 donated in 2023/24, following on from £800,000 donated in 2022/23. These exceptional donations are restricted to specific services, ensuring that those services are now funded and will remain viable for several years. Further consideration of income is given below:

### **Income Generation Activity**

The Hospice's fundraising activities have stabilized following a period of volatility over the past few years. It is now clear that the methods by which we generate funds have been permanently impacted by the Covid-19 pandemic, and our team has altered accordingly. Despite these changes, we experienced a busy and productive year, culminating in an annual fundraising income of £2.358 million, surpassing the original budget of £2.152 million.

### **Commercial**

Our retail income continues to flourish, supported in part by a societal shift towards preloved and upcycled shopping. We now have two 'boutique' style shops in Poynton and Chestergate which seek to capitalise on this trend and work hard to maximise their impact with social media and influencer engagement. All of our shops performed above their original budget, generating a total income of £726k against a budget of £661k.

We continue to look for suitable premises to develop new retail space, particularly in Congleton and Knutsford. It is proving challenging to find locations that meet all of our requirements but we are confident that expanding our retail offering will be worthwhile.

### **Fundraising**

Our fundraising calendar this year featured a blend of Hospice-led and Community Events, including the Starlight Walk, Pie & Pint, and Light Up A Life, as well as an impressive array of coffee mornings, open gardens, plant sales, cake sales, quiz nights, fetes, golf days, festivals, balls, and more. Key activities for the year included:

- **Christmas Tree Collection:** This continues to be our most significant fundraising event of the year, generating £152,000 this year thanks to our dedicated team of volunteers who collected over 7,000 trees in one weekend. Special thanks go to our lead volunteers, Pete Chapman and Richard Raymond, the latter of whom celebrated his 25th year of involvement in the collection.
- **Memory Tree Launch:** This year, we introduced our Memory Tree, allowing supporters to leave a lasting tribute to their loved ones with an engraved leaf on a beautiful tree sculpture. To date, 73 leaves have been placed, generating an annual income of over £8,500.
- **Sunflower Tribute Pages:** We received nearly £22,000 this year from these online pages, created to honour loved ones who passed away under Hospice care.

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- **Handmade Goods:** Our 56 dedicated volunteers crafted items through knitting, sewing, crocheting, and more, raising over £16,000 for the Hospice. The team also created more than 100 "pairs of bears," mementos shared between someone nearing the end of life and their family/carer to represent the connection between the two loved ones.
- **Philanthropy:** Our Major Donor activity, now rebranded as Philanthropy, continued its success by meeting its goal to raise £975,000 to fund our community-based dementia services over the next five years. Special events included a Meeting of the Minds at the Jodell Bank First Light Pavilion, featuring Sir Tim Smit, a thank-you event at Arley Hall, and our traditional Christmas Carol Concert at Capesthorpe Hall.
- **Significant Donations:** We are deeply grateful for the exceptional generosity of Mr Michael Oliver OBE, who donated £700,000 this year to fund the Knutsford Home First project, delivering specialised palliative care in collaboration with the NHS.
- **National Lottery Funding:** We were delighted to successfully secure a £250,000 grant over the next five years from the National Lottery to support our dementia services.
- **Camino de Santiago Trek:** Eighteen adventurous participants undertook the famous Camino de Santiago walk this year, raising an impressive £70,000 despite challenging weather conditions.
- **AstraZeneca Partnership:** We were honoured to be one of AstraZeneca's named Charity Partners. In addition to providing invaluable resources and advice, AstraZeneca donated £41,374 to the Hospice in 2023.

### **Fundraising complaints**

We did not receive any complaints about our fundraising activities during the last year. Our fundraising team abides by the Fundraising Regulator's Code of Practice and their Fundraising Promise. We strive always to act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

### **Funding from statutory bodies**

We continue to work closely with our main commissioner, Cheshire & Merseyside Integrated Care Board (C&M ICB). We understand the well documented financial pressures that the health service, and in particular C&M ICB, are operating under. This has impacted on our grant funding, which supports the running of our Inpatient Unit. While C&M ICB increased their grant by £20k to £662k, this was offset by a fall in grant income from Derbyshire ICB, who cut their funding by £21k, a fall of 52%.

We continued to provide additional capacity to the system to support winter bed pressures at Macclesfield District General Hospital. We have also completed a second year under the Palliative Care in Partnership contract, under agreement with Mid Cheshire Hospitals NHS Foundation Trust (MCHT) which provides at home end of life care, enabling us to provide care 24/7 in more patients own homes. The income for both of these services is included in Charitable activities – NHS service contracts.

We are continually looking at ways to engage with our commissioners and this has led to new funding being allocated on a short term, contractual basis rather than as grant funding. This type of funding has tax consequences, potentially reducing the amount of VAT that we can recover on our costs, and thus reducing monies available to support our patients. We intend to review our structure in 2024/25 to ensure that we are maximising our recovery and making best use of our available resources.

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## **Expenditure**

Total costs increased by £523k (8%) in the year to £6,978,250, of which £500k relates to salaries. Staffing remains the single largest cost in the Hospice (74%) as the excellent care our patients and their families receive is reliant on our ability to recruit and retain experienced and highly sought-after care staff. The increase in salary costs is driven both by the 5% NHS Agenda for Change Pay deal announced in May 2023, which the Hospice also implemented, and the additional staffing needed to support clinical service development. Additional staff were recruited throughout the year to support the expansion of our Hospice at Home day service, and in the last quarter of the year in anticipation of the Knutsford Home First and the Community Dementia team services going live in early 2024/25. Staffing costs are planned to increase further in 2024/25 as these new teams embed and deliver much needed services throughout the year.

We are mindful as always of the need to use our donated income and resources in the most efficient way, and to provide the maximum benefit for our patients and their families. We continue to review all our activity to ensure we meet the changing needs of the community we serve.

## **Investment Objectives and Returns**

The Trustees have the power to invest in such assets as they see fit. The Hospice maintains a mixture of liquid funds and longer-term stock market investments which act as both an income stream and reserves. Income flows can be hard to predict, and so cash balances over and above those required for immediate operational purposes are invested in a mix of term deposits to allow for possible funding gaps and in the stock market. The investment portfolio is invested in the Quilter Cheviot Global Income and Growth Fund for Charities, a Charity Authorised Investment Fund (CAIF), which has a similar risk profile to the Hospice's previous discretionary fund with the benefit of reduced fees.

Quilter Cheviot's performance is reviewed quarterly against the Asset Risk Consultants (ARC) Steady Growth benchmark. Returns were mixed during the year, but rallied in 2024, ending the year with an unrealised gain of £569k, more than recovering last year's loss of £510k. The total return on the portfolio for the year to 31 March 2024 was 13.9%, comfortably ahead of the benchmark (9.7%). The performance has been reviewed by our specialist advisory group and Trustees remain confident in the investment holding.

## **Reserves**

At 31 March 2024, the Hospice held total reserves of £17,367,562, an increase of £1,660,300 over the previous year. Total reserves are a mix of restricted - relating to fixed assets or donor intentions, designated – where Trustees have set aside funds for specific projects, and free reserves – used by the charity to manage its in year cash flow. See note 22 on page 35 of these accounts.

## **Restricted Reserves**

Since 2017, the Hospice has adopted a successful strategy of fundraising in advance for major new service developments and only going live with these services when sufficient pledges are received to ensure service viability for 5 years. As this can often take several years to achieve, the Hospice is in receipt of significant restricted funds which can only be spent on specific projects and in future periods. The high restricted balances can give a misleading view of the Hospice's need for additional funding for non-restricted services.

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Of the total reserves, £7,111,714 is restricted, an increase of £1,159,399 in the year, and driven mainly by the £700,000 exceptional donation from Mr Michael Oliver, which is restricted to providing Hospice at Home services in the Knutsford area under the banner Knutsford Home First.

The main restriction is in respect of the Hospice building (£4.6m), an increase of £0.7m in the year, following the renovation of the Sunflower Living Well Centre. Should the Hospice cease to operate, or the building be sold, all proceeds must be returned to the Secretary of State for Health and Social Care.

The remaining restricted funds held at the year-end relate primarily to new service developments:

- Hospice @Home service (£1.0m), which funds the much-needed elements of this service that are not supported by statutory funding from the Palliative Care in Partnership NHS contract.
- The Single Point of Access Project (£437k), which has continued to grow in year, with the service going live in 2024/25.
- The Dementia campaign (£365k), which achieved its fundraising target and began setting up the service in year.

### **Designated Reserves**

The Trustees have designated funds to support service development, facilities maintenance and building development. These will help to support ambitious plans in the fields of dementia, single point of access, and further Hospice at Home expansion, as well as support the maintenance and phased redevelopment of the Millbank Drive site to make it fit for modern services.

### **Free Reserves**

The Hospice's 'free reserves' are those unrestricted funds that are freely available to spend on any of the charity's purposes, and excludes all fixed assets, restricted and designated funds. Free reserves at 31 March 2024 are £6,538,805 compared to £5,885,006 last year.

During the year, the Trustees reviewed the reserves policy and set a range within which it was deemed prudent to hold free reserves. This is based on a minimum level required to support the Hospice through two fallow income generation years and sufficient funds to wind up the Hospice in the event of a forced closure and a maximum level of 12 months' operating costs. Reserves in excess of the minimum are held to support service development and to meet exceptional circumstances.

### **Risk Management**

The Board carefully evaluates the potential risks that the Charity may face. Robust governance systems are in place to supervise risk management across clinical, support services, and business administration, ensuring that high standards are upheld in accordance with best practices, laws, and accreditation requirements. The implemented processes aim to offer reasonable assurance, though not absolute, against significant errors or losses. These include the following:

- identification and management of risks, using an Organisational Risk Register;
- insurance covers for the major financial risks which are reviewed annually;
- a three-year rolling strategic plan and an annual delivery plan with budgets and key performance indicator targets, all approved by the trustees;
- regular consideration by trustees of financial results in comparison with budgets and prior year performance;

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- regular review of financial and non-financial performance indicators and bench-marking reports;
- appropriate levels of delegation of authority and segregation of duties.

The Trustees recognise that the Hospice's reliance on voluntary income to cover the majority of annual operating costs creates a financial sustainability risk. In response, the trustees have adopted a strategy of ongoing enhancement in service delivery and have made investments in income generation to mitigate this risk to the greatest extent feasible.

Demand for ECH services is expected to increase driven by population growth, delayed diagnosis following the pandemic and the organisation's ambition to ensure palliative care is accessible to all who need it. The primary risk faced is the potential for services to be overwhelmed rendering them ineffective. To mitigate this risk, staff numbers will increase, and trustees have tasked the Senior Leadership Team to create a fully rotational workforce which can be deployed to any service facing short-term surges in demand.

Cheshire & Merseyside Integrated Care Board is facing significant budgetary constraints which may have adverse impact on the commissioning of palliative and end-of-life services. There is a potential risk that we may face challenges in obtaining adequate statutory funding to sustain our services at their current levels. To mitigate this risk, East Cheshire Hospice is formally working with ten other adult hospices and one children's hospice in the region to better articulate the contribution and value charitably funded hospices deliver.

## **PLANS FOR FUTURE PERIODS**

### **Continuous Improvement**

Our ambition is and always will be to continuously improve our services to meet the needs and expectations of the people we serve. To achieve this, we make sure that efficiency and effectiveness is embedded in our culture, our plans and in the personal objectives of each individual who makes up our high-performing ECH team. We demonstrate our commitment to this ambition by using data from patient and family feedback, incident reports and the frontline experiences of healthcare professionals to continuously improve what we do so that better outcomes can be achieved for the next cohort of patients and family members.

In 2024/25 we will collect data and experiences to inform how fully integrated services across hospice, community and acute settings impact outcomes for patients and families to inform our service development towards the provision of a seamless patient journey from the point of diagnosis.

**Delivery of responsive, effective, safe and caring services** - Formal reviews of existing services will be carried out to ensure they are meeting needs within the current funding envelope and to give us an indication of the resources required to address growing demand or enhancement of these services in future years.

**People development** - We will continue to invest in training for our clinical and non-clinical people whether they are paid employees or part of our dedicated volunteer workforce.

**Governance and oversight** - In September 2025, the incumbent Chair will have reached the maximum time-served limit of 3x3-year terms of office and so we will begin the process of recruiting the Chair Elect to take up the post in September 2024 and shadow the current Chair for a period of one year.

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**Innovation and collaboration** - We will continue to be creative in our problem solving, brave in our delivery and be generous in sharing our learning with partners in our Locality (East Cheshire), our Place (Cheshire East), our Region (Cheshire & Merseyside) and nationally through Hospice UK.

**Care and business support services** - Focus on making efficiencies in our key support services of ICT, Finance, Human Resources including Learning and Development, Hospitality and Facilities

**Community Engagement** - Enable ECH to fully understand the needs of the communities it serves and help to inform the development of responsive services and increase donor, staff and volunteering opportunities.

**Digital Transformation** - We aim to be a more productive, secure, digitally agile organisation using new technologies, with reliable IT infrastructure, 'smart' facilities and interoperability with partners.

**Data Analytics** - Integrate all ECH data sources to give Board/SMT and Team Leaders greater visibility of information for effective monitoring, reporting and timely decision-making.

## **Change Programmes**

### **1. Development of Existing Hospice Services**

*Strategic objective:* To ensure we have the capacity and capability to deliver or facilitate accessible, relevant and inclusive services which support people and their families to live well whatever their condition.

We will expand and enhance our specialised care to more people dying from and with dementia, heart and respiratory diseases and cancer which are the leading causes of death in East Cheshire. We also aim to help anyone facing end of life challenges whatever their condition. We will review services so that we are better able to offer support from the point of diagnosis for all disease and condition types.

We will develop the productivity, capacity and capability of our existing services, namely, dementia support, Living Well Services, disease specific programmes e.g. MND and family support services such as bereavement and chaplaincy.

Emerging demographic and population health trends indicate that ill-health isolation is a growing issue in East Cheshire. We aim to better understand the problem and work to minimise the impact for people living with a life-limiting condition.

### **2. Hospice Sustainability**

*Strategic Objective:* To ensure that ECH remains financially sustainable and meets our communities' needs.

This change programme is wide ranging with each element aimed at ensuring ECH has the skills and requisite human, financial and material resources to comfortably maintain prevailing services and ensure the long-term stability and low environmental impact necessary to continue delivering innovative services in partnership with others.

We will seek significant improvements in each of the following areas of our operation:

- Income generation and statutory funding to meet rising costs
- Data-driven decision making

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- Workforce Planning
- Information Technology
- Deliver our services in a sustainable, low carbon, energy efficient way
- Equality, Diversity and Inclusion

### **3. System Integration for Palliative & End of Life Care**

*Strategic Objective:* To work with partners to fully integrate our services so that patients and families experience a crisis-free last year of life with choice and control right to the end

Everyone living with a diagnosed life-limiting condition (c.1850 people in East Cheshire) will be accessing the most healthcare they have ever used in their previously healthy life. It is therefore an imperative that the health and social care system, already under so much pressure, works together to serve the needs of this cohort of patients, ensuring they receive the highest quality, most responsive and patient-centred care possible. To support palliative patients, their families and the system, ECH will use its resources to improve access to care in the following areas:

- In partnership with NHS commissioners and providers launch the Palliative Advice Centre in East Cheshire (PACE)
- Work with the five Care Communities in our area to help identify patients earlier in their illness
- Fully integrate ECH Inpatient, Hospice @Home and Living Well services with PACE
- Increase Hospice @Home Resource help identify unwarranted need in support of the continuation of the Palliative Care in Partnership contract with CCICP

### **4. Facilities Development**

*Strategic Objective:* To ensure our facilities are fit for purpose, efficient to run and safe to use

We will plan the remaining phases of the Hospice Site Re-development, make major changes in how our estate is maintained and upgrade specific facilities remaining cognisant of need to make everywhere welcoming to people living with dementia.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hospice is a charitable company limited by guarantee, incorporated in England and Wales on 10 April 1984 and registered as a charity on 25<sup>th</sup> April 1984. The company is established under a Memorandum of Association which sets out the objects and powers and is governed under its Articles of Association, as updated in March 2015.

The Nominations and Remuneration Committee is responsible for monitoring and evaluating the trustee recruitment, selection and appraisal process. The governing document requires between 5 and 14 trustees. Board vacancies are identified through regular skills audits and vacancies are filled through a formal recruitment process. The Hospice serves the needs of the broad community, so the Board endeavours to reflect this in the make-up of its membership, whilst meeting the need to have an appropriate mix of professional skills necessary for the day-to-day and longer term running of the Charity. Once appointed to the Board, new trustees undertake an induction programme, supported by

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2024**

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an existing member of the Board, and are supplied with a comprehensive information pack detailing the responsibilities of their trusteeship. Trustees are elected to serve for a term of three years, but can seek re-election for two further periods, with a total permitted maximum of nine consecutive years.

The Board meets at least four times a year and is responsible, through its committees, for setting and monitoring progress against the Strategic Plan, Annual Delivery Plans and Key Performance Indicators. These meetings are attended by the Chief Executive and members of the management team, who are responsible for the day-to-day running of Hospice services.

The committees are attended by designated Trustees and management team. The committees make proposals to the Board and have approved terms of reference with specific assigned responsibilities. The committees are:

- **Patient Care and Clinical Governance Committee** which is responsible for monitoring patient care/services, partnership and clinical governance, and meets quarterly;
- **Finance and Resources Committee** which is responsible for monitoring and compliance of all matters financial, donor engagement, partnerships, use of technology and all other resources inclusive of human resources, and meets quarterly;
- **Nominations and Remuneration Committee** which meets quarterly is responsible for the appointment of Trustees, Vice Presidents and other key roles as well as the recruitment of the chief executive.

The Finance and Resources Committee reviews all staff pay on an annual basis to determine whether an inflation pay award can be given. The management team is included in this review and receives any increase on the same basis as all other staff.

The Hospice is a member of The End of Life Partnership, a local charity involved in end of life care issues across Cheshire. It also promotes the delivery of high-quality palliative care education in order to ensure all communities are prepared for end of life care. The Hospice does not have any control over this charity, however, along with other hospices within Cheshire, it does provide an annual grant towards its core costs. The Hospice is also a shareholder in the Hospice Quality Partnership, a commercial company set up by hospices nationally to provide more efficient and better-quality procurement in the sector through collective bulk purchasing power.

The Hospice's wholly owned subsidiary, ECH Trading Limited, was established to run commercial retail activities. The subsidiary donates its profits to the Hospice and all related party transactions are provided in the notes to these accounts.

## **RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The Trustees (who are directors of East Cheshire Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently

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- observe the methods and principles in the Charity Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Board is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

**AUDITORS**

Bright Partnership (formerly Heywood Shepherd) were re-appointed as the charitable company's auditors and have expressed their willingness to continue in that capacity.

**Approved by the Board on 5 September 2024 and signed on its behalf by:**

**Mr S W Spinks**

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## **Opinion**

We have audited the financial statements of East Cheshire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheet and the consolidated statement of cashflows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2024, and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable company 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 directors' 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 a significant doubt on the group and parent company'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 directors 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 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.

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE**  
**For the year ended 31 March 2024**

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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.

### **Opinions 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' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 group or the parent charitable company 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

**EAST CHESHIRE HOSPICE**  
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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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, are detailed below:

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:

- We identified the laws and regulations applicable to the company through discussions with trustees and management, and from our 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 company, including the Companies Act 2006, Charities SORP FRS102, 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 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 company'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;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or expected relationships;

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;
- reading minutes of meetings of those charged with governance;
- 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 directors 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 Independent Auditor's Report.

**EAST CHESHIRE HOSPICE**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE**  
**For the year ended 31 March 2024**

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**Use of our report**

This report is made solely to the charitable company's members, 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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr N A Kennington (Senior Statutory Auditor)**  
**For and on behalf of Bright Partnership,**  
**Chartered Accountants**  
**1 Park Street**  
**Macclesfield**  
**Cheshire**  
**SK11 6SR**

**Dated: 5 September 2024**

**EAST CHESHIRE HOSPICE**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating and Income & Expenditure account)**  
**As at 31 March 2024**

	Notes	2024			2023		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income from:</b>							
Donations and legacies	2	4,434,132	1,153,829	5,587,961	4,620,033	1,403,019	6,023,052
Charitable activities	3	865,314	-	865,314	755,420	-	755,420
Other trading activities	4	1,257,964	6,295	1,264,259	1,239,309	9,494	1,248,803
Investments	5	352,057	-	352,057	223,028	-	223,028
<b>Total</b>		<b>6,909,467</b>	<b>1,160,124</b>	<b>8,069,591</b>	<b>6,837,790</b>	<b>1,412,513</b>	<b>8,250,303</b>
<b>Expenditure on:</b>							
Raising funds	7	1,284,496	624	1,285,120	1,273,652	-	1,273,652
Charitable activity	8						
Inpatient services		2,821,988	93,000	2,914,988	2,639,699	95,668	2,735,367
Day-care and outpatients		754,863	59,075	813,938	651,889	59,902	711,791
Hospice @Home		1,110,599	257,160	1,367,759	963,194	256,422	1,219,616
Family support services		444,364	26,261	470,625	360,424	26,403	386,827
Outreach and education		86,634	39,186	125,820	120,635	7,335	127,970
<b>Total</b>		<b>6,502,944</b>	<b>475,306</b>	<b>6,978,250</b>	<b>6,009,493</b>	<b>445,730</b>	<b>6,455,223</b>
Net gains/(losses) on investments	13	568,959	-	568,959	(510,457)	-	(510,457)
Net income/(expenditure)		975,482	684,818	1,660,300	317,840	966,783	1,284,623
Transfers between funds	22	(474,581)	474,581	-	(5,665)	5,665	-
<b>Net income/(expenditure) for the year</b>		<b>500,901</b>	<b>1,159,399</b>	<b>1,660,300</b>	<b>312,175</b>	<b>972,448</b>	<b>1,284,623</b>
Total funds brought forward		9,754,947	5,952,315	15,707,262	9,442,772	4,979,867	14,422,639
<b>Total funds carried forward</b>	22	<b>10,255,848</b>	<b>7,117,714</b>	<b>17,367,562</b>	<b>9,754,947</b>	<b>5,952,315</b>	<b>15,707,262</b>

The statement of financial activities includes all gains and losses recognised in the year and all amounts derive from continuing activities. The transfer between funds is in respect of movements in fixed assets.

The notes on pages 25 to 36 form part of these accounts.

**EAST CHESHIRE HOSPICE**

**BALANCE SHEET**  
**For the year ended 31 March 2024**

	Notes	Group		Charity	
		2024 £	2023 £	2024 £	2023 £
<b>Fixed Assets</b>					
Tangible assets	12	<b>4,978,299</b>	4,193,638	<b>4,978,299</b>	4,193,638
Investments	13	<b>6,056,495</b>	5,487,536	<b>6,056,497</b>	5,487,538
		<b>11,034,794</b>	9,681,174	<b>11,034,796</b>	9,681,176
<b>Current Assets</b>					
Stock	15	<b>337</b>	694	-	-
Debtors	16	<b>519,098</b>	940,828	<b>519,098</b>	940,828
Cash at bank and in hand		<b>6,432,592</b>	5,766,719	<b>6,432,590</b>	5,766,717
		<b>6,952,027</b>	6,708,241	<b>6,951,688</b>	6,707,545
Creditors: amounts falling due within one year	17	<b>619,259</b>	682,153	<b>619,740</b>	682,277
<b>Net Current Assets</b>		<b>6,332,768</b>	6,026,088	<b>6,331,948</b>	6,025,268
<b>Total Assets Less Current Liabilities</b>		<b>17,367,562</b>	15,707,262	<b>17,366,744</b>	15,706,444
Creditors: amounts falling due after more than one year		-	-	-	-
<b>Net Assets</b>		<b>17,367,562</b>	15,707,262	<b>17,366,744</b>	15,706,444
Restricted funds		<b>7,111,714</b>	5,952,315	<b>7,111,714</b>	5,952,315
Unrestricted - general funds		<b>6,792,299</b>	5,860,315	<b>6,791,481</b>	5,859,497
- designated funds		<b>3,344,167</b>	3,894,632	<b>3,344,167</b>	3,894,632
- revaluation reserve		<b>119,382</b>	-	<b>119,382</b>	-
<b>Total Funds</b>	22	<b>17,367,562</b>	15,707,262	<b>17,366,744</b>	15,706,444

These financial statements of East Cheshire Hospice (charity number 515104; company number 01807691) were approved by the Board of Trustees on 5 September 2024 and signed on its behalf by:

Mr S W Spinks

Mr N L McArthur

The notes on pages 25 to 36 form part of these accounts

**EAST CHESHIRE HOSPICE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2024

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash provided by / (used in) operating activities	<u>1,489,635</u>	<u>2,605,761</u>
<b>Cash flow from investing activities:</b>		
Dividends and interest from investments	352,057	223,028
Purchase of property, plant and equipment	<u>(1,175,819)</u>	<u>(141,873)</u>
Net cash provided by / (used in) investing activities	<u>(823,762)</u>	<u>81,155</u>
<b>Change in cash and cash equivalents in the year</b>	<b>665,873</b>	<b>2,686,916</b>
Cash and cash equivalents b/f	<u>5,766,719</u>	<u>3,079,803</u>
<b>Cash and cash equivalents c/f</b>	<u><b>6,432,592</b></u>	<u><b>5,766,719</b></u>

**Notes to the consolidated cash flow statement**

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for the reporting period	1,660,300	1,284,623
Depreciation charge	241,784	221,636
(Gains) / losses on investments	(568,959)	510,457
Investment income	(352,057)	(223,028)
Loss / (profit) on sale of fixed assets	149,374	-
Decrease/(increase) in stock	357	(523)
(Increase)/decrease in debtors	421,730	517,164
(Decrease)/increase in creditors	<u>(62,894)</u>	<u>295,432</u>
Net cash provided by / (used in) operating activities	<u>1,489,635</u>	<u>2,605,761</u>

Analysis of cash and cash equivalents:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,681,251	1,766,719
Notice deposits	<u>4,751,342</u>	<u>4,000,000</u>
Total cash and cash equivalents	<u>6,432,592</u>	<u>5,766,719</u>

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2024

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### 1. Summary of Significant Accounting Policies

#### General Information and Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS102, 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 (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets. The financial statements are presented in GB Sterling, which is the functional currency, rounded to the nearest Pound.

#### Basis of consolidation

These accounts consolidate the results of the charity and its wholly owned trading subsidiary, ECH Trading Limited, on a line by line basis. A separate Statement of Financial Activities has not been presented for the charity as allowed by Section 408 of the Companies Act 2006. The net gain of the Hospice for the year is £1,660,300 (2023: net gain £1,284,623).

#### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are donations which the donor has specified are to be used for specific projects. The aim and use of each significant restricted fund is set out in the notes to these accounts.

#### Incoming Resources and Debtors

All income is recognised in the statement of financial activities when the Hospice has entitlement to the funds, receipt is probable, and the amount can be reliably measured. The following policies are applied to income:

- Voluntary income is included in full when receivable. Grant income is recognised when the charity becomes unconditionally entitled to it.
- Legacies are included at the earlier of when the Executors notify the Hospice that a distribution will be made, or when a distribution is received. Where legacies have been notified to the Hospice, but the recognition criteria have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Gifts in kind and donated services are recognised within incoming resources and expenditure at an estimate of open market value. The value of services provided by volunteers is not included in the accounts.
- Items donated for resale through the charity's shops are included as incoming resources when they are sold.
- Investment income is included when receivable.
- Lottery income received in advance is deferred and released in the week that the draw takes place.

Debtors are recognised at settlement value.

#### Resources Expended and Creditors

Expenditure is recognised when there is a legal or constructive obligation to a third party, payment is probable, and the amount is reliably measurable. Irrecoverable VAT is allocated as a support cost. Expenditure is classified under the following activity headings:

- Costs of raising funds are those associated with fundraising activity, including the charity's shops and lottery operations and their associated support costs.
- Charitable expenditure is incurred in the delivery of the charity's activities and services for its beneficiaries. It includes costs that can be directly apportioned and indirect associated support costs.

Grants payable are made to third parties in the furtherance of the Hospice's charitable objectives. Grants are accounted for when the conditions for payment have been met by the recipient, or in full when no conditions have been set.

Redundancy and termination payments are recognised on an accruals basis as a liability is incurred.

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2024

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### 1. Summary of Significant Accounting Policies (continued)

Creditors are recognised where it is probable that a reliably estimated present obligation will result in a payment to a third party. Creditor are recognised at their settlement value.

#### Support costs

Support costs are those back-office functions that are necessary for the effective running of the Hospice but are not directly involved in providing care. They are allocated between the cost of raising funds and charitable activities as set out in the notes to these accounts.

#### Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over their estimated useful life as follows:

- Buildings 2 – 10% p.a. straight line depending on the asset nature
- Plant, equipment and vehicles 12.5% p.a. straight line
- Computer hardware 25% straight line

The land at Millbank Drive is included at market value at the time of donation from the Health Authority.

#### Investments and cash

Listed investments are stated at market value at the balance sheet date. Unlisted investments are valued at cost. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Cash at bank is held to meet the day to day running costs of the Hospice as they fall due.

#### Stock

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

#### Leases

Rental payable under operating leases are charged to the statement of financial activities in equal annual instalments over the period of the lease.

#### Pensions

The Hospice contributes to the NHS pension scheme as allowed under direction of the Secretary of State in England and Wales. This is an unfunded, defined benefit pension scheme and it is not possible to identify the assets and liabilities which are attributable to the Hospice. The scheme is therefore accounted for as defined contribution scheme. The Hospice also operates 2 further defined contribution pension schemes. The assets of all schemes are held separately from those of the Hospice in independently administered funds. Contributions payable for the year are charged to the SOFA in line with the activity carried out by the relevant pension scheme member.

#### Taxation

The Hospice is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of Hospice reserves to be able to continue as a going concern.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2024**

**2. Donations and legacies:**

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Donations	972,214	951,427	1,923,641	827,305	1,072,207	1,899,512
Legacies	2,100,930	-	2,100,930	2,562,676	-	2,562,676
Community activity	489,711	7,538	497,249	445,817	21,977	467,794
Grants	871,277	194,864	1,066,141	784,235	308,835	1,093,070
	<b>4,434,132</b>	<b>1,153,829</b>	<b>5,587,961</b>	<b>4,620,033</b>	<b>1,403,019</b>	<b>6,023,052</b>

**Grants receivable were:**

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Cheshire & Merseyside ICB – care	499,448	-	499,448	479,933	-	479,933
Cheshire & Merseyside ICB – drugs	108,000	-	108,000	108,000	-	108,000
Cheshire & Merseyside ICB – other	54,929	-	54,929	96,372	35,000	131,372
Derbyshire ICB – care	20,000	-	20,000	41,286	-	41,286
Other grants and trusts	188,900	194,864	383,764	58,644	273,835	332,479
	<b>871,277</b>	<b>194,864</b>	<b>1,066,141</b>	<b>784,235</b>	<b>308,835</b>	<b>1,093,070</b>

The Hospice's main grant agreements are with Cheshire & Merseyside Integrated Care Board (ICB). The ICB makes a contribution to the provision of 24-hour specialist palliative care for patients and families in the East Cheshire region and for drugs. The Hospice has a similar arrangement with Derbyshire ICB as the boundaries of the Hospice's service area extend to parts of Derbyshire.

**3. Charitable activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Local government and NHS service contracts	795,393	-	795,393	723,567	-	723,567
Other ancillary income	69,921	-	69,921	31,853	-	31,853
	<b>865,314</b>	<b>-</b>	<b>865,314</b>	<b>755,420</b>	<b>-</b>	<b>755,240</b>

**4. Other trading activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Events and sponsorship	388,427	6,295	394,722	399,590	9,494	409,084
Lottery income	283,289	-	283,289	301,006	-	301,006
Shops	586,248	-	586,248	538,713	-	538,713
	<b>1,257,964</b>	<b>6,295</b>	<b>1,264,259</b>	<b>1,239,309</b>	<b>9,494</b>	<b>1,248,803</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2024**

**5. Investment income:**

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Dividends received	175,769	-	175,769	183,231	-	183,231
Interest received	176,288	-	176,288	39,797	-	39,797
	<b>352,057</b>	-	<b>352,057</b>	223,028	-	223,028

**6. Net incoming resources for the year (group and charity):**

	2024 £	2023 £
This is stated after charging:		
Depreciation (owned assets)	241,784	221,636
Auditor's remuneration (excluding VAT) - charity	9,500	9,400
Auditor's remuneration (excluding VAT) - subsidiary	1,000	1,000
Non audit fees (excluding VAT)	5,905	4,685

**7. Raising funds:**

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
<b>Donations and legacies:</b>						
Staff costs	394,715	-	394,715	321,669	-	321,669
Events and fundraising costs	178,157	-	178,157	219,733	-	219,733
	<b>572,872</b>	-	<b>572,872</b>	541,402	-	541,402
<b>Other trading activity:</b>						
Staff costs	266,878	-	266,878	306,621	-	306,621
Events and fundraising costs	91,411	-	91,411	90,484	-	90,484
Lottery management costs	13,491	-	13,491	12,412	-	12,412
Lottery prizes	79,312	-	79,312	79,600	-	79,600
Shop running costs	154,855	-	154,855	145,473	-	145,473
	<b>605,947</b>	-	<b>605,947</b>	634,590	-	634,590
Support costs	105,677	624	106,301	97,660	-	97,660
	<b>1,284,496</b>	<b>624</b>	<b>1,285,120</b>	1,273,652	-	1,273,652

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2024

**8. Charitable activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2024 £	Unrestricted Funds £	Restricted Funds £	Total 2023 £
<b>Inpatient services:</b>						
Staff and related costs	2,075,647	1,499	2,077,146	2,046,503	1,944	2,048,447
Patient consumables – direct	126,651	-	126,651	111,484	-	111,484
Catering and housekeeping	52,719	407	53,126	51,366	1,078	52,444
Property occupation and repairs	170,301	1,933	172,234	131,894	5,621	137,515
Depreciation	124,929	87,557	212,486	33,376	87,025	120,401
Support costs	271,741	1,604	273,345	265,076	-	265,076
	<b>2,821,988</b>	<b>93,000</b>	<b>2,914,988</b>	<b>2,639,699</b>	<b>95,668</b>	<b>2,735,367</b>
<b>Day care and outpatients:</b>						
Staff and related costs	518,433	14,591	533,024	481,868	15,991	497,859
Patient consumables – direct	7,495	3,904	11,399	6,474	571	7,045
Catering and housekeeping	14,918	97	15,015	14,333	257	14,590
Property occupation and repairs	67,474	726	68,200	50,555	2,518	53,073
Depreciation	55,963	39,222	95,185	14,951	38,984	53,935
Support costs	90,580	535	91,115	83,708	1,581	85,289
	<b>754,863</b>	<b>59,075</b>	<b>813,938</b>	<b>651,889</b>	<b>59,902</b>	<b>711,791</b>
<b>Hospice @Home:</b>						
Staff and related costs	845,600	244,033	1,089,633	736,773	246,106	982,879
Patient consumables – direct	21,800	1,989	23,789	20,703	-	20,703
Catering and housekeeping	1,256	0	1,256	1,116	-	1,116
Property occupation and repairs	16,678	141	16,819	12,542	626	13,168
Depreciation	13,911	9,749	23,660	3,717	9,690	13,407
Support costs	211,354	1,248	212,602	188,343	-	188,343
	<b>1,110,599</b>	<b>257,160</b>	<b>1,367,759</b>	<b>963,194</b>	<b>256,422</b>	<b>1,219,616</b>
<b>Family support:</b>						
Staff and related costs	293,918	753	294,671	259,488	320	259,808
Patient consumables – direct	1,998	100	2,098	1,201	-	1,201
Catering and housekeeping	3,174	0	3,174	2,821	-	2,821
Property occupation and repairs	42,168	357	42,525	31,712	1,583	33,295
Depreciation	35,171	24,650	59,821	9,397	24,500	33,897
Support costs	67,935	401	68,336	55,805	-	55,805
	<b>444,364</b>	<b>26,261</b>	<b>470,625</b>	<b>360,424</b>	<b>26,403</b>	<b>386,827</b>
<b>Outreach and education:</b>						
Staff and related costs	57,489	36,590	94,079	20,850	3,460	24,310
Patient care and consumables	4,397	51	4,448	2,479	3,875	6,354
Patient care – grant	17,200	2,500	19,700	90,330	-	90,330
Support costs	7,548	45	7,593	6,976	-	6,976
	<b>86,634</b>	<b>39,186</b>	<b>125,820</b>	<b>120,635</b>	<b>7,335</b>	<b>127,970</b>

Support costs are now apportioned on the basis of headcount used in each activity.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2024

**9. Allocation of support costs:**

	Raising funds £	Inpatient services £	Day care & outpatients £	Hospice @Home £	Family Support £	Outreach/ education £	Total 2024 £	Total 2023 £
Governance costs	6,093	15,667	5,222	12,186	3,917	435	<b>43,520</b>	36,278
Office support	5,839	15,013	5,004	11,677	3,753	417	<b>41,703</b>	41,698
Accounting and payroll	17,003	43,723	14,574	34,007	10,931	1,215	<b>121,453</b>	105,891
Information technology	31,768	81,689	27,231	63,536	20,422	2,269	<b>226,915</b>	191,558
Workforce & volunteers	28,700	73,800	24,600	57,400	18,450	2,050	<b>205,000</b>	225,928
Marketing	10,675	27,451	9,150	21,351	6,863	763	<b>76,253</b>	83,578
Irrecoverable VAT	6,223	16,002	5,334	12,445	4,000	444	<b>44,448</b>	14,218
	<b>106,301</b>	<b>273,345</b>	<b>91,115</b>	<b>212,602</b>	<b>68,336</b>	<b>7,593</b>	<b>759,292</b>	699,149

**10. Staff costs and numbers**

**Staff payroll costs (excluding agency) were:**

	2024 £	2023 £
Salaries	<b>4,351,039</b>	3,921,417
Social security costs	<b>405,848</b>	377,790
Employers pension – defined contribution	<b>188,638</b>	171,950
Employers pension – defined benefit	<b>199,497</b>	173,775
	<b>5,145,022</b>	4,644,932

Staff costs includes £nil for redundancy and termination payments (2023: £nil).

The average monthly number of staffs employed during the year on a full time equivalent and headcount basis was:

	2024 No.	2023 No.
<b>Full time equivalent:</b>		
Clinical and patient support staff	<b>81</b>	75
Support – HR & Volunteer, Finance, Marketing, office and ICT	<b>20</b>	19
Income generation staff – retail, lottery and Fundraising	<b>19</b>	18
	<b>120</b>	112
<b>Headcount – all areas:</b>	<b>162</b>	144

The number of staff whose emoluments exceeded £60,000 in the year was:

	2024 No.	2023 No.
£60,000 - £70,000	<b>1</b>	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	2
£90,001 - £100,000	<b>2</b>	-

Pension contributions of £17,721 (2023: £11,783) were made to a defined contribution scheme in respect of these employees.

The total amount of salary and benefits paid to key management personnel, as identified on page 2 (Legal and administrative details – Management Team) was £457,792 (2023: £422,091). None of the Trustees received any remuneration or benefits from an employment with the charity or related entities.

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2024

During the year no expenses were paid to or on behalf of Trustees (2023: £nil). Trustees donate their time, talent and skills to the smooth running of the Hospice. As well as their ambassadorial duties, they have supported fundraising events and contributed to the commercial activity of the Hospice as Lottery members and by making donations to the shops. In addition to this, the aggregate unconditional donations from Trustees during the year was £19,645 (2023: £48,982).

The Hospice is grateful for the valuable support of all its volunteers who support the work of paid staff in all areas of the Hospice's work.

#### 11. Pensions:

The Hospice, without obligation, contributes to 3 pension schemes for current employees:

- **Scottish Widows Group Personal Pension Plan** - a defined contribution scheme. The Hospice paid employers contributions of £181,460 (2023: £155,666), and the pension creditor at the yearend was £25,702 (2023: £nil).
- **Now Pensions** - a defined contribution, auto-enrolment scheme for staff who do not wish to join the Scottish Widows or NHS schemes. The Hospice paid employers contributions of £7,178 during the year (2023: £6,660), and the pension creditor at the year end was £1,727 (2023: £1,364).
- **NHS Pension Scheme** – an unfunded defined benefit scheme under the direction of the Secretary of State in England and Wales. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. It is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Hospice is taken as the contributions payable to that scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

**Accounting valuation** - A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**Full actuarial valuation** - The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

During the year, the Hospice paid employers contributions of £199,497 (2023: £173,775) on behalf of employees who were existing members of the scheme before joining the Hospice and are therefore able to carry on their membership under the scheme rules. This is based on a rate of 14.3% of pensionable pay, based on HMT Valuation

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2024**

Directions. The pension creditor as at the year-end was £29,187 (2023: £24,961). While the Employer contribution rate has been set at 20.6%, Employers have only been required to make contributions at 14.3% for both 2023/24 and 2022/23. Had the full rate been in force, the Employer contributions in 2023/24 would have been £286,898 (2023: £249,907), an increase of £87,401 (2023: £76,132).

**12. Tangible fixed assets (group and charity):**

<b>Cost</b>	<b>Freehold Land &amp; Buildings £</b>	<b>Plant &amp; Equipment £</b>	<b>Vehicles £</b>	<b>Computers £</b>	<b>Total £</b>
At 1 April 2023	6,232,818	636,715	101,525	107,916	<b>7,078,974</b>
Additions	986,383	126,087	39,459	23,890	<b>1,175,819</b>
Disposals	(255,457)	(98,182)	-	(98,223)	<b>(451,862)</b>
At 31 March 2024	<b>6,963,744</b>	<b>664,620</b>	<b>140,984</b>	<b>33,583</b>	<b>7,802,931</b>
<b>Depreciation</b>					
At 1 April 2023	2,268,208	489,423	29,256	98,449	<b>2,885,336</b>
Charge for the year	160,200	54,834	17,623	9,127	<b>241,784</b>
Disposals	(106,085)	(98,180)	-	(98,223)	<b>(302,488)</b>
At 31 March 2024	<b>2,322,323</b>	<b>446,077</b>	<b>46,879</b>	<b>9,353</b>	<b>2,824,632</b>
<b>Net book values</b>					
At 31 March 2024	<b>4,641,421</b>	<b>218,543</b>	<b>94,105</b>	<b>24,230</b>	<b>4,978,299</b>
At 31 March 2023	3,964,610	147,292	72,269	9,467	4,193,638

Land and buildings include £336,000 of non-depreciable land.

**13. Investments:**

<b>Managed Portfolio</b>	<b>2024 £</b>	<b>2023 £</b>
Market value b/f	<b>5,487,526</b>	5,997,983
Additions	<b>31,122</b>	-
Disposals	<b>(31,122)</b>	-
Net investment gains/(losses)	<b>568,959</b>	(510,457)
<b>Market value c/f</b>	<b>6,056,485</b>	5,487,526
<b>Historical cost c/f</b>	<b>5,937,103</b>	5,937,103
<b>The portfolio consisted of:</b>		
Charity Authorised Investment Fund units	<b>6,056,485</b>	5,487,526
Unquoted - Hospices Quality Partnership	<b>10</b>	10
	<b>6,056,495</b>	5,487,536
ECH Trading Ltd - wholly owned subsidiary (see note 14)	<b>2</b>	2
	<b>6,056,497</b>	5,487,538

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2024**

**14. Results of Trading Subsidiary:**

ECH Trading Limited (Company number 05688814) is a wholly owned subsidiary of East Cheshire Hospice, operating a retail business selling new goods. The results for the year ended 31 March 2024 are:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Turnover	<b>22,102</b>	25,575
Cost of sales and administration	<b>(16,871)</b>	(17,189)
Operating profit	<b>5,231</b>	8,386
Amount gift aided to the charity	<b>5,231</b>	8,386
Retained in subsidiary	<b>-</b>	-
<b>Balance Sheet</b>	<b>£</b>	<b>£</b>
Current assets	<b>820</b>	820
Current liability - amount owed by / (to) parent	<b>-</b>	-
Total net assets	<b>820</b>	820

**15. Stocks:**

	<b>Group</b>		<b>Charity</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Merchandise stock	<b>337</b>	694	-	-

The amount of stock recognised as an expense in other trading activity during the year for the Group is £8,241 (2023: £8,924) and Charity £nil (2023: £nil).

**16. Debtors:**

	<b>Group</b>		<b>Charity</b>	
<b>Amounts falling due within one year:</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>71,236</b>	48,121	<b>71,236</b>	48,121
VAT recoverable	<b>107,115</b>	11,930	<b>107,115</b>	11,930
Gift aid recoverable	<b>40,835</b>	16,300	<b>40,835</b>	16,300
Prepayments and accrued income	<b>299,912</b>	864,477	<b>299,912</b>	864,477
	<b>519,098</b>	940,828	<b>519,098</b>	940,828

**17. Creditors:**

	<b>Group</b>		<b>Charity</b>	
<b>Amounts falling due within one year:</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants payable	-	15,000	-	15,000
Trade creditors	<b>291,485</b>	149,370	<b>291,485</b>	149,370
Amount due to subsidiary company	-	-	<b>481</b>	124
Taxation & social security	<b>93,236</b>	81,365	<b>93,236</b>	81,365
Accruals	<b>146,981</b>	328,327	<b>146,981</b>	328,327
Deferred income	<b>87,557</b>	108,091	<b>87,557</b>	108,091
	<b>619,259</b>	682,153	<b>619,740</b>	682,277
<b>Analysis of deferred income:</b>				
Deferred income b/f	<b>108,091</b>	98,584	<b>108,091</b>	98,584
Income deferred in the year	<b>319,046</b>	352,531	<b>319,046</b>	352,531
Income released in the year	<b>(339,580)</b>	(343,024)	<b>(339,580)</b>	(343,024)
Deferred income c/f	<b>87,557</b>	108,091	<b>87,557</b>	108,091

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2024

Deferred income includes lottery subscription fees and event income received in advance. Lottery income is deferred on receipt and released in the week of the draw. Events income relates to ticket and participator sponsorship monies received in advance of events, which is deferred and released when the event takes place.

#### 18. Contingent assets:

As at 31 March 2024 the Hospice is aware of 34 ongoing legacy cases (6 pecuniary and 28 residuary) where the value is uncertain as estate accounts are still to be finalised – no amounts have been included in income in relation to these legacies.

#### 19. Capital Commitments:

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	2024	2023
	£	£
Contracted	<u>79,629</u>	<u>-</u>

In May 2023 the Hospice entered into a contract for the renovation of the Sunflower Wellbeing Centre, with a value of £1.2m. The capital commitment represents the unfinished element of the build as at 31 March 2024.

#### 20. Operating lease commitments:

At the year end, the group and charity had total commitments under operating leases expiring:

	Land & Buildings	Equipment	Total 2024	Total 2023
	£	£	£	£
Within 1 year	-	-	-	8,440
Between 1 and 5 years	92,000	10,778	102,778	63,946
In more than 5 years	130,167	8,902	139,069	154,000
	<u>222,167</u>	<u>19,680</u>	<u>241,847</u>	226,386

Operating lease payments made during the year were £78,657 (2023: £81,305).

#### 21. Share capital and company status:

The company is incorporated under the Companies Act 2006. It is limited by guarantee and, therefore, does not have any issued share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2024**

**22. Funds:**

	Balance b/f	Income	Costs	Transfers	Gains/ (losses)	Balance c/f
	£	£	£	£	£	£
<b>Unrestricted Funds:</b>						
General	6,198,974	6,909,467	(6,441,546)	(443,555)	568,959	<b>6,792,299</b>
Revaluation reserve	-	-	-	119,382	-	<b>119,382</b>
<b>Designated Funds:</b>						
Service development	1,349,592	-	-	(211,354)	-	<b>1,138,238</b>
Repairs & equipment	425,328	-	(46,360)	(30,465)	-	<b>348,503</b>
Building Development	1,781,053	-	(15,038)	91,411	-	<b>1,857,426</b>
	<b>9,754,947</b>	<b>6,909,467</b>	<b>(6,502,944)</b>	<b>(474,581)</b>	<b>568,959</b>	<b>10,255,848</b>
<b>Restricted:</b>						
<b>Property Funds:</b>						
Hospice Premises	3,928,610	-	(161,179)	837,990	-	<b>4,605,421</b>
Capital Build Fund	227,886	115,010	-	(342,896)	-	-
Equipment fund	5,153	16,564	(1,746)	-	-	<b>19,971</b>
Hospice garden	1,355	500	(1,169)	-	-	<b>686</b>
<b>Service Funds:</b>						
Hospice @Home services	1,140,064	110,308	(234,033)	-	-	<b>1,016,339</b>
Knutsford Home First		700,000	(13,105)	(20,513)	-	<b>666,382</b>
Single point of access service	367,838	74,635	(5,326)	-	-	437,147
Dementia services	203,880	138,327	(6,562)	29,564	-	<b>365,209</b>
Other services	76,466	3,282	(50,184)	(29,564)	-	-
<b>Other Funds:</b>						
Staff Fund	1,063	1,498	(2,002)	-	-	<b>559</b>
<b>Total Restricted</b>	<b>5,952,315</b>	<b>1,160,124</b>	<b>(475,306)</b>	<b>474,581</b>	-	<b>7,111,714</b>
<b>TOTAL FUNDS</b>	<b>15,707,262</b>	<b>8,069,591</b>	<b>(6,978,250)</b>	-	<b>568,959</b>	<b>17,367,562</b>

**Unrestricted Funds:**

**General fund** – this is the accumulation of free reserves. **Revaluation Reserve** – is required by the Companies Act 2006 and represents the amount by which investments have been revalued from their historic cost.

**Designated fund:**

**Service development** – this represents funds set aside to support the ongoing development and expansion of services with particular emphasis on our ambitious plans in the fields of dementia, single point of access as well as further Hospice at Home expansion.

**Repairs and equipment** – funds have been designated in year to ensure that the fabric of the Millbank Drive building can be maintained to a high standard. Much of the building is over 30 years old and inevitable repairs to areas such as boilers, windows, roof, plumbing and electrics are starting to be required on a rolling basis.

**Building Development** – in 2018 plans were drawn up to modernise the Millbank Drive site, making it fit for modern services required by our patients and their families. The plans are phased so that they could be done as and when funding is available. Costs in year of £723,627 relate to Phase 2, the refurbishment of the Sunflower Wellbeing Centre. Planning on

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2024

Phase 3, the redevelopment of our original kitchen and staff areas, will commence in 2024-25, and a further £800,000 has been designated in year towards future build phases.

#### Restricted Funds:

**Property Funds - Hospice Premises** - this fund represents the net book value of the Hospice's premises at Millbank Drive and includes £300,000 for the land originally donated by the Health Authority. It does not include £36,000 relating to a separate property in Macclesfield. Should the Hospice's activities cease, and the Millbank Drive premises be sold, all the proceeds would be payable to The Secretary of State for Health and Social Care. This obligation is secured by a legal charge over the Hospice's premises at Millbank Drive. The value of the land and buildings is therefore considered to be restricted. The transfers result from movements in the property value arising from capital expenditure and depreciation.

**Capital Build Fund** – represents grants and donations received to support the development of the building, with income and costs in year relating to the Sunflower Wellbeing Centre.

**Property funds - Equipment Fund and Hospice Garden funds** represents funds received for the purchase of equipment for all areas of the Hospice, and for the maintenance of the gardens.

#### Service funds:

The Hospice @Home service is supported by a well-received angel donor campaign. This work has led into the development of Knutsford Home First, a joint project with the NHS to provide at home services in the Knutsford Care Community, paid for by a generous donation from Mr Michael and Jennifer Oliver. Angel donor campaigns have continued in year for both our Single Point of Care and community dementia projects, both of which will become operational in 2024/25. Other service funds represent monies received for the provision of specific Hospice services as requested by donors.

The **Staff Fund** - this represents donations given specifically for the benefit of staff and for staff training. The People and Development Manager is responsible for deciding benefits to be provided.

#### Transfers between funds:

These reflect the fulfilment of restrictions through the purchase of fixed assets with restricted donations, and depreciation of those restricted assets.

#### 23. Analysis of net assets between funds:

	Unrestricted Funds £	Restricted Funds £	Total 2024 £
Tangible fixed assets	372,878	4,605,421	4,978,299
Investments	6,056,495		6,056,495
Net current assets	3,826,475	2,506,293	6,332,768
<b>Group:</b>	<b>10,255,848</b>	<b>7,111,714</b>	<b>17,367,562</b>
Investments	2	-	2
Net current assets	(820)	-	(820)
<b>Charity:</b>	<b>10,255,030</b>	<b>7,111,714</b>	<b>17,366,744</b>

#### 24. Related parties:

There are no related party transactions that require disclosure other than those relating to the trading company (note 14).

**EAST CHESHIRE HOSPICE**

England & Wales - Charity number 515104

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# Accounts

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**EAST CHESHIRE HOSPICE**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**Registered company number 01807691 (England and Wales)**  
**Registered Charity number 515104**

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2023**

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**EAST CHESHIRE HOSPICE**

**LEGAL AND ADMINISTRATIVE INFORMATION**  
**For the year ended 31 March 2023**

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<b>Registered Company Number</b>	01807691 (England and Wales)
<b>Registered Charity Number</b>	515104
<b>Constitution</b>	Company limited by guarantee
<b>Principle and Registered Office</b>	Millbank Drive Macclesfield Cheshire SK10 3DR
<b>Auditors</b>	Heywood Shepherd Chartered Accountants & Registered Auditors 1 Park Street Macclesfield Cheshire SK11 6SR
<b>Bankers</b>	Royal Bank of Scotland PLC 52 Chestergate Macclesfield Cheshire SK11 6BU
<b>Investment Advisors</b>	Quilter Cheviot One Kingsway London WC2B 6AN

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2023**

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The Trustees (who are also the directors of the charity for the purposes of the Companies Act 2006) who served during the year were:

Mr S W Spinks	Chair	Dr J Mallon	(appointed Sep-22)
Mr R Barrow DL MBE		Dr D A Maxwell	
Mrs G Crawford		Mr N L McArthur	Vice Chair
Mr S J Dickenson		Mrs N C Sampson	
Mrs L Houghton	(appointed Sep-22)	Mrs E J Stephens	(retired Sep-22)
Mr A C Kennedy	(retired Sep-22)	Mrs K R Waters	
Mr J R Lovett	Vice Chair		

All trustees are members of the Company and have no beneficial interest in it. Unless indicated above, they were all trustees at the time that this Report and the attached Financial Statements were approved.

**Patrons:** Mr Nick Robinson  
Prof Alistair Burns CBE

**President:** Mr David Briggs CVO MBE KStJ

**Vice Presidents:** Mr P Bianchi Mrs J C Legh  
Mr N Bianchi Miss E McVey MP  
Mrs F Brereton Mr P Morrissey  
Mrs F Bruce MP Mr D Pollock DL  
Mrs J Clowes Mr R Raymond  
Mrs C Hayward DL Mr D Rutley MP  
Dr S Hayward Lady A Winterton  
Mr M Jones Sir N Winterton  
Mr P E Jones

**Honorary Vice President** Mrs E Keefe

**Management Team:**

Mrs K Johnston	Chief Executive
Dr D Alexander	Medical Director
Mrs R Allcock	Income Generation Director
Mrs S Dale	Director of Quality & Innovation
Ms S Jones	Clinical Director
Mrs S Seabourne	Finance Director

# 2022/23

## A year in the life of East Cheshire Hospice

### £74K

Raised by nineteen amazing supporters who took part in a sponsored trek across the Sahara Desert in November



### 184

Miles canoed across the UK by the Bentham brothers, to raise money in memory of their dad

### 225

Patients and families received vital support and specialist palliative care in our Inpatient Unit

### 1000

Pieces of art from local artists on sale in our biannual Art Fair in May, raising more than £60K



### 1

Mention in the New Year's Honours List for our Director of Quality & Innovation, Sarah Dale BEM

### 1294

Portions of cake baked by our amazing volunteers to sell (and eat!) at our events

### 699

Sessions of complementary therapy delivered, including 250 sessions for carers

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2023**

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In submitting their Annual Report together with the consolidated financial statements of East Cheshire Hospice and its subsidiary for the year ended 31 March 2023, the Trustees have ensured that all financial statements comply with the Charity Act 2011, the Companies Act 2006, and Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019).

## **CHARITABLE PURPOSE & PUBLIC BENEFIT**

The objects and principal activities of East Cheshire Hospice are to provide palliative care and support to people with life limiting illnesses within the communities of Buxton, Congleton, Handforth, High Legh, High Peak, Knutsford, Macclesfield, Poynton, Wilmslow and the 72 villages and hamlets in between, serving a total population of c.200,000. It does this by:

- operating a residential hospice
- providing care to end-of-life patients in their own home
- operating a day hospice wellbeing centre
- operating a range of outpatient clinics
- providing social, psychological and spiritual support services for patients and carers.

The Trustees have carefully considered the Charity Commission guidance on public benefit in setting our objectives and planning our services, which are provided free of charge for the benefit of the public. Our mission is to provide the highest quality care and support to the people we serve. Our values and principles can be summarised by the acronym CARE – compassion, association, resourcefulness and excellence.

- **Compassion:** We ensure we put our patients, their families and carers at the centre of everything we do, and we always act with care and compassion
- **Association:** We work in partnership and collaboration, forming productive alliances in the interests of our patients
- **Resourcefulness:** We make the best use of our resources, ensuring that donations from our communities are directly channelled into the care and support for patients and their families
- **Excellence:** We will act with integrity and treat patients, families, colleagues, collaborators and supporters with respect at all times. We will invest in learning and development for our staff and volunteers – striving for excellence in all we do.

### **Our Vision**

Our vision is that by 2028, East Cheshire Hospice will be at the centre of a whole-system solution delivering or facilitating high quality, seamless, co-ordinated end of life care to people affected by life limiting illness, ensuring they are prepared, supported and cared for in a place of their choosing and with the minimum of stress and anxiety.

## **ACTIVITIES**

East Cheshire Hospice offers both specialist palliative and specialised end of life care and support to adults who are approaching the final stages of life. We extend this comfort and compassion to assist families, caregivers, and loved ones so that they are better able to cope with this life changing event. Our comprehensive range of services is provided without any cost to those in need. We continuously review our services to meet the evolving needs of our communities, including addressing the growing number of patients with frailty, dementia, and complex comorbidities.

This report encompasses the period from 1 April 2022 to 31 March 2023, which proved to be a challenging year as we navigated the transition from the Covid pandemic and its economic impact. Despite the obstacles, we continued to provide unwavering support to our patients, families, and carers. The evolving landscape within healthcare locally and nationally brings with it a set of new challenges, however, we will use our skills in resilience and adaptability - sharpened by the events of recent years - to improve the healthcare system in which we are an integral part.

Our frontline and support services are made up of the following key elements:

- **Our Inpatient Unit (IPU)** offers specialist support for patients in the final stages of their lives, providing both end-of-life care and acute symptom management treatment. The IPU is managed by an exceptional team of highly trained palliative clinical specialists who are dedicated to ensuring that our patients receive the best possible care.

We continued our collaboration with Cheshire and Merseyside ICB this year, who once again asked us to offer inpatient capacity to relieve winter bed pressures at Macclesfield District General Hospital. This service has proven so successful that we have already been asked to extend it to six months from October 2023.

Unfortunately, the repercussions of medical care delays during the Covid pandemic have resulted in a surge of younger patients being admitted to the IPU, whose potential for a cure may have been compromised due to the restrictions and subsequent late diagnoses. The impact of this has been traumatic for those patients, their families and friends, increasing demand for support interventions, however, our dedicated team remain committed to supporting their wellbeing in whatever way is needed. We have taken care to build our team's capacity to cope by offering psychological and spiritual support, debriefing sessions, professional supervision, opportunities for reflection and resilience training.

- **Our Hospice @Home Service** offers specialised palliative care to patients in the comfort of their own homes, with the aim of preventing unnecessary hospital admissions and allowing them to remain in the place where they feel most at ease. By providing this specialised care, we strive to honour our patients' wishes and enhance their quality of life during this challenging time.

This year has seen the successful launch of the Palliative Care in Partnership (PCIP) project. This ground-breaking initiative encompasses a wide range of services aimed at providing exceptional care to patients in their final 12 weeks of life under the Continuing Healthcare national guidelines, including our Hospice @Home Daytime Service, respite for carers, night support, and specialised bereavement support. We collaborate closely with the NHS and other voluntary services, such as Marie Curie, to deliver tailored and personalised care packages. By working together, we strive to maintain the highest standards of support for our patients.

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2023**

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Although the service has been delivering exceptional care since its launch in October 2017, we acknowledge that there are still unmet needs within this group. As a result, the Hospice Board has approved funding for a third team to further bolster and support the evolution of this service in the future.

- **Our Sunflower Wellbeing Centre** is a day hospice that offers a range of nurse-led clinics and therapeutic interventions for individuals with various disease types and conditions, including specialised assistance for conditions such as Dementia and Motor Neurone Disease (MND). Our services encompass a diverse range of offerings, such as a living well programme, a breathlessness clinic, complementary therapies and guidance on advanced care planning. Our dedicated team ensures that individuals receive the necessary care and support to enhance their overall wellbeing and quality of life.
- **Our Outpatient Facility** offers personalised appointments to a variety of essential services which relieve suffering and helps patients to manage their symptoms more effectively. These services include physiotherapy, occupational health, lymphoedema management, art psychotherapy, and complementary therapies. Our aim is to provide comprehensive care that addresses the unique needs of each patient, ensuring that they receive the support and treatment necessary to enhance their overall wellbeing.
- **Our Family Support Services** are dedicated to meeting the practical, social, psychological, and spiritual needs of the individuals who are important to our patients. These services encompass a range of vital support, including pre- and post-bereavement counselling for adults, a specialised service for childhood bereavement, and spiritual support for individuals of all faiths and those without any specific religious affiliation. Our compassionate team, led by a dedicated chaplain, strives to provide holistic care that addresses the diverse needs of our patients' families and loved ones.
- **Our Education and Learning** remain fundamental to the provision of our exceptional services that cater to the needs of our community. This year, we offered a wide range of training opportunities for our volunteers, staff, and colleagues, utilising internal training opportunities and experience as well as attending external events. We continue towards our goal of cultivating a more adaptable workforce that is well-trained, empowered, and capable of seamlessly transitioning across various service areas as needed.

In this year of continuing social and economic challenges, we continued to prioritise the well-being of our staff by offering specific resources designed to support their mental health, including training a team of Mental Health First Aiders to provide peer to peer support.

- **Our Volunteers** play an invaluable role in establishing a strong bond between us and our local community. They generously contribute their skills, talents, and perspectives to enhance our work in numerous ways. We were thrilled to welcome back the full contingent of our dedicated volunteer workforce after the challenges posed by Covid, and they continue to bring their expertise and unwavering enthusiasm to every facet of Hospice life. Whether it's providing support to patients on the ward, baking delightful cakes for events, or assisting with fundraising activities, their presence uplifts and enriches our Hospice community.

## ACHIEVEMENTS AND PERFORMANCE

In addition to our continuous improvement work, seven change programmes were prioritised in the year 2022-23 to drive the organisation further and faster towards achieving its vision. These were:

- 1. Development of Hospice Dementia Services** to ensure ECH has the capacity, competencies and facilities to meet the emerging needs of people dying from or with dementia in our community.

We made significant progress this year in enhancing our dementia care with the appointment of a second specialist dementia nurse, who added invaluable knowledge and expertise in mental health care for older people to our skill mix. This extra resource meant we were able to increase capacity in our Sunflower Centre Dementia Carer Wellbeing Programme, doubling the available places, and reducing the waiting list for this heavily oversubscribed Programme from six months to three months. As the demand for this service continues to out-strip our capacity to accommodate it fully, a further increase in capacity is planned for 2023-24.

We also introduced Advanced Care Planning clinics, specifically designed for families living with dementia. These clinics provide tailored support and guidance to help families navigate the challenges associated with the care of a loved one with dementia. And, on a more joyful note, we were able to expand uplifting initiatives such as our regular Singing Together events, which proved so popular that it necessitated relocation to a larger community hall.

Lastly, this year saw the completion of ECH commissioned research conducted by the Universities of both Manchester and Liverpool. Dr Alessandro Bosco and his team from University of Manchester sought to find and assess worldwide best practice in care for people with Dementia at end of life to better inform our practice. And Professor Lynn Sudbury-Riley and her team from University of Liverpool studied the experiences of patients and carers to identify the most effective areas for ECH to invest in future dementia care services. Both studies will serve as valuable guides in shaping our plans and initiatives.

- 2. Community Engagement** work has continued this year, to ensure that ECH hears and understands the needs of our community, to better develop services and increase income generation and volunteering opportunities.

We have launched a Friends and Family forum, made up of those who have lost loved ones in our care. This forum met regularly throughout the year, offering us valuable insights on various subjects, including ways of enhancing our services and how to initiate certain fundraising activities. Recognising the significance of the feedback received from this forum, as well as from patient feedback forms, we have implemented a structured system to document, evaluate, and address the information generated. It is crucial that we appropriately act upon the feedback to continually improve our services.

- 3. Hospice Sustainability** continues to be a priority, and as evidenced in this report, the financial situation for the Hospice remains strong, thanks to successful income generation and unprecedented levels of legacy gifts. However, we are mindful that we have ambitious plans and face significant economic headwinds in terms of voluntary income streams, with no prospect of our statutory funding increasing in line with headline inflation or agreed NHS Agenda for Change pay rates. We remain alert to these funding challenges and will always seek opportunities to use our resources as efficiently as possible.

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2023**

---

We have established a staff-led Environmental Sustainability Group this year to help to promote and consolidate the Hospice's efforts towards carbon neutrality. The committee has led on a number of projects, including education on power wastage and the plans for new solar panels on the Hospice roof. We were delighted to receive an award from East Cheshire Chamber of Commerce for the work of this group.

Our efforts in being seen as a trusted and effective partner organisation bore fruit this year with the successful delivery of the Palliative Care in Partnership project, as previously referred to. We are in on-going discussions with local healthcare services on the further development of a Single Point of Co-ordination (SPOC) and connecting with colleagues and organisations across the health and social care system to reduce crisis, especially to avoid unnecessary admissions to hospital.

- 4. Digital Transformation** aims to harness the power of our people and synergistic technologies, to improve productivity, enhance users' experience with 'smart' facilities, provide seamless interconnectivity with partner organisations and ensure we stay relevant.

This year, we have migrated all our files to Microsoft Teams and OneDrive, to improve security, collaboration and ease of use. We continue our work to decommission our onsite servers and move completely to Cloud storage. We have also upgraded several of our internal processes and systems, to integrate latest technology and improve efficiency.

Externally, we are involved in an ongoing collaborative project to research and integrate all partner patient record systems in line with the Cheshire East Place and National NHS England Improvements Digital Transformation initiatives, across the Cheshire & Merseyside ICB footprint.

- 5. Launch Co-ordinated Care Service** we have persisted in taking the lead role in developing a single point of contact/access for Palliative and End of Life Care patients and professionals in Cheshire East Place. We acknowledge that the NHS, especially after significant mergers in Cheshire, is dealing with many more changes in personnel, governance structures, system crisis mitigation and Government imposed targets, reducing its capacity to implement new initiatives. Despite this, we were able to work with colleagues and other partners to deliver some key milestones, however, we were unable to fully integrate and launch the service this year. We remain committed to launching the service in 2023-24 in the best interests of patients and families.

- 6. Facilities Development** will ensure our facilities are fit for purpose, efficient to run and safe to use. We have worked fastidiously through our facilities maintenance programme, repairing and improving where necessary to bring our 35-year-old main site building up to current standards. There was also a significant amount of preparation work required to progress major improvements such as the Sunflower Wellbeing Centre Refurbishment and bedroom upgrades which will come to fruition in 2023-24.

- 7. Data Analytics** aims to integrate all ECH data sources to give leaders greater visibility of information for effective monitoring, reporting and timely decision-making. This year, we have successfully implemented the Incidents and Risk modules of the Vantage IT system to assist our continuous improvement efforts.

We have established a working group who are reviewing our clinical database, EMIS, to allow us to access the data stored and generate strategic reports, which can then be used to understand the impact of our services and increase the efficient allocation of resources.

## **FINANCIAL REVIEW**

The Statement of Financial Activities is set out on page 21, and a summary of the financial results is given below. The group achieved a surplus on net operating activity of £1,795,080 (2021/22: surplus £1,849,602). The overall result, after allowing for stock market gains and losses on the market value of our investment fund, is a gain of £1,284,623 (2021/22: surplus £2,067,508).

This is another humbling result for the Hospice, benefiting as we did from a record year in legacies and a large one-off donation. We remain hugely grateful to the continued and generous support of our local community, and our local commissioners.

### **Income Generation Activity**

At the beginning of the year, we encountered various obstacles in our efforts to generate income due to the economic repercussions of Covid, which resulted in a sustained cost of living crisis. Additionally, the critical situation in Ukraine prompted a completely understandable but significant redirection of charitable donations, both in physical and financial form, away from local causes. Nevertheless, thanks to the unwavering support of our community, including our generous legators, and the dedication and commitment from our team, we ended the year in a much better position than we had anticipated.

### **Commercial**

Despite the substantial diversion of donations to Ukraine during the early part of the year, our retail shops concluded the year on a positive note, achieving income that was only slightly below their original budget. This success can be attributed to the dedication and hard work of our remarkable team, which includes our staff and dedicated volunteers at the shops, and those assisting with the furniture van. They have diligently capitalised on every opportunity to sustain the necessary levels of income.

Our second 'boutique' style shop was opened in May in our Chestergate premises and has proven to be hugely successful, capitalising on the gentrification of the Chestergate area and maximising its impact through clever use of social media and influencers. The rest of the shops are also utilising social media effectively to sell specific items, often furniture, and to encourage footfall in the shops.

We continue to look for new retail premises in both Knutsford and Congleton, but although there have been a few promising prospects we have yet to find the perfect premises for our next shop. We will continue to monitor the markets in both towns.

### **Fundraising**

Our fundraising activities have changed significantly in recent years, in part due to permanent societal changes brought about by the Covid pandemic. The team was restructured this year to better reflect the needs of our supporters, including merging events and community activity into one larger team.

Community activities thankfully returned en masse to the calendar this year, with support groups such as our Quiz Night team, What Women Want and Art Fair all holding successful events. The Art Fair was a particular highlight, taking place in Macclesfield Town Hall for 10 days over the Jubilee weekend in May and generating more than £60k. We also held several Hospice led events this year, including a Hospice-to-Hospice Hike, Fashion on the Edge and a Winter Ball.

Another noteworthy advancement within the team was the evolution of the Individual Giving income stream, which was expanded in September. Since then, our team has dedicated their efforts to collaborating closely with our clinical colleagues to offer assistance and support to individuals raising funds in memory of their departed loved ones. This collaborative partnership has yielded numerous

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2023**

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tangential advantages and stands out as one of the most positive outcomes of the year.

By Christmas 2022 we were relieved to see a semblance of the usual flurry of activity return, with 34 schools and nurseries taking part in our Elf Run and more than 6,600 trees recycled as part of our Christmas Tree Collection. Notably, 2023 was the 25<sup>th</sup> anniversary of the creation of the Collection by Pete Chapman and his family, who have inspired dozens of other hospices across the UK to launch their own collections and have raised a staggering £1.65m for East Cheshire Hospice.

Our Major Donor activity continues to achieve remarkable success and is currently directing its efforts towards generating income for our specialised dementia services. We continued to hold virtual *Meeting of the Minds* events throughout the year, and were also able to host several physical events, including a summer afternoon at Peover Hall and our annual Christmas Concert at Capesthorpe Hall. We are immensely thankful for the remarkable generosity of our long-time supporter, Mr Michael Oliver DL OBE, who made an extraordinary donation of £800k this year to support our Hospice @Home services. This substantial contribution will make a profound difference in the lives of those we serve, and we are truly grateful for his kindness and compassion.

Legacies continue to be a vital income stream for East Cheshire Hospice, helping to provide care for around 1 in 3 patients and families. Although this kind of income is highly unpredictable, we were humbled to receive our greatest value of legacy gifts ever this year, reaching more than £2.5m.

### **Fundraising complaints**

We did not receive any complaints about our fundraising activities during the last year. Our fundraising team abides by the Fundraising Regulator's Code of Practice and their Fundraising Promise. We strive always to act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

### **Funding from statutory bodies**

Cheshire CCG, our main commissioner, was restructured in July 2022 into the Cheshire & Merseyside Integrated Care Board (ICB) and Cheshire East Place. We were grateful for the way the transition into the new entities was managed throughout the year. We received seed funding from the North West Strategic Clinical Network to support the creation of a hospice provider collaborative working across Cheshire and Merseyside, and for the second year in a row we were able to provide additional capacity to the system with a grant from the Home First Initiative to support winter bed pressures at Macclesfield District General Hospital.

Through the Palliative Care in Partnership contract, signed in December 2021 with Mid Cheshire Hospitals NHS Foundation Trust (MCHT) who hold the primary contract with Cheshire & Merseyside ICB, we continued to meet our obligations. We have now completed a full year of activity, significantly expanding our at home end of life care, enabling us to provide care 24/7 in more patients own homes. The income for this service is included in Charitable activities – NHS service contracts.

### **Investment Objectives and Returns**

The Trustees have the power to invest in such assets as they see fit. The Hospice maintains a mixture of liquid funds and longer-term stock market investments which act as both an income stream and reserves. Income flows can be hard to predict, and so cash balances over and above those required for immediate operational purposes are invested in a mix of shorter- and longer- term deposits to allow for possible funding gaps. In May 2022 the investment portfolio was switched to the Quilter Cheviot Global

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
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Income and Growth Fund for Charities, a Charity Authorised Investment Fund (CAIF), which has a similar risk profile to the Hospice's previous discretionary fund with the benefit of reduced fees.

Quilter Cheviot's performance is reviewed quarterly against the Asset Risk Consultants (ARC) benchmark, comprising 50% of the Balanced Index and 50% of the Steady Growth Index. Returns were turbulent in the year, resulting in an unrealised loss of £510,457 which has reduced the in-year surplus. The total return on the portfolio for the year to 31 March 2023 was slightly behind the benchmark by 1.3%, ending the year at -5.5%. The performance has been reviewed by our specialist advisory group and Trustees remain confident in the investment holding.

### **Expenditure**

Total costs increased by £1,096,440 (20%) in the year to £6,455,223, of which £304,163 relates to our Hospice at Home service. The total increase was a significant but planned increase, due to Hospice at Home expansion as the Palliative Care in Partnership contract fully embedded, and fundraising activities ramped back up as we came out of the pandemic. Staffing is the single largest cost in the Hospice, increasing in year to 75% of total costs, and reflecting that the excellent care our patients and their families receive is reliant on our ability to recruit and retain experienced and highly sought-after care staff. Staffing costs increased by £809,937 following an increase in clinical staff numbers, as well as maintaining parity of pay with NHS employed colleagues following well-publicised national industrial action.

We expect costs to increase further in 2023/24 following a 5% pay increase in April 2023 and Hospice at Home expansion adding a third at home care team to increase overall capacity and a fourth team giving targeted at home care to patients and families in Knutsford and District.

We are mindful as always of the need to use our donated income and resources in the most efficient way, and to provide the maximum benefit for our patients and their families. We continue to review all our activity to ensure we meet the changing needs of the community we serve.

### **Risk Management**

The Board carefully evaluates the potential risks that the Charity may face. Robust governance systems are in place to supervise risk management across clinical, support services, and business administration, ensuring that high standards are upheld in accordance with best practices, laws, and accreditation requirements. The implemented processes aim to offer reasonable assurance, though not absolute, against significant errors or losses. These include the following:

- identification and management of risks, using an Organisational Risk Register;
- insurance covers for the major financial risks which are reviewed annually;
- a three-year rolling strategic plan and an annual delivery plan with budgets and key performance indicator targets, all approved by the trustees;
- regular consideration by trustees of financial results in comparison with budgets and prior year performance;
- regular review of financial and non-financial performance indicators and bench-marking reports;
- appropriate levels of delegation of authority and segregation of duties.

The Trustees recognise that the Hospice's reliance on voluntary income to cover the majority of annual operating costs creates a financial sustainability risk. In response, the trustees have adopted a strategy

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of ongoing enhancement in service delivery and have made investments in income generation to mitigate this risk to the greatest extent feasible.

We expect that the increased demand for our services will persist during the post-pandemic period, as delayed diagnoses resulting from Covid will now arise in larger numbers of end-of-life patients, with greater complexity or urgency. The primary risk in this scenario is the potential overload of services if effective management of surge capacity cannot be ensured.

The Health & Social Care Act of 2022 includes provisions for the reorganisation of the NHS, resulting in significant alterations to the commissioning of palliative and end-of-life services. There is a potential risk that we may face challenges in obtaining adequate statutory funding to sustain our services at their current levels.

### **Reserves**

At 31 March 2023, the Hospice held total reserves of £15,707,262, an increase of £1,284,623 over the previous year. Total reserves are a mix of restricted - relating to fixed assets or donor intentions, designated – where Trustees have set aside funds for specific projects, and free reserves – used by the charity to manage its in year cash flow. See note 22 on page 36 of these accounts.

#### **Restricted Reserves**

Of the total reserves, £5,952,315 is restricted mainly in respect of the Hospice building (£3.9m). Should the Hospice cease to operate, or the building be sold, all proceeds must be returned to the Secretary of State for Health and Social Care.

The remaining restricted funds held at the year-end are in advance of the respective projects starting in 2023/24 and relate primarily to the Hospice @Home service (£1.1m). We were hugely grateful to Mr Michael Oliver OBE, DL, who generously donated £800,000 in the year to fund the much-needed elements of this service that are not supported by statutory funding from the Palliative Care in Partnership NHS contract.

The Single Point of Access Project restricted fund (£368k) has been retained to support the commencement of the Co-ordinated Care Service in 2023/24. The ECH Ambassador Group has begun to receive funds into their Hospice Angels campaign to support the development of dementia services (£204k), and grant bids have been successful to part-fund the redevelopment of the Sunflower Wellbeing Centre (£228k).

#### **Designated Reserves**

The Trustees have designated funds to support service development, facilities maintenance and building development. These will help to support ambitious plans in the fields of dementia, single point of access, and further Hospice at Home expansion, as well as support the maintenance and phased redevelopment of the Millbank Drive site to make it fit for modern services.

#### **Free Reserves**

The Hospice's 'free reserves' are those unrestricted funds that are freely available to spend on any of the charity's purposes, and excludes all fixed assets, restricted and designated funds. Free reserves at 31 March 2023 are £5,885,006 compared to £5,205,984 last year.

During the year, the Trustees reviewed the reserves policy and set a range within which it was deemed prudent to hold free reserves. This is based on a minimum level required to support the Hospice through two fallow income generation years and sufficient funds to wind up the Hospice in the event of a forced closure, and a maximum level of 12 months' operating costs. Reserves in excess of the minimum are held to support service development and to meet exceptional circumstances.

## **PLANS FOR FUTURE PERIODS**

The re-organisation of the NHS in England as described in the Health and Social Care Act 2022 is taking shape within our new region directed by the Cheshire & Merseyside Integrated Care Board and at a local level (Cheshire East Place) by the Cheshire East Partnership. Engaging with both these entities and with the other participating organisations as well as the myriad but necessary workstreams, has required and will continue to require the establishment of many new relationships and formal and informal collaborations. We are fortunate that having made meaningful connections in previous years, East Cheshire Hospice is in the best position possible to be welcomed as a trusted and effective partner within the newly integrated system. Opportunities for the development of future services and further integration are ones which the Hospice will make the most of in the best interests of those who are facing the challenges of a life limiting illness.

To ensure high quality palliative and end of life care is accessible to everyone who needs it and that services are funded equitably using a sustainable model, we have joined forces with the ten other adult hospices and one children's and young people's hospice to form the Cheshire & Merseyside Hospice Provider Collaborative. Our objective is to use our collective voice, ingenuity and professionalism to raise standards, awareness and funds so that there is no postcode lottery for palliative and end of life care in Cheshire & Merseyside.

East Cheshire Hospice's strategy is designed to reflect the six ambitions in the National Framework for Palliative Care and informed regionally by the *Cheshire & Merseyside Joint Forward Plan* and locally by *The Joint Local Health and Wellbeing Strategy for the population of Cheshire East 2023-2028*.

Our plans for the coming year will deliver enhanced care to more patients and families and palliative and end of life expertise and support to the wider system. Operationally our plans will be organised under our perpetual Continuous Improvement workstream and a set of multi-year Change Programmes with specific milestones for the year to March 2024, as detailed below.

### **Continuous Improvement Workstream**

This workstream will manage the organisation's business as usual service delivery and operational support functions to ensure ECH is developing in the right direction, meeting its charitable objects as well as its fiscal responsibilities. Last year we had made significant progress on three of our seven change programmes, so much so that we will incorporate digital transformation, data analytics and community engagement into the Continuous Improvement Workstream for the financial year 2023-24 onward.

### **Income Generation**

Charitable giving has been adversely affected by the stagnating economy, rising interest rates and an inflation rate that is proving more difficult to bring down than was hoped. Whilst we are grateful that our donors have remained loyal and in particular those in our community who leave us legacies, the shape of our income generation activities has changed since the pandemic, and we will have to adapt our offer to meet prevailing donor wants and needs.

For example, we have merged our mass participation event activity into our community income stream to offer many more, but smaller hyper local events. We recognise we will have to work harder to attract diminishing charitable donations and have again created fully costed plans with stretching targets in place for each of our eight voluntary income streams, namely Retail, Lottery, Corporate, Community & Events, Legacies, Grants & Trusts, Individual Giving and Major Donors.

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The Ambassador Group, which helps the Hospice to access seed funding for innovation projects will strive to reach its fundraising target to fund the expansion of our Sunflower Centre Dementia Wellbeing Programme over the next five years, just one element of the large-scale Dementia Change Programme as detailed below.

## **Change Programmes**

There are four change programmes which will drive the organisation further and faster towards achieving its vision, namely:

**1. Development of Hospice Dementia Services** to ensure ECH has the capacity, competencies and facilities to meet the emerging needs of people dying from or with dementia in our community. This programme has six workstreams:

- Launch weekly Dementia Carers Wellbeing Programmes in the five Care Communities in East Cheshire
- Scope a major education programme which ensures every ECH volunteer or staff member is confident to support those with Dementia or who are caring for someone with the disease 24/7
- Collaborate with other statutory and voluntary support services to create a seamless patient and carer experience, with the appropriate level of care delivered when and where they want it and need it
- Sunflower Centre refurbishment programme to ensure we have the facilities to deliver simultaneous services in a dementia-friendly environment
- Major donor fundraising campaign to seed fund innovation in service development

**2. Hospice Sustainability** to ensure that ECH remains financially sustainable, meets our communities' need for high quality care, is the go-to partner organisation for end of life care locally and continues to be the lead innovator in palliative and end of life service provision. As part of our strategy to support anyone who needs our care wherever they want to receive it, we will be adding two new teams into Hospice @Home, one of which will be working exclusively in Knutsford and surrounding areas to address the lack of access to specialised care in this area.

**3. Co-ordinated Care Service** to fully integrate this service with the wider health and care system by hosting and leading a single point of co-ordination for Palliative and End of Life Care patients, their families and healthcare professionals in Cheshire East Place. Ensuring everyone will have one number to call, one single source of information and be one multi-agency team working 24/7 across the integrated care system to meet their needs and avoid crisis.

**4. Facilities Development** to ensure our facilities are fit for purpose, efficient to run and safe to use, we are working through a five-phased redevelopment plan estimated to complete in 2028. In early April 2023, the Trustee Board approved the use of reserves to fund a £1.3m refurbishment of the Sunflower Wellbeing Centre designed to make the facility more accessible for those with any form of dementia and to increase the capacity to deliver more services. This phase is due to complete in January 2024.

We will implement our plans to enhance and revitalise our Inpatient Unit bedrooms and family facilities. Our aim is to create a modern and inviting atmosphere that will not only appeal to patients

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and their families but also prioritise dementia-friendly designs. We will also undertake necessary major repairs and seek to further reduce our carbon footprint with every decision we take.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hospice is a charitable company limited by guarantee, incorporated in England and Wales on 10 April 1984 and registered as a charity on 25<sup>th</sup> April 1984. The company is established under a Memorandum of Association which sets out the objects and powers and is governed under its Articles of Association, as updated in March 2015.

The Nominations and Remuneration Committee is responsible for monitoring and evaluating the trustee recruitment, selection and appraisal process. The governing document requires between 5 and 14 trustees. Board vacancies are identified through regular skills audits and vacancies are filled through a formal recruitment process. The Hospice serves the needs of the broad community, so the Board endeavours to reflect this in the make-up of its membership, whilst meeting the need to have an appropriate mix of professional skills necessary for the day-to-day and longer term running of the Charity. Once appointed to the Board, new trustees undertake an induction programme, supported by an existing member of the Board, and are supplied with a comprehensive information pack detailing the responsibilities of their trusteeship. Trustees are elected to serve for a term of three years, but can seek re-election for two further periods, with a total permitted maximum of nine consecutive years.

The Board meets at least four times a year and is responsible, through its committees, for setting and monitoring progress against the Strategic Plan, Annual Delivery Plans and Key Performance Indicators. These meetings are attended by the Chief Executive and members of the management team, who are responsible for the day-to-day running of Hospice services.

The committees are attended by designated Trustees and management team. The committees make proposals to the Board and have approved terms of reference with specific assigned responsibilities. The committees are:

- **Patient Care and Clinical Governance Committee** which is responsible for monitoring patient care/services, partnership and clinical governance, and meets quarterly;
- **Finance and Resources Committee** which is responsible for monitoring and compliance of all matters financial, donor engagement, partnerships, use of technology and all other resources inclusive of human resources, and meets quarterly;
- **Nominations and Remuneration Committee** which meets quarterly is responsible for the appointment of Trustees, Vice Presidents and other key roles as well as the recruitment of the chief executive.

The Finance and Resources Committee reviews all staff pay on an annual basis to determine whether an inflation pay award can be given. The management team is included in this review and receives any increase on the same basis as all other staff.

The Hospice is a member of The End of Life Partnership, a local charity involved in end of life care issues across Cheshire. It also promotes the delivery of high-quality palliative care education in order to ensure all communities are prepared for end of life care. The Hospice does not have any control over this charity, however, along with other hospices within Cheshire, it does provide an annual grant towards its core costs. The Hospice is also a shareholder in the Hospice Quality Partnership, a commercial company set up by hospices nationally to provide more efficient and better-quality procurement in the sector through collective bulk purchasing power.

## **RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The Trustees (who are directors of East Cheshire Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Board is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## **AUDITORS**

Heywood Shepherd were re-appointed as the charitable company's auditors and have expressed their willingness to continue in that capacity.

**Approved by the Board on 14 September 2023 and signed on its behalf by:**

**Mr S W Spinks**

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## **Opinion**

We have audited the financial statements of East Cheshire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheet and the consolidated statement of cashflows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable company 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 directors' 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 a significant doubt on the group and parent company'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 directors 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 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.

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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.

### **Opinions 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' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 group or the parent charitable company 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

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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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, are detailed below:

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:

- We identified the laws and regulations applicable to the company through discussions with trustees and management, and from our 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 company, including the Companies Act 2006, Charities SORP FRS102, 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 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 company'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;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or expected relationships;

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;
- reading minutes of meetings of those charged with governance;
- 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 directors 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 Independent Auditor's Report.

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**Use of our report**

This report is made solely to the charitable company's members, 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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr N A Kennington (Senior Statutory Auditor)**  
**For and on behalf of Heywood Shepherd,**  
**Chartered Accountants**  
**1 Park Street**  
**Macclesfield**  
**Cheshire**  
**SK11 6SR**

**Dated: 14 September 2023**

EAST CHESHIRE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating and Income & Expenditure account)  
As at 31 March 2023

	Notes	2023			2022		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income from:</b>							
Donations and legacies	2	4,620,033	1,403,019	6,023,052	4,431,324	1,444,943	5,876,267
Charitable activities	3	755,420	-	755,420	207,212	-	207,212
Other trading activities	4	1,239,309	9,494	1,248,803	1,000,088	9,216	1,009,304
Investments	5	223,028	-	223,028	115,602	-	115,602
<b>Total</b>		<b>6,837,790</b>	<b>1,412,513</b>	<b>8,250,303</b>	<b>5,754,226</b>	<b>1,454,159</b>	<b>7,208,385</b>
<b>Expenditure on:</b>							
Raising funds	7	1,273,652	-	1,273,652	994,937	2,867	997,804
Charitable activity	8						
Inpatient services		2,639,699	95,668	2,735,367	2,322,098	106,479	2,428,577
Day-care and outpatients		651,889	59,902	711,791	487,936	97,710	585,646
Hospice @Home		963,194	256,422	1,219,616	364,962	550,491	915,453
Family support services		360,424	26,403	386,827	293,169	73,379	366,548
Outreach and education		120,635	7,335	127,970	51,177	13,578	64,755
<b>Total</b>		<b>6,009,493</b>	<b>445,730</b>	<b>6,455,223</b>	<b>4,514,279</b>	<b>844,504</b>	<b>5,358,783</b>
Net gains/(losses) on investments	13	(510,457)	-	(510,457)	217,906	-	217,906
Net income/(expenditure)		<b>317,840</b>	<b>966,783</b>	<b>1,284,623</b>	<b>1,457,853</b>	<b>609,655</b>	<b>2,067,508</b>
Transfers between funds	22	(5,665)	5,665	-	625,780	(625,780)	-
<b>Net income/(expenditure) for the year</b>		<b>312,175</b>	<b>972,448</b>	<b>1,284,623</b>	<b>2,083,633</b>	<b>(16,125)</b>	<b>2,067,508</b>
Total funds brought forward		<b>9,442,772</b>	<b>4,979,867</b>	<b>14,422,639</b>	<b>7,359,139</b>	<b>4,995,992</b>	<b>12,355,131</b>
<b>Total funds carried forward</b>	22	<b>9,754,947</b>	<b>5,952,315</b>	<b>15,707,262</b>	<b>9,442,772</b>	<b>4,979,867</b>	<b>14,422,639</b>

The statement of financial activities includes all gains and losses recognised in the year and all amounts derive from continuing activities. The transfer between funds is in respect of movements in fixed assets.

The notes on pages 24 to 35 form part of these accounts.

EAST CHESHIRE HOSPICE

BALANCE SHEET

For the year ended 31 March 2023

	Notes	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
<b>Fixed Assets</b>					
Tangible assets	12	4,193,638	4,273,401	4,193,638	4,273,401
Investments	13	5,487,536	5,997,993	5,487,538	5,997,995
		<u>9,681,174</u>	<u>10,271,394</u>	<u>9,681,176</u>	<u>10,271,396</u>
<b>Current Assets</b>					
Stock	15	694	171	-	-
Debtors	16	940,828	1,457,992	940,828	1,457,992
Cash at bank and in hand		5,766,719	3,079,803	5,766,717	3,079,801
		<u>6,708,241</u>	<u>4,537,966</u>	<u>6,707,545</u>	<u>4,537,793</u>
Creditors: amounts falling due within one year	17	682,153	386,721	682,277	387,368
<b>Net Current Assets</b>		<u>6,026,088</u>	<u>4,151,245</u>	<u>6,025,268</u>	<u>4,150,425</u>
<b>Total Assets Less Current Liabilities</b>		<u>15,707,262</u>	<u>14,422,639</u>	<u>15,706,444</u>	<u>14,421,821</u>
Creditors: amounts falling due after more than one year		-	-	-	-
<b>Net Assets</b>		<u>15,707,262</u>	<u>14,442,639</u>	<u>15,706,444</u>	<u>14,421,821</u>
Restricted funds		5,952,315	4,979,867	5,952,315	4,979,867
Unrestricted - general funds		5,860,315	5,378,641	5,859,497	5,377,823
- designated funds		3,894,632	4,003,251	3,894,632	4,003,251
- revaluation reserve		-	60,880	-	60,880
<b>Total Funds</b>	22	<u>15,707,262</u>	<u>14,422,639</u>	<u>15,706,444</u>	<u>14,421,821</u>

These financial statements of East Cheshire Hospice (charity number 515104; company number 01807691) were approved by the Board of Trustees on 14 September 2023 and signed on its behalf by:

Mr S W Spinks

Mr N L McArthur

The notes on pages 24 to 35 form part of these accounts

**EAST CHESHIRE HOSPICE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2023

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash provided by / (used in) operating activities	<u>2,605,761</u>	<u>1,317,600</u>
<b>Cash flow from investing activities:</b>		
Dividends and interest from investments	223,028	115,602
Proceeds from the sale of equipment	-	-
Purchase of property, plant and equipment	(141,873)	(763,460)
Proceeds from the sale of investments	-	4,429,790
Purchase of investments	-	(6,463,262)
Net cash provided by / (used in) investing activities	<u>81,155</u>	<u>(2,681,330)</u>
<b>Change in cash and cash equivalents in the year</b>	<b>2,686,916</b>	<b>(1,363,730)</b>
Cash and cash equivalents b/f	<u>3,079,803</u>	<u>4,443,533</u>
<b>Cash and cash equivalents c/f</b>	<b><u>5,766,719</u></b>	<b><u>3,079,803</u></b>

**Notes to the consolidated cash flow statement**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for the reporting period	1,284,623	2,067,508
Depreciation charge	221,636	210,304
(Gains) / losses on investments	510,457	(217,906)
Investment income	(223,028)	(115,602)
Loss / (profit) on sale of fixed assets	-	1,118
Decrease/(increase) in stock	(523)	270
(Increase)/decrease in debtors	517,164	(506,793)
(Decrease)/increase in creditors	295,432	(121,299)
Investment commissions	-	-
Net cash provided by / (used in) operating activities	<u>2,605,761</u>	<u>1,317,600</u>

Analysis of cash and cash equivalents:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,766,719	1,329,803
Notice deposits	4,000,000	1,750,000
Total cash and cash equivalents	<u>5,766,719</u>	<u>3,079,803</u>

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2023

---

### 1. Summary of Significant Accounting Policies

#### General Information and Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS102, 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 (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets. The financial statements are presented in GB Sterling, which is the functional currency, rounded to the nearest Pound.

#### Basis of consolidation

These accounts consolidate the results of the charity and its wholly owned trading subsidiary, ECH Trading Limited, on a line by line basis. A separate Statement of Financial Activities has not been presented for the charity as allowed by Section 408 of the Companies Act 2006. The net gain of the Hospice for the year is £1,284,623 (2022: net gain £2,067,508).

#### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are donations which the donor has specified are to be used for specific projects. The aim and use of each significant restricted fund is set out in the notes to these accounts.

#### Incoming Resources and Debtors

All income is recognised in the statement of financial activities when the Hospice has entitlement to the funds, receipt is probable, and the amount can be reliably measured. The following policies are applied to income:

- Voluntary income is included in full when receivable. Grant income is recognised when the charity becomes unconditionally entitled to it.
- Legacies are included at the earlier of when the Executors notify the Hospice that a distribution will be made, or when a distribution is received. Where legacies have been notified to the Hospice, but the recognition criteria have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Gifts in kind and donated services are recognised within incoming resources and expenditure at an estimate of open market value. The value of services provided by volunteers is not included in the accounts.
- Items donated for resale through the charity's shops are included as incoming resources when they are sold.
- Investment income is included when receivable.
- Lottery income received in advance is deferred and released in the week that the draw takes place.

Debtors are recognised at settlement value.

#### Resources Expended and Creditors

Expenditure is recognised when there is a legal or constructive obligation to a third party, payment is probable, and the amount is reliably measurable. Irrecoverable VAT is allocated as a support cost. Expenditure is classified under the following activity headings:

- Costs of raising funds are those associated with fundraising activity, including the charity's shops and lottery operations and their associated support costs.
- Charitable expenditure is incurred in the delivery of the charity's activities and services for its beneficiaries. It includes costs that can be directly apportioned and indirect associated support costs.

Grants payable are made to third parties in the furtherance of the Hospice's charitable objectives. Grants are accounted for when the conditions for payment have been met by the recipient, or in full when no conditions have been set.

Redundancy and termination payments are recognised on an accruals basis as a liability is incurred.

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2023

---

### 1. Summary of Significant Accounting Policies (continued)

Creditors are recognised where it is probable that a reliably estimated present obligation will result in a payment to a third party. Creditors are recognised at their settlement value.

#### Support costs

Support costs are those back-office functions that are necessary for the effective running of the Hospice but are not directly involved in providing care. They are allocated between the cost of raising funds and charitable activities as set out in the notes to these accounts.

#### Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over their estimated useful life as follows:

- Buildings 2 – 10% p.a. straight line depending on the asset nature
- Plant, equipment and vehicles 12.5% p.a. straight line
- Computer hardware 25% straight line

The land at Millbank Drive is included at market value at the time of donation from the Health Authority.

#### Investments and cash

Listed investments are stated at market value at the balance sheet date. Unlisted investments are valued at cost. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Cash at bank is held to meet the day to day running costs of the Hospice as they fall due.

#### Stock

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

#### Leases

Rental payable under operating leases are charged to the statement of financial activities in equal annual instalments over the period of the lease.

#### Pensions

The Hospice contributes to the NHS pension scheme as allowed under direction of the Secretary of State in England and Wales. This is an unfunded, defined benefit pension scheme and it is not possible to identify the assets and liabilities which are attributable to the Hospice. The scheme is therefore accounted for as defined contribution scheme. The Hospice also operates 2 further defined contribution pension schemes. The assets of all schemes are held separately from those of the Hospice in independently administered funds. Contributions payable for the year are charged to the SOFA in line with the activity carried out by the relevant pension scheme member.

#### Taxation

The Hospice is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of Hospice reserves to be able to continue as a going concern.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2023**

**2. Donations and legacies:**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Donations	827,305	1,072,207	1,899,512	890,527	679,304	1,569,831
Legacies	2,562,676	-	2,562,676	2,148,009	-	2,148,009
Community activity	445,817	21,977	467,794	508,089	70,396	578,485
Grants	784,235	308,835	1,093,070	884,699	695,243	1,579,942
	<b>4,620,033</b>	<b>1,403,019</b>	<b>6,023,052</b>	<b>4,431,324</b>	<b>1,444,943</b>	<b>5,876,267</b>

**Grants receivable were:**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Cheshire & Merseyside ICB – care	479,933	-	479,933	457,211	-	457,211
Cheshire & Merseyside ICB – drugs	108,000	-	108,000	108,000	-	108,000
Cheshire & Merseyside ICB – other	96,372	35,000	131,372	215,321	-	215,321
Derbyshire ICB – care	41,286	-	41,286	41,286	-	41,286
Cheshire East Council	-	-	-	-	29,818	29,818
Job Retention Scheme	-	-	-	1,423	-	1,423
NHSE Covid-19 capacity grant	-	-	-	-	551,661	551,661
Other grants and trusts	58,644	273,835	332,479	61,458	113,764	175,222
	<b>784,235</b>	<b>308,835</b>	<b>1,093,070</b>	<b>884,699</b>	<b>695,243</b>	<b>1,579,942</b>

The Hospice's main grant agreements are with Cheshire & Merseyside Integrated Care Board (ICB), following the integration of the NHS Cheshire and NHS Merseyside Clinical Commissioning Groups (CCG) during the year. The ICB makes a contribution to the provision of 24-hour specialist palliative care for patients and families in the East Cheshire region and for drugs. The Hospice has a similar arrangement with Derbyshire ICB as the boundaries of the Hospice's service area extend to parts of Derbyshire.

**3. Charitable activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Local government and NHS service contracts	723,567	-	723,567	194,529	-	194,529
Other ancillary income	31,853	-	31,853	12,683	-	12,683
	<b>755,420</b>	<b>-</b>	<b>755,240</b>	<b>207,212</b>	<b>-</b>	<b>207,212</b>

**4. Other trading activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
Events and sponsorship	399,590	9,494	409,084	195,651	9,216	204,867
Lottery income	301,006	-	301,006	328,204	-	328,204
Shops	538,713	-	538,713	476,233	-	476,233
	<b>1,239,309</b>	<b>9,494</b>	<b>1,248,803</b>	<b>1,000,088</b>	<b>9,216</b>	<b>1,009,304</b>

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2023

5. Investment income:

	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£	£	£	£
Dividends received	183,231	-	183,231	111,754	-	111,754
Interest received	39,797	-	39,797	3,848	-	3,848
	<b>223,028</b>	-	<b>223,028</b>	115,602	-	115,602

6. Net incoming resources for the year (group and charity):

	2023	2022
	£	£
This is stated after charging:		
Depreciation (owned assets)	221,636	210,304
Auditor's remuneration (excluding VAT) - charity	9,400	8,500
Auditor's remuneration (excluding VAT) - subsidiary	1,000	850
Non audit fees (excluding VAT)	4,685	4,200

7. Raising funds:

	Unrestricted Funds	Restricted Funds	Total 2023	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£	£	£	£
<b>Donations and legacies:</b>						
Staff costs	321,669	-	321,669	266,008	-	266,008
Events and fundraising costs	219,733	-	219,733	121,129	2,867	123,996
	<b>541,402</b>	-	<b>541,402</b>	387,137	2,867	390,004
<b>Other trading activity:</b>						
Staff costs	306,621	-	306,621	246,746	-	246,746
Events and fundraising costs	90,484	-	90,484	36,608	-	36,608
Lottery management costs	12,412	-	12,412	17,163	-	17,163
Lottery prizes	79,600	-	79,600	79,592	-	79,592
Shop running costs	145,473	-	145,473	145,428	-	145,428
	<b>634,590</b>	-	<b>634,590</b>	525,537	-	525,537
<b>Investment costs:</b>						
Investment managers fee	-	-	-	2,307	-	2,307
Support costs	97,660	-	97,660	79,956	-	79,956
	<b>1,273,652</b>	-	<b>1,273,652</b>	994,937	2,867	997,804

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2023

8. Charitable activities:

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Unrestricted Funds £	Restricted Funds £	Total 2022 £
<b>Inpatient services:</b>						
Staff and related costs	2,046,503	1,944	2,048,447	1,783,902	-	1,783,902
Patient consumables – direct	111,484	-	111,484	101,758	-	101,758
Catering and housekeeping	51,366	1,078	52,444	44,463	268	44,731
Property occupation and repairs	131,894	5,621	137,515	152,836	19,186	172,022
Depreciation	33,376	87,025	120,401	27,826	87,025	114,851
Support costs	265,076	-	265,076	211,313	-	211,313
	<b>2,639,699</b>	<b>95,668</b>	<b>2,735,367</b>	<b>2,322,098</b>	<b>106,479</b>	<b>2,428,577</b>
<b>Day care and outpatients:</b>						
Staff and related costs	481,868	15,991	497,859	327,001	47,536	374,537
Patient consumables – direct	6,474	571	7,045	3,916	2,532	6,448
Catering and housekeeping	14,333	257	14,590	12,383	64	12,447
Property occupation and repairs	50,555	2,518	53,073	57,926	8,594	66,520
Depreciation	14,951	38,984	53,935	12,465	38,984	51,449
Support costs	83,708	1,581	85,289	74,245	-	74,245
	<b>651,889</b>	<b>59,902</b>	<b>711,791</b>	<b>487,936</b>	<b>97,710</b>	<b>585,646</b>
<b>Hospice @Home:</b>						
Staff and related costs	736,773	246,106	982,879	192,358	526,056	718,414
Patient consumables – direct	20,703	-	20,703	-	12,609	12,609
Catering and housekeeping	1,116	-	1,116	953	-	953
Property occupation and repairs	12,542	626	13,168	14,351	2,136	16,487
Depreciation	3,717	9,690	13,407	3,099	9,690	12,789
Support costs	188,343	-	188,343	154,201	-	154,201
	<b>963,194</b>	<b>256,422</b>	<b>1,219,616</b>	<b>364,962</b>	<b>550,491</b>	<b>915,453</b>
<b>Family support:</b>						
Staff and related costs	259,488	320	259,808	200,543	43,069	243,612
Patient consumables – direct	1,201	-	1,201	411	408	819
Catering and housekeeping	2,821	-	2,821	2,410	-	2,410
Property occupation and repairs	31,712	1,583	33,295	36,282	5,402	41,684
Depreciation	9,397	24,500	33,897	7,834	24,500	32,334
Support costs	55,805	-	55,805	45,689	-	45,689
	<b>360,424</b>	<b>26,403</b>	<b>386,827</b>	<b>293,169</b>	<b>73,378</b>	<b>366,548</b>
<b>Outreach and education:</b>						
Staff and related costs	20,850	3,460	24,310	18,582	-	18,582
Patient care – grant	92,809	3,875	96,684	26,884	13,578	40,462
Support costs	6,976	-	6,976	5,711	-	5,711
	<b>120,635</b>	<b>7,335</b>	<b>127,970</b>	<b>51,177</b>	<b>13,578</b>	<b>64,755</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2023

**9. Allocation of support costs:**

	Raising funds	Inpatient services	Day care & outpatients	Hospice @Home	Family Support	Outreach/ education	Total 2023	Total 2022
	£	£	£	£	£	£	£	£
Governance costs	5,079	13,785	4,354	9,795	2,902	363	36,278	27,444
Office support	5,838	15,845	5,004	11,258	3,336	417	41,698	35,263
Accounting and payroll	14,824	40,239	12,707	28,591	8,471	1,059	105,891	96,074
Information technology	26,818	72,792	22,987	51,720	15,325	1,916	191,558	125,144
Workforce & volunteers	31,409	85,252	28,502	60,574	17,948	2,243	225,928	188,109
Marketing	11,701	31,760	10,029	22,566	6,686	836	83,578	68,761
Irrecoverable VAT	1,991	5,403	1,706	3,839	1,137	142	14,218	30,320
	<b>97,660</b>	<b>265,076</b>	<b>85,289</b>	<b>188,343</b>	<b>55,805</b>	<b>6,976</b>	<b>699,149</b>	<b>571,115</b>

The apportionment of support costs was reviewed in the year as the significant expansion of the Hospice at Home service meant that floor space used by each activity was no longer a useful approximation of the resource used in that activity. Support costs are now apportioned on the basis of headcount used in each activity.

**10. Staff costs and numbers**

<b>Staff payroll costs (excluding agency) were:</b>	<b>2023</b>	<b>2022</b>
	£	£
Salaries	3,921,417	3,254,665
Social security costs	377,790	286,619
Employers pension – defined contribution	171,950	139,305
Employers pension – defined benefit	173,775	154,406
	<b>4,644,932</b>	<b>3,834,995</b>

Staff costs includes £nil for redundancy and termination payments (2022: £nil).

The average monthly number of staffs employed during the year on a full time equivalent and headcount basis was:

	<b>2023</b>	<b>2022</b>
<b>Full time equivalent:</b>	No.	No.
Clinical and patient support staff	75	68
Support – HR & Volunteer, Finance, Marketing, office and ICT	19	17
Income generation staff – retail, lottery and Fundraising	18	17
	<b>112</b>	<b>102</b>
<b>Headcount – all areas:</b>	<b>144</b>	<b>144</b>

The number of staff whose emoluments exceeded £60,000 in the year was:

	<b>2023</b>	<b>2022</b>
	No.	No.
£70,001 - £80,000	0	1
£80,001 - £90,000	2	1

Pension contributions of £11,783 (2022: £11,132) were made to a defined contribution scheme in respect of these employees.

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2023

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The total amount of salary and benefits paid to key management personnel, as identified on page 2 (Legal and administrative details – Management Team) was £422,091 (2022: £391,066). None of the Trustees received any remuneration or benefits from an employment with the charity or related entities.

During the year no expenses were paid to or on behalf of Trustees (2022: £nil). Trustees donate their time, talent and skills to the smooth running of the Hospice. As well as their ambassadorial duties, they have supported fundraising events and contributed to the commercial activity of the Hospice as Lottery members and by making donations to the shops. In addition to this, the aggregate unconditional donations from Trustees during the year was £48,982 (2022: £36,093).

The Hospice is grateful for the valuable support of all its volunteers who support the work of paid staff in all areas of the Hospice's work.

#### 11. Pensions:

The Hospice, without obligation, contributes to 3 pension schemes for current employees:

- **Scottish Widows Group Personal Pension Plan** - a defined contribution scheme. The Hospice paid employers contributions of £155,666 (2022: £133,191), and the pension creditor at the yearend was £nil (2022: £nil).
- **Now Pensions** - a defined contribution, auto-enrolment scheme for staff who do not wish to join the Scottish Widows or NHS schemes. The Hospice paid employers contributions of £6,660 during the year (2022: £6,114), and the pension creditor at the year end was £1,364 (2022: £1,456).
- **NHS Pension Scheme** – an unfunded defined benefit scheme under the direction of the Secretary of State in England and Wales. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). It is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Hospice is taken as the contributions payable to that scheme for the accounting period. In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

**Accounting valuation** - A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**Full actuarial valuation** - The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers. The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

During the year, the Hospice paid employers contributions of £173,775 (2022: £154,406) on behalf of employees who were existing members of the scheme before joining the Hospice and are therefore able to carry on their membership under the scheme rules. This is based on a rate of 14.3% of pensionable pay, based on HMT Valuation

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2023**

Directions. The pension creditor as at the year end was £24,961 (2022: £20,767). While the Employer contribution rate has been set at 20.6%, Employers have only been required to make contributions at 14.3% for both 2022/23 and 2021/22. Had the full rate been in force, the Employer contributions in 2022/23 would have been £249,907 (2022: £222,052), an increase of £76,132 (2022: £67,646).

**12. Tangible fixed assets (group and charity):**

	<b>Freehold land &amp; Buildings</b>	<b>Plant &amp; Equipment</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2022	6,183,871	695,306	160,582	<b>7,039,759</b>
Additions	48,947	80,310	12,616	<b>141,873</b>
Disposals	-	(37,376)	(65,282)	<b>(102,658)</b>
At 31 March 2023	<b>6,232,818</b>	<b>738,240</b>	<b>107,916</b>	<b>7,078,974</b>
<b>Depreciation</b>				
At 1 April 2022	2,108,008	500,803	157,547	<b>2,766,358</b>
Charge for the year	160,200	55,252	6,184	<b>221,636</b>
Disposals	-	(37,376)	(65,282)	<b>(102,658)</b>
At 31 March 2023	<b>2,268,208</b>	<b>518,679</b>	<b>98,449</b>	<b>2,885,336</b>
<b>Net book values</b>				
At 31 March 2023	<b>3,964,610</b>	<b>219,561</b>	<b>9,467</b>	<b>4,193,638</b>
At 31 March 2022	4,075,863	194,503	3,035	4,273,401

Land and buildings includes £336,000 of non-depreciable land.

**13. Investments:**

<b>Managed Portfolio</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Market value b/f	5,997,983	3,746,604
Additions	-	6,501,091
Disposals	-	(4,429,790)
Net investment gains/(losses)	(510,457)	217,906
Movement in cash deposits	-	(37,828)
<b>Market value c/f</b>	<b>5,487,526</b>	<b>5,997,983</b>
<b>Historical cost c/f</b>	<b>5,937,103</b>	<b>5,937,103</b>
<b>The portfolio consisted of:</b>		
Charity Authorised Investment Fund units	5,487,526	5,997,983
Unquoted - Hospices Quality Partnership	10	10
ECH Trading Ltd - wholly owned subsidiary (see note 14)	2	2
	<b>5,487,538</b>	<b>5,997,995</b>

**EAST CHESHIRE HOSPICE**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2023**

**14. Results of Trading Subsidiary:**

ECH Trading Limited (Company number 05688814) is a wholly owned subsidiary of East Cheshire Hospice, operating a retail business selling new goods. The results for the year ended 31 March 2023 are:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Turnover	<b>25,575</b>	28,581
Cost of sales and administration	<b>(17,189)</b>	(17,092)
Operating profit	<b>8,386</b>	11,489
Amount gift aided to the charity	<b>8,386</b>	11,489
Retained in subsidiary	-	-
<b>Balance Sheet</b>	<b>£</b>	<b>£</b>
Current assets	<b>820</b>	820
Current liability - amount owed by / (to) parent	-	-
Total net assets	<b>820</b>	820

**15. Stocks:**

	<b>Group</b>		<b>Charity</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Merchandise stock	<b>694</b>	171	-	-

The amount of stock recognised as an expense in other trading activity during the year for the Group is £8,924 (2022: £9,215) and Charity £nil (2022: £nil).

**16. Debtors:**

	<b>Group</b>		<b>Charity</b>	
<b>Amounts falling due within one year:</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>48,121</b>	567,746	<b>48,121</b>	567,746
VAT recoverable	<b>11,930</b>	20,180	<b>11,930</b>	20,180
Amount due from subsidiary company	-	-	-	-
Gift aid recoverable	<b>16,300</b>	27,707	<b>16,300</b>	27,707
Prepayments and accrued income	<b>864,477</b>	842,359	<b>864,477</b>	842,359
	<b>940,828</b>	1,457,992	<b>940,828</b>	1,457,992

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2023**

**17. Creditors:**

	Group		Charity	
	2023	2022	2023	2022
<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Grants payable	15,000	15,000	15,000	15,000
Trade creditors	149,370	74,423	149,370	74,423
Amount due to subsidiary company	-	-	124	647
Taxation & social security	81,365	72,947	81,365	72,947
Accruals	328,327	125,767	328,327	125,767
Deferred income	108,091	98,584	108,091	98,584
	<u>682,153</u>	<u>386,721</u>	<u>682,277</u>	<u>387,368</u>
<b>Analysis of deferred income:</b>				
Deferred income b/f	98,584	126,747	98,584	126,747
Income deferred in the year	352,531	350,289	352,531	350,289
Income released in the year	<u>(343,024)</u>	<u>(378,452)</u>	<u>(343,024)</u>	<u>(378,452)</u>
Deferred income c/f	<u>108,091</u>	<u>98,584</u>	<u>108,091</u>	<u>98,584</u>

Deferred income includes lottery subscription fees and event income received in advance. Lottery income is deferred on receipt and released in the week of the draw. Events income relates to ticket and participator sponsorship monies received in advance of events, which is deferred and released when the event takes place.

**18. Contingent assets:**

As at 31 March 2023 the Hospice is aware of 25 ongoing legacy cases (3 pecuniary and 22 residuary) where the value is uncertain as estate accounts are still to be finalised – no amounts have been included in income in relation to these legacies.

**19. Capital Commitments:**

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	2023	2022
	£	£
Contracted	<u>-</u>	<u>-</u>

In May 2023, post balance sheet date, the Hospice entered into a contract for the renovation of the Sunflower Wellbeing Centre, with a value of £1.2m.

**20. Operating lease commitments:**

At the year end, the group and charity had total commitments under operating leases expiring:

	Land & Buildings	Equipment	Total 2023	Total 2022
	£	£	£	£
Within 1 year	8,125	315	8,440	-
Between 1 and 5 years	40,083	23,863	63,946	142,324
In more than 5 years	154,000	-	154,000	176,000
	<u>202,208</u>	<u>24,178</u>	<u>226,386</u>	<u>318,324</u>

Operating lease payments made during the year were £81,305 (2022: £82,471).

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2023**

**21. Share capital and company status:**

The company is incorporated under the Companies Act 2006. It is limited by guarantee and, therefore, does not have any issued share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**22. Funds:**

	Balance b/f	Income	Costs	Transfers	Gains/ (losses)	Balance c/f
	£	£	£	£	£	£
<b>Unrestricted Funds:</b>						
General	5,378,641	6,837,790	(5,900,874)	332,994	(449,577)	6,198,974
Revaluation reserve	60,880	-	-		(60,880)	-
<b>Designated Funds:</b>						
Service development	1,688,251	-	-	(338,659)	-	1,349,592
Repairs & equipment	485,000	-	(59,672)	-	-	425,328
Building Development	1,830,000	-	(48,947)	-	-	1,781,053
	<b>9,442,772</b>	<b>6,837,790</b>	<b>(6,009,493)</b>	<b>(5,665)</b>	<b>(510,457)</b>	<b>9,754,947</b>
<b>Restricted:</b>						
<b>Property Funds:</b>						
Hospice Premises	4,039,863	-	(160,200)	48,947	-	3,928,610
Capital Build Fund	101,613	130,783	(4,510)	-	-	227,886
Equipment fund	30,233	24,634	(6,432)	(43,282)	-	5,153
Hospice garden	1,735	-	(380)	-	-	1,355
<b>Service Funds:</b>						
Hospice @Home services	449,692	936,478	(246,106)	-	-	1,140,064
Single point of access service	294,202	76,986	(3,350)	-	-	367,838
Dementia services	-	203,880	-	-	-	203,880
Other services	59,379	39,689	(22,602)	-	-	76,466
<b>Other Funds:</b>						
Staff Fund	3,150	63	(2,150)	-	-	1,063
<b>Total Restricted</b>	<b>4,979,867</b>	<b>1,412,513</b>	<b>(445,730)</b>	<b>5,665</b>	<b>-</b>	<b>5,952,315</b>
<b>TOTAL FUNDS</b>	<b>14,422,639</b>	<b>8,250,303</b>	<b>(6,455,223)</b>	<b>-</b>	<b>(510,457)</b>	<b>15,707,262</b>

**Unrestricted Funds:**

**General fund** – this is the accumulation of free reserves. **Revaluation Reserve** – is required by the Companies Act 2006 and represents the amount by which investments have been revalued from their historic cost.

**Designated fund:**

**Service development** – this represents funds set aside to support the ongoing development and expansion of services with particular emphasis on our ambitious plans in the fields of dementia, single point of access as well as further Hospice at Home expansion. These projects are still in the scoping phase in 2022/23 and so funds have not yet been allocated.

**Repairs and equipment** – funds have been designated in year to ensure that the fabric of the Millbank Drive building can be maintained to a high standard. Much of the building is over 30 years old and inevitable repairs to areas such as boilers, windows, roof, plumbing and electrics are starting to be required on a rolling basis.

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2023

**Building Development** – in 2018 plans were drawn up to modernise the Millbank Drive site, making it fit for modern services required by our patients and their families. The plans are phased so that they could be done as and when funding is available. Phase 1, the Proseal Wing, was completed in 2022 and fully funded by a generous donation. Throughout 2022/23 we have been developing the plans for Phase 2 (the refurbishment of the Sunflower Wellbeing Centre) and much of this fund will be used to support this project during 2023/24.

#### Restricted Funds:

**Property Funds - Hospice Premises** - this fund represents the net book value of the Hospice's premises at Millbank Drive and includes £300,000 for the land originally donated by the Health Authority. It does not include £36,000 relating to a separate property in Macclesfield. Should the Hospice's activities cease, and the Millbank Drive premises be sold, all the proceeds would be payable to The Secretary of State for Health and Social Care. This obligation is secured by a legal charge over the Hospice's premises at Millbank Drive. The value of the land and buildings is therefore considered to be restricted. The transfers result from movements in the property value arising from capital expenditure and depreciation.

**Capital Build Fund** – represents grants and donations received to support the development of the building, including the Hub and the Sunflower Wellbeing Centre.

**Property funds - Equipment Fund and Hospice Garden funds** represents funds received for the purchase of equipment for all areas of the Hospice, and for the maintenance of the gardens.

#### Service funds:

The Hospice @Home service is supported by a well-received major donor campaign, started in 2017 with 5-year support pledged whilst other funding sources are built up. This was generously supported in 2022/23 by a large donation which will fund the service over a number of years. This work has led into the development of a Single Point of Access project which is now in development phase. Other service funds represent monies received for the provision of specific Hospice services as named.

The **Staff Fund** - this represents donations given specifically for the benefit of staff and for staff training. The People and Development Manager is responsible for deciding benefits to be provided.

#### Transfers between funds:

These reflect the fulfilment of restrictions through the purchase of fixed assets with restricted donations, and depreciation of those restricted assets.

#### 23. Analysis of net assets between funds:

	Unrestricted Funds £	Restricted Funds £	Total 2023 £
Tangible fixed assets	265,028	3,928,610	4,193,638
Investments	5,487,536	-	5,487,536
Net current assets	4,002,383	2,023,705	6,026,088
<b>Group:</b>	<b>9,754,947</b>	<b>5,952,315</b>	<b>15,707,262</b>
Investments	2	-	2
Net current assets	(820)	-	(820)
<b>Charity:</b>	<b>9,754,129</b>	<b>5,952,315</b>	<b>15,706,444</b>

#### 24. Related parties:

There are no related party transactions that require disclosure other than those relating to the trading company (note 14).

**EAST CHESHIRE HOSPICE**

England & Wales - Charity number 515104

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# Accounts

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**EAST CHESHIRE HOSPICE**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

**Registered company number 01807691 (England and Wales)**  
**Registered Charity number 515104**

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2022**

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**EAST CHESHIRE HOSPICE**

**LEGAL AND ADMINISTRATIVE INFORMATION**  
**For the year ended 31 March 2022**

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<b>Registered Company Number</b>	01807691 (England and Wales)
<b>Registered Charity Number</b>	515104
<b>Constitution</b>	Company limited by guarantee
<b>Principle and Registered Office</b>	Millbank Drive Macclesfield Cheshire SK10 3DR
<b>Auditors</b>	Heywood Shepherd Chartered Accountants & Registered Auditors 1 Park Street Macclesfield Cheshire SK11 6SR
<b>Bankers</b>	Royal Bank of Scotland PLC 52 Chestergate Macclesfield Cheshire SK11 6BU
<b>Investment Advisors</b>	Quilter Cheviot One Kingsway London WC2B 6AN

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2022**

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The Trustees (who are also the directors of the charity for the purposes of the Companies Act 2006) who served during the year were:

Mr S W Spinks	Chair		
Mr J R Lovett	Vice Chair	Dr D A Maxwell	(appointed May-21)
Dr J S Beck	(retired Sep-21)	Mr N L McArthur	Vice Chair
Mr R Barrow DL MBE		Mrs A Ratcliffe	(retired Sep-21)
Mrs G Crawford	(appointed May-21)	Mrs N C Sampson	(appointed May-21)
Mr S J Dickenson	(appointed May-21)	Mrs E J Stephens	
Dr L J Hastings	(retired Nov-21)	Mrs K R Waters	(appointed Nov-21)
Mr A C Kennedy			

All trustees are members of the Company and have no beneficial interest in it. Unless indicated above, they were all trustees at the time that this Report and the attached Financial Statements were approved.

**Patrons:** Mr Nick Robinson  
Prof Alistair Burns CBE

**President:** Mr David Briggs CVO MBE KStJ

**Vice Presidents:**

Mr P Bianchi	Mr P E Jones
Mr N Bianchi	Mrs J C Legh
Mrs F Brereton	Miss E McVey MP
Mrs F Bruce MP	Mr P Morrissey
Mrs J Clowes	Rt Hon G Osborne
Mr H G Fielding	Mr D Pollock DL
Mrs C Hayward DL	Mr R Raymond
Dr S Hayward	Mr D Rutley MP
Mrs J Hilditch	Lady A Winterton
Mr M Jones	Sir N Winterton

**Honorary Vice President** Mrs E Keefe

**Management Team:**

Mrs K Johnston	Chief Executive
Dr D Alexander	Medical Director
Mrs R Allcock	Income Generation Director
Mrs S Dale	Director of Quality & Innovation
Ms S Jones	Clinical Director
Mrs S Seabourne	Finance Director

# 2021/22

## A year in the life of East Cheshire Hospice



# 7

Brave staff members took part in a Wing Walk, which raised a total of £25.5K

# 220

Patients were able to die in the place they wanted to, thanks to Hospice @Home

# 9937

Local children wore Christmas hats to take part in our sponsored Jingle Bell Jog, raising almost £82K



# 3505

visits made by our daytime Hospice @Home team, providing care and support around the clock

# 124

Volunteers returned to their previous roles at Hospice following the Covid pandemic

# 1210

bereavement consultations were held, supporting local children and adults coping with loss

# £775K

fundraising target achieved by our Major Donor campaign

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2022**

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In submitting their Annual Report together with the consolidated financial statements of East Cheshire Hospice and its subsidiary for the year ended 31 March 2022, the Trustees have ensured that all financial statements comply with the Charity Act 2011, the Companies Act 2006, and Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019).

## **CHARITABLE PURPOSE & PUBLIC BENEFIT**

The objects and principal activities of East Cheshire Hospice are to provide palliative care and support to people with life limiting illnesses within the communities of Buxton, Congleton, Handforth, High Legh, High Peak, Knutsford, Macclesfield, Poynton, Wilmslow and the 72 villages and hamlets in between, serving a total population of c.200,000. It does this by:

- operating a residential hospice
- providing care to end-of-life patients in their own home
- operating a day hospice wellbeing centre
- operating a range of outpatient clinics
- providing social, psychological and spiritual support services for patients and carers.

The Trustees have carefully considered the Charity Commission guidance on public benefit in setting our objectives and planning our services, which are provided free of charge for the benefit of the public. Our mission is to provide the highest quality care and support to the people we serve. Our values and principles can be summarised by the acronym CARE – compassion, association, resourcefulness and excellence.

- **Compassion:** We ensure we put our patients, their families and carers at the centre of everything we do, and we always act with care and compassion
- **Association:** We work in partnership and collaboration, forming productive alliances in the interests of our patients
- **Resourcefulness:** We make the best use of our resources, ensuring that donations from our communities are directly channelled into the care and support for patients and their families
- **Excellence:** We will act with integrity and treat patients, families, colleagues, collaborators and supporters with respect at all times. We will invest in learning and development for our staff and volunteers – striving for excellence in all we do.

### **Our Vision**

Our vision is that by 2028, East Cheshire Hospice will be at the centre of a whole-system solution delivering or facilitating high quality, seamless, co-ordinated end of life care to people affected by life limiting illness, ensuring they are prepared, supported and cared for in a place of their choosing and with the minimum of stress and anxiety.

## **ACTIVITIES**

East Cheshire Hospice provides palliative care and treatment to adults who are nearing the end of their lives, as well as supportive services for their families, carers and loved ones. Our comprehensive range of services is available free of charge to those living in the communities we serve. Our provision is constantly adapting to the changing needs of our communities, including increasing numbers of patients presenting with frailty, dementia and complex comorbidities.

This report covers the year from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022, which was another year of uncertainty and disruptions due to the continued Covid-19 pandemic. We were able to maintain and even enhance our services to support our patients, families and carers despite the challenges and are now adapting to the 'new normal' as restrictions ease.

Our services are made up of the following key elements:

- **Our purpose-built Inpatient Unit (IPU)** provides end of life care as well as acute symptom management treatment for patients, staffed by a team of highly trained clinical palliative care specialists.

Waves of Covid-19 variants throughout the year meant that we had to continuously adapt our inpatient services to meet the prevailing need and ensured that anyone who meets our criteria for referral and whose circumstance would be improved by our care got access to it. We are proud that the IPU facility remained open throughout the pandemic, thanks to the flexibility and dedication of our clinical teams, and that more than 90% of patients were admitted within 48 hours of referral.

We were approached in December 2021 by Cheshire CCG who asked us to offer Inpatient capacity in order to relieve winter bed pressures at Macclesfield District General Hospital. We were able to allocate two beds to palliative patients who were stable and ready to be discharged from acute services. In addition to this, we also opened up Palliative Care Respite Beds this year as one of our key projects.

- **Our Hospice @Home Service** provides specialist palliative care for patients in their own homes, to prevent unnecessary hospital admissions and to enable more people to spend their final days in the place where they feel most comfortable. This service expanded in April 2021 to include daytime support, maintaining our focus on personalisation of care as a top priority despite global uncertainty.

In a landmark collaboration, this year ECH worked with partners in the NHS and voluntary sector to deliver the Palliative Care in Partnership project which incorporated our Hospice @Home Daytime Service, carer's breaks, night sitting service and access to specialist bereavement support. The new service (available from 4 April 2022) will support patients in the last 12 weeks of life under the Continuing Healthcare national guidelines and provide planned and highly personalised packages of care. The service will operate during the day and in the evenings, every day of the week including weekends and bank holidays and will integrate seamlessly with our existing out-of-hours Hospice @Home Rapid Response Service.

- **Our Sunflower Wellbeing Centre** is a day hospice providing nurse-led clinics and therapeutic interventions for all disease types and conditions, including specialist support for conditions such

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2022**

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as Dementia and Motor Neurone Disease (MND). Services include a living well programme, breathlessness clinic, stimulating activities, complementary therapies and guidance on advanced care planning.

This year, we fully integrated our nurse- and allied healthcare professional-led programmes with a mix of telehealth procedures, assistive digital technologies, in-person 1:1 and group sessions to alleviate symptoms, impart the skills to self-manage conditions and improve the quality of life for patients, their carers and families. The changes we implemented following the return to 'normal' activity increased the number of patients and carers supported by our Wellbeing Centre by 20%.

People with Dementia and their carers were more adversely impacted by the pandemic than those in other disease groups, therefore we re-doubled our efforts to offer support using a mix of telehealth procedures and our Covid-19 secure procedures and facilities to meet the needs of patients with dementia and their families. We doubled the capacity of our internationally acclaimed Dementia Carers' Wellbeing programmes and re-started our Dementia Companions and, by collaborating with the End of Life Partnership, Age UK Cheshire East and local solicitors, we will share our skills and expertise to enhance the wellbeing support provided to people with dementia across Cheshire.

- **Our Outpatient Facility** provides individual appointments for patients needing access to physiotherapy, occupational health, lymphoedema management, art psychotherapy and complementary therapies. These services were maintained as much as possible during Covid lockdowns, with virtual support and telehealth calls available throughout the year.
- **Our Family Support Services** meet the practical, social, physiological and spiritual needs of the people who are important to our patients. These include pre- and post-bereavement counselling for adults, a specialist childhood bereavement service and spiritual support for those of all faiths and none, led by a chaplain.

With so many in our community struggling to come to terms with the loss of a loved one during the first two years of the Covid-19 pandemic, we worked with partners across Cheshire to extend our bereavement services ensuring that there is no 'postcode lottery' when accessing this much needed support. We piloted the opening of a town centre bereavement facility, however due to the age and location of the property, we were unable to have reliable telephony and internet connections so vital for the delivery of the service. In early 2022, bereavement services were re-located back to the main Hospice site, and this is working well.

- **Education and Learning** continues to be central to the provision of our high-quality services that meet the needs of our community. We partner with local and national training service providers to ensure staff and volunteer teams have the skills they need to deliver great care.

We ran an unprecedented range of training courses, conferences and seminars for our workforce of volunteers, staff and colleagues in partner organisations this year, providing them with opportunities to develop themselves as individuals and as professionals. Enormous strides were taken towards our aim of creating a more flexible workforce who are skilled, equipped and adequately compensated to be able to work across whichever service needs them.

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2022**

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We also continued our focus on staff wellbeing by offering specific resources on maintaining our own mental health, and life-stage courses on Menopause self-management.

- **Volunteers** play a vital role in connecting us to our local community, bringing their skills, talents and insights to our work. One of the most challenging parts of Covid-19 lockdown was the loss of so much of our invaluable volunteer workforce. Thankfully, 2021/22 saw the continued return of our volunteer teams.

45 receptionists welcomed people to the Hospice 7 days per week, and supported business, clinical, and community phone callers and visitors. They worked closely with the team of 12 family liaison volunteers testing visitors, and helped them on and off with PPE. Our 11 gardeners continued to make ECH a beautiful place to be and 13 drivers transported patients to their Sunflower Centre Wellbeing sessions.

Spring 2021 saw the Covid-safe return of Sunflower Centre Assistants, Dementia Buddies, and Complementary Therapists. Our Community Dementia Companions returned to their roles in January 2022, small in number but with another 5 recruited and trained in early 2022.

By the end of 2021, we had 124 Hospice based volunteers safely returned, vaccinated, regularly testing, adapted to their adjusted roles and making a difference to patients, visitors and staff.

Our fundraising supporters and volunteers who had spent 2020 thinking of creative ways to raise funds in a socially distanced way were also able to get back to what they know best, baking cakes, helping out at events, running stalls, holding lunches, and moving online quizzes into real life.

## **ACHIEVEMENTS AND PERFORMANCE**

In addition to our continuous improvement work, the following key projects were identified as priorities to be delivered in 2021/22:

- **Hospice @Home Expansion**

We expanded our Hospice @Home Daytime Service by doubling the number of trained staff in the team providing planned and personally co-ordinated care for c.270 patients who were in the last 12 weeks of life, enabling 77% (220 people) to achieve their preferred place of death. The daytime service operates from 7:30am to 9:00pm every day and is supported by our out-of-hours Rapid Response team who attend patients in crisis at home or who need additional support at night.

- **Palliative Care Respite Beds**

We now care for patients with short term (1-2 weeks) inpatient stays and each year give around 30 families, carers and loved ones much needed respite breaks from their arduous caring responsibilities so that they can return to being the partner, child, sibling, parent or friend of their loved one. We will look to develop this service further as part of our continuous improvement work.

- **Cheshire-wide Palliative Care in Partnership (PCiP) Project**

This year we worked with partners in the NHS as well as those in the private and third sectors to deliver excellence in social care for end-of-life patients across Cheshire. This was a unique collaboration between multiple agencies and organisations and having successfully achieved the delivery of the project goal, it transitioned into a fully-fledged service in April 2022. The service is

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2022**

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designed to deliver personalised co-ordinated care for individual patients and will continue to develop as we integrate into the wider healthcare system. This integration is key to ensuring that every health and social care resource in our area is deployed efficiently and effectively to deliver high quality, easily accessible at home care services at the point of need. Whilst, through this project, East Cheshire Hospice is successfully co-ordinating the care for patients in the PCiP service, the next challenge is to provide co-ordinated care for end of life patients, no matter where they are in the healthcare system.

- **Palliative Care 24hr Helpline**

Throughout the year, we have worked with St Luke's (Cheshire) Hospice, Hospice of the Good Shepherd and the End of Life Partnership to give consistent, countywide access to telephone support to end of life patients, their families and healthcare professionals involved in their care. We received around 150 calls to our advice line in 2021 alone, providing immediate support to those in need.

- **Childhood and Adult Bereavement**

We spent this year developing and expanding our existing service offering to help more people by using a mix of digital communication platforms and in-person sessions to increase accessibility and choice. We trialled offering these services from our Chestergate building but, due to issues with telephony which could not be resolved, all bereavement services have now returned on site at the Hospice. Moving forward we will co-ordinate the services centrally, but will seek to have consulting rooms utilised by sessional counsellors local to each of the care communities.

- **Support for end of life patients who are homeless**

Working in partnership with St Luke's (Cheshire) Hospice and Hospice of the Good Shepherd, we provided resources for a dedicated specialist palliative care nurse to support end of life patients across Cheshire who have no fixed abode. We are exceptionally proud of the work carried out through this partnership and the difference it has made to the people who have been supported by it. We will continue to access the support of the nurse moving forward and we will make a decision on whether to continue support for this service once all the funds have been exhausted.

- **Delivering phase one of the building programme**

We completed the building of an annex to the rear of the Hospice site, to accommodate the Hospice @Home expanded clinical team and future care co-ordination centre together with administration and fundraising facilities. The building was opened in September 2021 and the extra space afforded by the new wing was instrumental in getting everyone back to work following the relaxation of Covid restrictions.

- **IT and Digital Futures Strategy**

We have created a digital strategy to enable the use of new technologies to better meet the needs and expectations of patients now and in the future. Year one of the strategic plans have been incorporated into the budget for 2022/23. It is likely that some of the proposed costs of interconnectivity with other organisations will be picked up by NHS Transformation funding. Our digital strategy has been shared with hospices in Cheshire & Merseyside region and has been well received and even adopted in some cases.

## **FINANCIAL REVIEW**

The Statement of Financial Activities is set out on page 22, and a summary of the financial results is given below. The group achieved a surplus on net operating activity of £1,849,602 (2020/21: surplus £809,073). The overall result, after allowing for stock market gains and losses on the market value of our investment fund, is a gain of £2,067,508 (2019/20: surplus £1,580,883).

This is another reassuring result, and we remain hugely grateful for the continued and generous support of our local community, NHS England and our local commissioner, Cheshire CCG.

### **Income Generation Activity**

Despite a second year of disruptions and limitations, our Income Generation team had a strong year by adapting plans and innovating how we fundraise. We began to return to a 'new normal' as Covid restrictions eased, although some activities are likely to remain forever changed by the lessons of the pandemic. It is also highly likely that our income generation activity will continue to be challenged by the unprecedented economic uncertainty and even geo-political issues drawing focus away from local charitable giving.

### **Commercial**

Our charity shops had an exceptionally strong year, performing at higher levels than pre-pandemic. The new Poynton shop has proven particularly successful, both in terms of revenue production and integration into the local community. We were lucky enough to retain the vast majority of our retail volunteers throughout the various lockdowns of the previous year, who continue to play such a vital role in the success of our shops. We also received a generous donation of more than 1,300 brand new rugs this year, which were sold in our shops, online, and at a series of special sales events.

Our premises on Chestergate were used during the pandemic as a wellbeing centre but are now back in use as a shop. We used the model from Poynton to create a 'boutique' style for this space, as we believe this is a good fit for the surrounding area, which boasts several trendy restaurants and vintage shops. Initial reception to the shop opening has been excellent and we are hopeful that it will prove profitable and popular moving forward.

We continue to look for further suitable sites to develop new retail space, particularly in Knutsford and Congleton.

### **Relationships**

Our fundraisers worked hard to maintain our supporter relationships throughout Covid, and it was gratifying to see these efforts result in an upturn of activities as restrictions lifted this year.

Our Christmas Tree Collection is always our biggest fundraising event of the year, and we were delighted that it was able to go ahead on schedule this January. We adapted our ways of working, using different venues to allow a more socially distanced experience for our volunteers, but income was unaffected, and the event once again raised more than £150K. We remain indebted to Richard Raymond and Peter Chapman and their families and friends, without whose hard work and dedication the Collection would not happen.

Other successful community-based activities included our Jingle Bell Jog, a Christmas run for children which involved 48 schools/nurseries across the region and raised almost £82K, and the group known

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as What Women Want held their annual bingo night, which raised an impressive £10.5K.

Our major donor activity continued to operate throughout the year, successfully reaching its five year target of £775K seed funding for our work to fully co-ordinate care services for all patients at end of life. The Covid-secure online programme of Meeting of the Minds events remained popular, thanks in no small part to the involvement of our Patron, the BBC's Nick Robinson.

Legacies continue to be a vital, if difficult to predict income stream for East Cheshire Hospice, helping to provide care for around 1 in 3 patients and families. A combination of delays in estate processing during the peak of the pandemic and very sadly a heightened mortality rate meant that 2021/22 set a new record high level of legacy income.

### **Engagement**

Digital engagement continues to be a priority for the team, with email and social media communications often proving the most effective way to stay in touch with our supporters. However, we have taken advantage of the reduction in restrictions to increase our physical engagement activities, hosting our first live event in two years in October 2021. This was a drive-in cinema held at Capesthorpe Hall, and represented a significant milestone in our journey out of Covid.

Since then, we have held a successful new event, Pie & Pint, as well as our annual memory walk. We do not anticipate a return to the large-scale events of the past, but it was gratifying to be able to engage directly with supporters once more.

### **Fundraising complaints**

We did not receive any complaints about our fundraising activities during the last year. Our fundraising team abides by the Fundraising Regulator's Code of Practice and their Fundraising Promise. We strive always to act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

### **Funding from statutory bodies**

Cheshire CCG, our main commissioner worked very collaboratively with us throughout the year. We were delighted to see a 3% increase in our core grant for 2021/22, along with further one-year, non-recurrent funding to provide carer's breaks for end-of-life patients and also to support winter bed pressures at Macclesfield District General Hospital. The planned restructuring of the CCG into Cheshire & Merseyside Integrated Care Board (ICB) in April 2022 has been delayed and it is not yet clear how this will impact our relationships or funding going forward.

Our contract with Cheshire CCG to provide domiciliary end of life care through the Continuing Health Care funding mechanism proved successful, enabling us to provide care 24/7 in more patients own homes. This service has now been incorporated into the Palliative Care in Partnership Project and we were pleased to sign a contract with Mid Cheshire Hospitals NHS Foundation Trust (MCHT) in December 2021 which allowed us to expand the number of patients we can help.

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During the year, Hospice UK secured a third round of NHS England (NHSE) funding on behalf of all adult hospices in England. This funding was intended to allow hospices to make available bed capacity and community support from December 2021 to March 2022, as the Omicron variant of COVID19 peaked. We are hugely grateful to both Hospice UK and NHSE for the £551,661 received through this grant.

### **Investment Objectives and Returns**

The Trustees have the power to invest in such assets as they see fit. The Hospice maintains a mixture of liquid funds and longer-term stock market investments which act as both an income stream and reserves. Income flows can be hard to predict, and so cash balances over and above those required for immediate operational purposes are invested in a mix of shorter- and longer- term deposits to allow for possible funding gaps. In May 2021 the investment portfolio was switched to the Quilter Cheviot Global Income and Growth Fund for Charities, a Charity Authorised Investment Fund (CAIF), which has a similar risk profile to the Hospice's previous discretionary fund with the benefit of reduced fees.

Quilter Cheviot's performance is reviewed quarterly against the Asset Risk Consultants (ARC) benchmark, comprising 50% of the Balanced Index and 50% of the Steady Growth Index. Despite continued turbulent markets, the total return on the portfolio for the year to 31 March 2022 was ahead of the benchmark by 1.8%, ending the year at +9.3%. This resulted in an unrealised gain of £217,906 which has added to reserves in year.

### **Expenditure**

Total costs are in line with last year, showing a small decrease of £38,521, as increases in staffing costs were offset by the reduction in depreciation charge. Staffing is the single largest cost in the Hospice, accounting for 74% of the total, and reflecting that the excellent care our patients and their families receive is reliant on our ability to recruit and retain well trained and highly sought after care staff. Staffing costs increased by £218,820 as we sought to maintain parity of pay with NHS employed colleagues, and catch up with training following the pandemic. Depreciation charges have returned to normal levels following a significant increase last year as the change in depreciation policy was implemented, giving a cost reduction of £309,730 this year. This has more than offset the increased staffing costs.

Our Hospice @Home daytime service costs have increased by £223,044, as the service has grown. The daytime service was successfully launched in April 2021 and has been expanding ever since, with a particular increase from December 2021 as the Palliative Care in Partnership collaborative working arrangements were agreed with Mid Cheshire Hospitals NHS Foundation Trust (MCHT). Recruitment is ongoing for this service, and we expect further cost increases next year.

Following the significant expansion of our Hospice @Home service, it became clear that allocation of support costs across our activity based on floor space was no longer a useful approximation of the resource used in that activity. Support costs are now apportioned on the basis of headcount used in each activity.

We remain grateful to NHSE that they have again picked up the increase in the NHS Pensions employers costs following the 2016 actuarial valuation (effective April 2019). This increase in employers' contributions from 14.3% to 20.6% would otherwise be an additional cost of c.£67,000 to the Hospice. It is not yet clear if or when the Hospice will be expected to take on this cost directly.

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We are mindful as always of the need to use our donated income and resources in the most efficient way, and to provide the maximum benefit for our patients and their families. We continue to review all our activity to ensure we meet the changing needs of the community we serve.

### **Risk Management**

The Board reviews detailed assessments of the risks to which the Charity may be exposed. Comprehensive governance arrangements are in place to oversee risk management in clinical, support services and business administration to ensure that standards are maintained in line with good practice, legislation and accreditation. The processes in place are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- identification and management of risks, using an Organisational Risk Register;
- insurance covers for the major financial risks which are reviewed annually;
- a three-year rolling strategic plan and an annual delivery plan with budgets and key performance indicator targets, all approved by the trustees;
- regular consideration by trustees of financial results in comparison with budgets and prior year performance;
- regular review of financial and non-financial performance indicators and bench-marking reports;
- appropriate levels of delegation of authority and segregation of duties.

The charity's reliance on voluntary income to provide 77% of the annual running costs means that the long-term financial sustainability of the Hospice remains one of the key risks identified by the Trustees. The Trustees, however, have maintained a strategy of continuous improvement in relation to service delivery as well as investing in income generation to mitigate this risk as far as possible.

We anticipate that the heightened demand for our services will continue into the post-pandemic era as diagnoses which were delayed due to Covid will now present in greater numbers, with more complexity or in crisis. The key risk in this instance is that services will be periodically overwhelmed if surge capacity is unable to be managed effectively.

The Health Care Act 2022 makes provision for the NHS re-organisation leading to significant changes to the way palliative and end of life services are commissioned. There is a risk that we will be unable to secure sufficient statutory funding to maintain services at current levels.

### **Reserves**

At 31 March 2022, the Hospice held total reserves of £14,422,639, an increase of £2,067,508 over the previous year. Of the total reserves, £4,979,867 relates to restricted reserves, with the main restriction being over the Hospice building. Should the Hospice cease to operate, or the building be sold, all proceeds must be returned to the Secretary of State for Health and Social Care.

Remaining restricted funds relate primarily to the Hospice @Home service – this was being pump-primed by our Hospice Angels campaign which started in 2016, 12 months before the service became operational. Angels had pledged to provide support for five years whilst a sustainable income stream was built up. We are very pleased to announce that the Palliative Care in Partnership contract, funded by Cheshire CCG will part fund elements of this service. The Trustees agreed to retain the designated Hospice @Home fund until the new statutory contract becomes fully operational. Remaining restricted

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funds will continue to pay for non-statutory funded elements of this service.

The ECH Ambassador Group refocussed their fundraising efforts through another Hospice Angels campaign which funded the development of a Co-ordinated Care Service linked to Hospice @Home, giving patients, carers and healthcare professionals a single point of contact to meet all their palliative and end of life care needs.

During the year, the Trustees reviewed the reserves policy and set a range within which it was deemed prudent to hold free reserves. This is based on a minimum level required to support the Hospice through two fallow income generation years and sufficient funds to wind up the Hospice in the event of a forced closure, and a maximum level of 12 months' operating costs. Reserves in excess of the minimum are held to support service development and to meet exceptional circumstances. A number of designated funds were established in year to support the ambitious plans for development of both the Hospice services and its site, which is now over 34 years old. The service development fund will be used to contribute to the development of our dementia services, along with co-ordinated care and Hospice at Home expansion. The Building development Fund has been set up to assist in match funding the remaining 4 phases of the Millbank Drive site renovations, which we hope to advance over the next 5 years should funding become available. The final designated fund is for repairs and equipment and is to ensure we can maintain an aging building in a good state of repair.

The Hospice's 'free reserves' are those unrestricted funds that are freely available to spend on any of the charity's purposes, and excludes all fixed assets, restricted and designated funds. Free reserves at 31 March 2022 are £5,205,984 compared to £6,361,228 last year.

## **PLANS FOR FUTURE PERIODS**

In this planning period we are carefully re-emerging from the first two crisis years of the Covid 19 pandemic and learning to deliver services and organisational change in a world altered by the experience.

The plans for the coming year will be organised under our perpetual Continuous Improvement workstream and a set of multi-year Change Programmes with specific milestones for each of the financial years to March 2025.

The Health Care Act 2022 redefines how health and social care is delivered in the UK. This represents both a risk but also an unprecedented opportunity for ECH to deliver on its vision to provide fully integrated support for patients and their families facing end of life, and to grow its influence within our local health and care economy. We will invest time and energy into building new networks and being an enthusiastic and flexible partner organisation.

Over the course of the year, we will undertake a governance review to evaluate Board performance against the Charity Commission's Governance Framework guidance and the Charity Governance Code. We will also have to replace four hugely experienced members of our Board of Trustees who have reached the end of their maximum terms of office. We will seek the best talent our locality has to offer and ensure they undertake a meaningful induction and training programme to guarantee that ECH continues to have a robust governance framework.

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The continuous improvement workstream will manage the organisation's business as usual service delivery and operational support functions to ensure ECH is developing in the right direction, meeting its charitable objects as well as its fiscal responsibilities.

## **Income Generation**

We anticipate that rising inflation and energy costs will leave households with less disposable income and the desperate humanitarian crisis caused by the war in Ukraine will mean donors have difficult choices to make as to which organisations, if any at all, are the beneficiaries of their charitable giving.

We recognise we will have to work harder to attract diminishing charitable donations and there are fully costed plans and stretching targets in place for each of our nine voluntary income streams, namely Retail, Events, Lottery, Corporate, Community, Legacies, Grants & Trusts, Individual Giving and Major Donors.

The Ambassador Group, which helps ECH to access seed funding for innovation projects has a new fundraising target of £975K to raise by 31 March 2023. This income will fund the expansion of our Sunflower Centre Dementia Wellbeing Programme over the next five years, just one element of the large scale Dementia Change Programme as detailed below.

## **Change Programmes**

There are seven change programmes which will drive the organisation further and faster towards achieving its vision, namely:

1. **Development of Hospice Dementia Services** to ensure ECH has the capacity, competency and facilities to meet the emerging needs of people dying from or with dementia in our community. This programme has six workstreams:
  - Through academic research develop a Dementia End of Life Care Pathway
  - Undertake a Locality Gap Analysis to ensure any ECH development adds capacity to the Integrated Care System and does not duplicate existing services
  - Seek to co-produce services using Patient and Carer feedback
  - Engage with our communities to ascertain future needs for services, support and/or education requirements
  - Sunflower Centre refurbishment programme to ensure we have the facilities to deliver simultaneous services in a dementia -friendly environment
  - Major donor fundraising campaign to seed fund innovation in service development
  
2. **Community Engagement** to enable ECH to hear and understand the needs of the communities it serves to better develop more responsive, hyper local services and increase income generation and volunteering opportunities within

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compassionate neighbourhoods.

- 3. Hospice Sustainability** to ensure that ECH remains financially sustainable, meets our communities' need for high quality care, is the go-to partner organisation for end of life care locally and continues to be the lead innovator in palliative and end of life service provision.
- 4. Digital Transformation** By harnessing the power of our people and synergistic technologies we will improve productivity, enhance users' experience with 'smart' facilities, provide seamless interconnectivity with partner organisations and ensure we stay relevant.
- 5. Launch Co-ordinated Care Service** to be the lead partner in developing and managing a single point of contact/access for Palliative and End of Life Care patients and professionals in Cheshire East Place. Ensuring all Palliative and End of Life Care patients, families and their healthcare professionals will have one number to call, one single source of information and be one multi-agency team working 24/7 across the integrated care system.
- 6. Facilities Development** to ensure our facilities are fit for purpose, efficient to run and safe to use. In year will see the completion of phase two of the site redevelopment plan which includes the Sunflower Centre re-design in line with the associated capital appeal as well as the preparation work required for phase three. We will also undertake necessary major repairs.
- 7. Data Analytics** to integrate all ECH data sources to give Board/SMT and team leaders greater visibility of information for effective monitoring, reporting and timely decision-making to improve patient and family experience and assist with hospice sustainability.

Our strategy is designed to reflect the six ambitions in the National Framework for Palliative Care and informed locally by population health data for East Cheshire and regionally by the Strategic Collaborative Cheshire.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hospice is a charitable company limited by guarantee, incorporated in England and Wales on 10 April 1984 and registered as a charity on 25<sup>th</sup> April 1984. The company is established under a Memorandum of Association which sets out the objects and powers and is governed under its Articles of Association, as updated in March 2015.

The Nominations and Remuneration Committee is responsible for monitoring and evaluating the trustee recruitment, selection and appraisal process. The governing document requires between 5 and 14 trustees. Board vacancies are identified through regular skills audits and vacancies are filled through a

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formal recruitment process. The Hospice serves the needs of the broad community, so the Board endeavours to reflect this in the make-up of its membership, whilst meeting the need to have an appropriate mix of professional skills necessary for the day-to-day and longer term running of the Charity. Once appointed to the Board, new trustees undertake an induction programme, supported by an existing member of the Board, and are supplied with a comprehensive information pack detailing the responsibilities of their trusteeship. Trustees are elected to serve for a term of three years, but can seek re-election for two further periods, with a total permitted maximum of nine consecutive years.

The Board meets at least four times a year and is responsible, through its committees, for setting and monitoring progress against the Strategic Plan, Annual Delivery Plans and Key Performance Indicators. These meetings are attended by the Chief Executive and members of the management team, who are responsible for the day-to-day running of Hospice services.

The committees are attended by designated Trustees and management team. The committees make proposals to the Board and have approved terms of reference with specific assigned responsibilities. The committees are:

- The Patient Care and Clinical Governance Committee which is responsible for monitoring patient care/services, partnership and clinical governance, and meets quarterly;
- Finance and Resources Committee which is responsible for monitoring and compliance of all matters financial, donor engagement, partnerships, use of technology and all other resources inclusive of human resources, and meets quarterly;
- The Nominations and Remuneration Committee which is responsible for the appointment of Trustees, Vice Presidents and other key roles, and meets at least twice yearly. It is also responsible for agreeing the remuneration of management posts as they become vacant. This is done by reference to other similar roles in the local job market and other hospices.

The Finance and Resources Committee reviews all staff pay on an annual basis to determine whether an inflation pay award can be given. The management team is included in this review and receive any increase on the same basis as all other staff.

The Hospice is a member of The End of Life Partnership, a local charity consisting of 30 partner organisations involved in end of life care issues across Cheshire. It also promotes the delivery of high-quality palliative care education in order to ensure all communities are prepared for end of life care. The Hospice does not have any control over this charity, however, along with other hospices within Cheshire, it does provide an annual grant towards its core costs. The Hospice is also a shareholder in the Hospice Quality Partnership, a commercial company set up by hospices nationally to provide more efficient and better-quality procurement in the sector through collective bulk purchasing power.

The Hospice's wholly owned subsidiary, ECH Trading Limited, was established to run commercial retail activities. It gift aids its profits to the Hospice and all related party transactions are provided in the notes to these accounts.

## **RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The Trustees (who are directors of East Cheshire Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Board is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## **AUDITORS**

Heywood Shepherd were re-appointed as the charitable company's auditors and have expressed their willingness to continue in that capacity.

**Approved by the Board on 15 September 2022 and signed on its behalf by:**

**Mr S W Spinks**

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## **Opinion**

We have audited the financial statements of East Cheshire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheet and the consolidated statement of cashflows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2022, and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable company 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 group's or parent charitable company'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.

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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.

### **Opinions 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' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 group or the parent charitable company 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

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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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, are detailed below:

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:

- We identified the laws and regulations applicable to the company through discussions with trustees and management, and from our 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 company, including the Companies Act 2006, Charities SORP FRS102, 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 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 company'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;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or expected relationships;

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;
- reading minutes of meetings of those charged with governance;
- 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 directors 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 Independent Auditor's Report.

**EAST CHESHIRE HOSPICE**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE**  
**For the year ended 31 March 2022**

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**Use of our report**

This report is made solely to the charitable company's members, 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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr N A Kennington (Senior Statutory Auditor)**  
**For and on behalf of Heywood Shepherd,**  
**Chartered Accountants**  
**1 Park Street**  
**Macclesfield**  
**Cheshire**  
**SK11 6SR**

**Dated: 15 September 2022**

EAST CHESHIRE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating and Income & Expenditure account)  
As at 31 March 2022

	Notes	2022			2021		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income from:</b>							
Donations and legacies	2	4,431,324	1,444,943	5,876,267	3,841,723	1,503,309	5,345,032
Charitable activities	3	207,212	-	207,212	87,226	-	87,226
Other trading activities	4	1,000,088	9,216	1,009,304	666,530	1,541	668,071
Investments	5	115,602	-	115,602	106,048	-	106,048
<b>Total</b>		<b>5,754,226</b>	<b>1,454,159</b>	<b>7,208,385</b>	<b>4,701,527</b>	<b>1,504,850</b>	<b>6,206,377</b>
<b>Expenditure on:</b>							
Raising funds	7	994,937	2,867	997,804	934,133	2,272	936,405
Charitable activity	8						
Inpatient services		2,322,098	106,479	2,428,577	2,604,379	17,206	2,621,585
Day-care and outpatients		487,936	97,710	585,646	663,049	6,436	669,485
Hospice @Home		364,962	550,491	915,453	214,850	477,559	692,409
Family support services		293,169	73,379	366,548	363,834	43,478	407,312
Outreach and education		51,177	13,578	64,755	69,974	134	70,108
<b>Total</b>		<b>4,514,279</b>	<b>844,504</b>	<b>5,358,783</b>	<b>4,850,219</b>	<b>547,085</b>	<b>5,397,304</b>
Net gains/(losses) on investments	12	217,906	-	217,906	771,810	-	771,810
Net income/(expenditure)		1,457,853	609,655	2,067,508	623,118	957,765	1,580,883
Transfers between funds	22	625,780	(625,780)	-	1,246,924	(1,246,924)	-
<b>Net income/(expenditure) for the year</b>		<b>2,083,633</b>	<b>(16,125)</b>	<b>2,067,508</b>	<b>1,870,042</b>	<b>(289,159)</b>	<b>1,580,883</b>
Total funds brought forward		7,359,139	4,995,992	12,355,131	5,489,097	5,285,151	10,774,248
<b>Total funds carried forward</b>	22	<b>9,442,772</b>	<b>4,979,867</b>	<b>14,422,639</b>	<b>7,359,139</b>	<b>4,995,992</b>	<b>12,355,131</b>

The statement of financial activities includes all gains and losses recognised in the year and all amounts derive from continuing activities. The transfer between funds is in respect of movements in fixed assets.

The notes on pages 25 to 37 form part of these accounts.

EAST CHESHIRE HOSPICE

BALANCE SHEET  
For the year ended 31 March 2022

	Notes	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
<b>Fixed Assets</b>					
Tangible assets	11	<b>4,273,401</b>	3,721,363	<b>4,273,401</b>	3,721,363
Investments	12	<b>5,997,993</b>	3,746,614	<b>5,997,995</b>	3,746,616
		<b>10,271,394</b>	7,467,977	<b>10,271,396</b>	7,467,979
<b>Current Assets</b>					
Stock	14	<b>171</b>	441	-	-
Debtors	15	<b>1,457,992</b>	951,200	<b>1,457,992</b>	951,200
Cash at bank and in hand		<b>3,079,803</b>	4,443,533	<b>3,079,801</b>	4,443,531
		<b>4,537,966</b>	5,395,174	<b>4,537,793</b>	5,394,731
Creditors: amounts falling due within one year	16	<b>386,721</b>	508,020	<b>387,368</b>	508,397
<b>Net Current Assets</b>		<b>4,151,245</b>	4,887,154	<b>4,150,425</b>	4,886,334
<b>Total Assets Less Current Liabilities</b>		<b>14,422,639</b>	12,355,131	<b>14,421,821</b>	12,354,313
Creditors: amounts falling due after more than one year		-	-	-	-
<b>Net Assets</b>		<b>14,442,639</b>	12,355,131	<b>14,421,821</b>	12,354,313
Restricted funds		<b>4,979,867</b>	4,995,992	<b>4,979,867</b>	4,995,992
Unrestricted - general funds		<b>5,378,641</b>	5,546,791	<b>5,377,823</b>	5,545,973
- designated funds		<b>4,003,251</b>	808,387	<b>4,003,251</b>	808,387
- revaluation reserve		<b>60,880</b>	1,003,961	<b>60,880</b>	1,003,961
<b>Total Funds</b>	22	<b>14,422,639</b>	12,355,131	<b>14,421,821</b>	12,354,313

These financial statements of East Cheshire Hospice (charity number 515104; company number 01807691) were approved by the Board of Trustees on 15 September 2022 and signed on its behalf by:

Mr S W Spinks

Mr A C Kennedy

The notes on pages 25 to 37 form part of these accounts

**EAST CHESHIRE HOSPICE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2022

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash provided by / (used in) operating activities	<u>1,317,600</u>	<u>1,287,549</u>
<b>Cash flow from investing activities:</b>		
Dividends and interest from investments	115,602	106,048
Proceeds from the sale of equipment	-	11,800
Purchase of property, plant and equipment	(763,460)	(501,090)
Proceeds from the sale of investments	4,429,790	216,897
Purchase of investments	<u>(6,463,262)</u>	<u>(229,483)</u>
Net cash provided by / (used in) investing activities	<u>(2,681,330)</u>	<u>(395,828)</u>
<b>Change in cash and cash equivalents in the year</b>	<b>(1,363,730)</b>	891,721
Cash and cash equivalents b/f	<u>4,443,533</u>	<u>3,551,812</u>
<b>Cash and cash equivalents c/f</b>	<u><b>3,079,803</b></u>	<u>4,443,533</u>

**Notes to the consolidated cash flow statement**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for the reporting period	2,067,508	1,580,883
Depreciation charge	210,304	520,034
(Gains) / losses on investments	(217,906)	(771,810)
Investment income	(115,602)	(106,048)
Loss / (profit) on sale of fixed assets	1,118	(4,143)
Decrease/(increase) in stock	270	326
(Increase)/decrease in debtors	(506,793)	(53,160)
(Decrease)/increase in creditors	(121,299)	119,285
Investment commissions	-	2,182
Net cash provided by / (used in) operating activities	<u>1,317,600</u>	<u>1,287,549</u>

Analysis of cash and cash equivalents:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,329,803	1,193,533
Notice deposits	<u>1,750,000</u>	<u>3,250,000</u>
Total cash and cash equivalents	<u><b>3,079,803</b></u>	<u>4,443,533</u>

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2022

---

### 1. Summary of Significant Accounting Policies

#### General Information and Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS102, 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 (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets. The financial statements are presented in GB Sterling, which is the functional currency, rounded to the nearest Pound.

#### Basis of consolidation

These accounts consolidate the results of the charity and its wholly owned trading subsidiary, ECH Trading Limited, on a line by line basis. A separate Statement of Financial Activities has not been presented for the charity as allowed by Section 408 of the Companies Act 2006. The net gain of the Hospice for the year is £2,067,508 (2021: net gain £1,580,883).

#### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are donations which the donor has specified are to be used for specific projects. The aim and use of each significant restricted fund is set out in the notes to these accounts.

#### Incoming Resources and Debtors

All income is recognised in the statement of financial activities when the Hospice has entitlement to the funds, receipt is probable, and the amount can be reliably measured. The following policies are applied to income:

- Voluntary income is included in full when receivable. Grant income is recognised when the charity becomes unconditionally entitled to it.
- Legacies are included at the earlier of when the Executors notify the Hospice that a distribution will be made, or when a distribution is received. Where legacies have been notified to the Hospice, but the recognition criteria have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Gifts in kind and donated services are recognised within incoming resources and expenditure at an estimate of open market value. The value of services provided by volunteers is not included in the accounts.
- Items donated for resale through the charity's shops are included as incoming resources when they are sold.
- Investment income is included when receivable.
- Lottery income received in advance is deferred and released in the week that the draw takes place.

Debtors are recognised at settlement value.

#### Resources Expended and Creditors

Expenditure is recognised when there is a legal or constructive obligation to a third party, payment is probable, and the amount is reliably measurable. Irrecoverable VAT is allocated as a support cost. Expenditure is classified under the following activity headings:

- Costs of raising funds are those associated with fundraising activity, including the charity's shops and lottery operations and their associated support costs.
- Charitable expenditure is incurred in the delivery of the charity's activities and services for its beneficiaries. It includes costs that can be directly apportioned and indirect associated support costs.

Grants payable are made to third parties in the furtherance of the Hospice's charitable objectives. Grants are accounted for when the conditions for payment have been met by the recipient, or in full when no conditions have been set.

Redundancy and termination payments are recognised on an accruals basis as a liability is incurred.

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2022

---

### 1. Summary of Significant Accounting Policies (continued)

Creditors are recognised where it is probable that a reliably estimated present obligation will result in a payment to a third party. Creditors are recognised at their settlement value.

#### Support costs

Support costs are those back-office functions that are necessary for the effective running of the Hospice but are not directly involved in providing care. They are allocated between the cost of raising funds and charitable activities as set out in the notes to these accounts.

#### Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over their estimated useful life as follows:

- Buildings 2 – 10% p.a. straight line depending on the asset nature
- Plant, equipment and vehicles 12.5% p.a. straight line
- Computer hardware 25% straight line

The land at Millbank Drive is included at market value at the time of donation from the Health Authority.

#### Investments and cash

Listed investments are stated at market value at the balance sheet date. Unlisted investments are valued at cost. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Cash at bank is held to meet the day to day running costs of the Hospice as they fall due.

#### Stock

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

#### Leases

Rental payable under operating leases are charged to the statement of financial activities in equal annual instalments over the period of the lease.

#### Pensions

The Hospice contributes to the NHS pension scheme as allowed under direction of the Secretary of State in England and Wales. This is an unfunded, defined benefit pension scheme and it is not possible to identify the assets and liabilities which are attributable to the Hospice. The scheme is therefore accounted for as defined contribution scheme. The Hospice also operates 2 further defined contribution pension schemes. The assets of all schemes are held separately from those of the Hospice in independently administered funds. Contributions payable for the year are charged to the SOFA in line with the activity carried out by the relevant pension scheme member.

#### Taxation

The Hospice is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of Hospice reserves to be able to continue as a going concern.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2022**

**2. Donations and legacies:**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Donations	890,527	679,304	1,569,831	1,405,555	573,118	1,978,673
Legacies	2,148,009	-	2,148,009	1,023,770	600	1,024,370
Community activity	508,089	70,396	578,485	388,530	200	388,730
Grants	884,699	695,243	1,579,942	1,023,868	929,391	1,953,259
	<b>4,431,324</b>	<b>1,444,943</b>	<b>5,876,267</b>	<b>3,841,723</b>	<b>1,503,309</b>	<b>5,345,032</b>

**Grants receivable were:**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
NHS Cheshire CCG – care	457,211	-	457,211	443,894	-	443,894
NHS Cheshire CCG – drugs	108,000	-	108,000	110,700	-	110,700
NHS Cheshire CCG – other	215,321	-	215,321	168,247	-	168,247
NHS Derbyshire CCG – care	41,286	-	41,286	40,476	-	40,476
Cheshire East Council	-	29,818	29,818	53,170	-	53,170
Job Retention Scheme	1,423	-	1,423	49,399	-	49,399
NHSE Covid-19 capacity grant	-	551,661	551,661	-	864,079	864,079
Other grants and trusts	61,458	113,764	175,222	157,982	65,312	223,294
	<b>884,699</b>	<b>695,243</b>	<b>1,579,942</b>	<b>1,023,868</b>	<b>929,391</b>	<b>1,953,259</b>

The Hospice's main grant agreements are with NHS Cheshire Clinical Commissioning Group (CCG), which makes a contribution to the provision of 24-hour specialist palliative care for patients and families in the East Cheshire region and for drugs. The Hospice has a similar arrangement with NHS Derbyshire CCG as the boundaries of the Hospice's service area extend to parts of Derbyshire.

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from December 2021 to March 2022, to provide support to people with complex needs in the context of the COVID-19 situation.

**3. Charitable activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Local government and NHS service contracts	194,529	-	194,529	86,241	-	86,241
Other ancillary income	12,683	-	12,683	985	-	985
	<b>207,212</b>	<b>-</b>	<b>207,212</b>	<b>87,226</b>	<b>-</b>	<b>87,226</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2022

**4. Other trading activities:**

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Events and sponsorship	195,651	9,216	204,867	168,114	1,541	169,655
Lottery income	328,204	-	328,204	324,471	-	324,471
Shops	476,233	-	476,233	173,945	-	173,945
	<b>1,000,088</b>	<b>9,216</b>	<b>1,009,304</b>	<b>666,530</b>	<b>1,541</b>	<b>668,071</b>

**5. Investment income:**

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
Dividends received	111,754	-	111,754	87,167	-	87,167
Interest received	3,848	-	3,848	18,881	-	18,881
	<b>115,602</b>	<b>-</b>	<b>115,602</b>	<b>106,048</b>	<b>-</b>	<b>106,048</b>

**6. Net incoming resources for the year (group and charity):**

	2022	2021
	£	£
This is stated after charging:		
Depreciation (owned assets)	210,304	520,034
Auditor's remuneration (excluding VAT) - charity	8,500	8,000
Auditor's remuneration (excluding VAT) - subsidiary	850	850
Non audit fees (excluding VAT)	<b>4,200</b>	<b>3,975</b>

**7. Raising funds:**

	Unrestricted Funds	Restricted Funds	Total 2022	Unrestricted Funds	Restricted Funds	Total 2021
	£	£	£	£	£	£
<b>Donations and legacies:</b>						
Staff costs	266,008	-	266,008	274,517	-	274,517
Events and fundraising costs	121,129	2,867	123,996	98,889	-	98,889
	<b>387,137</b>	<b>2,867</b>	<b>390,004</b>	<b>373,406</b>	<b>-</b>	<b>373,406</b>
<b>Other trading activity:</b>						
Staff costs	246,746	-	246,746	271,763	-	271,763
Events and fundraising costs	36,608	-	36,608	19,724	-	19,724
Lottery management costs	17,163	-	17,163	10,225	-	10,225
Lottery prizes	79,592	-	79,592	78,022	-	78,022
Shop running costs	145,428	-	145,428	143,553	1,870	145,423
	<b>525,537</b>	<b>-</b>	<b>525,537</b>	<b>523,287</b>	<b>1,870</b>	<b>525,157</b>
<b>Investment costs:</b>						
Investment managers fee	2,307	-	2,307	19,955	-	19,955
Support costs	79,956	-	79,956	17,485	402	17,887
	<b>994,937</b>	<b>2,867</b>	<b>997,904</b>	<b>934,133</b>	<b>2,272</b>	<b>936,405</b>

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2022

8. Charitable activities:

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Unrestricted Funds £	Restricted Funds £	Total 2021 £
<b>Inpatient services:</b>						
Staff and related costs	1,783,902	-	1,783,902	1,719,401	160	1,719,561
Patient consumables – direct	101,758	-	101,758	132,209	30	132,239
Catering and housekeeping	44,463	268	44,731	42,108	-	42,108
Property occupation and repairs	152,836	19,186	172,022	109,862	9,643	119,505
Depreciation	27,826	87,025	114,851	280,248	-	280,248
Support costs	211,313	-	211,313	320,551	7,373	327,924
	<b>2,322,098</b>	<b>106,479</b>	<b>2,428,577</b>	<b>2,604,379</b>	<b>17,206</b>	<b>2,621,585</b>
<b>Day care and outpatients:</b>						
Staff and related costs	327,001	47,536	374,537	346,297	816	347,113
Patient consumables – direct	3,916	2,532	6,448	1,929	279	2,208
Catering and housekeeping	12,383	64	12,447	12,692	-	12,692
Property occupation and repairs	57,926	8,594	66,520	42,542	2,258	44,800
Depreciation	12,465	38,984	51,449	125,540	-	125,540
Support costs	74,245	-	74,245	134,049	3,083	137,132
	<b>487,936</b>	<b>97,710</b>	<b>585,646</b>	<b>663,049</b>	<b>6,436</b>	<b>669,485</b>
<b>Hospice @Home:</b>						
Staff and related costs	192,358	526,056	718,414	142,512	460,585	603,097
Patient consumables – direct	-	12,609	12,609	-	16,304	16,304
Catering and housekeeping	953	-	953	1,415	-	1,415
Property occupation and repairs	14,351	2,136	16,487	10,575	-	10,575
Depreciation	3,099	9,690	12,789	31,206	-	31,206
Support costs	154,201	-	154,201	29,142	670	29,812
	<b>364,962</b>	<b>550,491</b>	<b>915,453</b>	<b>214,850</b>	<b>477,559</b>	<b>692,409</b>
<b>Family support:</b>						
Staff and related costs	200,543	43,069	243,612	178,589	41,735	220,324
Patient consumables – direct	411	408	819	267	-	267
Catering and housekeeping	2,410	-	2,410	3,576	-	3,576
Property occupation and repairs	36,282	5,402	41,684	26,737	-	26,737
Depreciation	7,834	24,500	32,334	78,899	-	78,899
Support costs	45,689	-	45,689	75,766	1,743	77,509
	<b>293,169</b>	<b>73,378</b>	<b>366,548</b>	<b>363,834</b>	<b>43,478</b>	<b>407,312</b>
<b>Outreach and education:</b>						
Staff and related costs	18,582	-	18,582	18,224	-	18,224
Patient care – grant	26,884	13,578	40,462	45,922	-	45,922
Support costs	5,711	-	5,711	5,828	134	5,962
	<b>51,177</b>	<b>13,578</b>	<b>64,755</b>	<b>69,974</b>	<b>134</b>	<b>70,108</b>

**EAST CHESHIRE HOSPICE**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2022**

**9. Allocation of support costs:**

	Raising funds	Inpatient services	Day care & outpatients	Hospice @Home	Family Support	Outreach/ education	Total 2022	Total 2021
	£	£	£	£	£	£	£	£
Governance costs	3,842	10,155	3,568	7,410	2,195	274	27,444	31,518
Office support	4,937	13,047	4,584	9,521	2,821	353	35,263	31,770
Accounting and payroll	13,450	35,547	12,490	25,940	7,686	961	96,074	100,721
Information technology	17,520	46,303	16,269	33,789	10,012	1,251	125,144	139,639
Workforce & volunteers	26,335	69,600	24,454	50,790	15,049	1,881	188,109	198,047
Marketing	9,627	25,442	8,938	18,565	5,501	688	68,761	81,969
Irrecoverable VAT	4,245	11,219	3,942	8,186	2,425	303	30,320	12,562
	<b>79,956</b>	<b>211,313</b>	<b>74,245</b>	<b>154,201</b>	<b>45,689</b>	<b>5,711</b>	<b>571,115</b>	<b>596,226</b>

The apportionment of support costs was reviewed in the year as the significant expansion of the Hospice at Home service meant that floor space used by each activity was no longer a useful approximation of the resource used in that activity. Support costs are now apportioned on the basis of headcount used in each activity.

**10. Staff costs and numbers**

**Staff payroll costs (excluding agency) were:**

	2022	2021
	£	£
Salaries	3,254,665	3,129,259
Social security costs	286,619	268,484
Employers pension – defined contribution	139,305	129,386
Employers pension – defined benefit	154,406	149,238
	<b>3,834,995</b>	<b>3,676,367</b>

Staff costs includes £nil for redundancy and termination payments (2021: £25,333 to 5 individuals as a result of service re-organisation).

The average monthly number of staffs employed during the year on a full time equivalent and headcount basis was:

	2022	2021
	No.	No.
<b>Full time equivalent:</b>		
Clinical and patient support staff	68	66
Support – HR & Volunteer, Finance, Marketing, office and ICT	17	17
Income generation staff – retail, lottery and Fundraising	17	18
	<b>102</b>	<b>101</b>
<b>Headcount – all areas:</b>	<b>144</b>	<b>143</b>

The number of staff whose emoluments exceeded £60,000 in the year was:

	2022	2021
	No.	No.
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-

Pension contributions of £11,132 (2021: £10,849) were made to a defined contribution scheme in respect of these employees.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2022**

The total amount of salary and benefits paid to key management personnel, as identified on page 2 (Legal and administrative details – Management Team) was £391,066 (2021: £380,596). None of the Trustees received any remuneration or benefits from an employment with the charity or related entities.

During the year no expenses were paid to or on behalf of Trustees (2021: £nil). Trustees donate their time, talent and skills to the smooth running of the Hospice. As well as their ambassadorial duties, they have supported fundraising events and contributed to the commercial activity of the Hospice as Lottery members and by making donations to the shops. In addition to this, the aggregate unconditional donations from Trustees during the year was £36,093 (2021: £25,820).

The Hospice is grateful for the valuable support of all its volunteers who support the work of paid staff in all areas of the Hospice's work.

**11. Tangible fixed assets (group and charity):**

	<b>Freehold land &amp; Buildings</b>	<b>Plant &amp; Equipment</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2021	5,515,670	673,650	173,055	6,362,375
Additions	668,201	92,259	-	<b>763,460</b>
Disposals	0	(73,603)	(12,473)	<b>(86,076)</b>
At 31 March 2022	<b>6,183,871</b>	<b>695,306</b>	<b>160,582</b>	<b>7,039,759</b>
<b>Depreciation</b>				
At 1 April 2021	1,947,807	533,384	159,821	2,641,012
Charge for the year	160,201	39,904	10,199	<b>210,304</b>
Disposals	-	(72,485)	(12,473)	<b>(84,958)</b>
At 31 March 2022	<b>2,108,008</b>	<b>500,803</b>	<b>157,547</b>	<b>2,766,358</b>
<b>Net book values</b>				
At 31 March 2022	<b>4,075,863</b>	<b>194,503</b>	<b>3,035</b>	<b>4,273,401</b>
At 31 March 2021	3,567,863	140,266	13,234	3,721,363

Land and buildings includes £336,000 of non-depreciable land.

**EAST CHESHIRE HOSPICE**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2022**

**12. Investments:**

<b>Managed Portfolio</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Market value b/f	3,746,604	2,964,389
Additions	6,501,091	210,766
Disposals	(4,429,790)	(216,897)
Net investment gains/(losses)	217,906	771,810
Charges paid in the year	-	(2,182)
Movement in cash deposits	(37,828)	18,718
<b>Market value c/f</b>	<b>5,997,983</b>	<b>3,746,604</b>
<b>Historical cost c/f</b>	<b>5,937,103</b>	<b>2,742,643</b>
<b>The portfolio consisted of:</b>		
Charity Authorised Investment Fund units	5,997,983	-
Equity Shares	-	2,602,028
Fixed Interest	-	566,755
Alternatives	-	539,993
Cash	-	37,828
	<b>5,997,983</b>	<b>3,746,604</b>
Unquoted - Hospices Quality Partnership	<b>10</b>	<b>10</b>
	<b>5,997,993</b>	<b>3,746,614</b>
ECH Trading Ltd - wholly owned subsidiary (see note 13)	<b>2</b>	<b>2</b>
	<b>5,997,995</b>	<b>3,746,616</b>

The investment portfolio, which was previously managed by Advisors on a discretionary basis with the objective of having a balanced, medium risk fund with no investments in tobacco companies, was reinvested into a Charity Authorised Investment Fund (CAIF) during the year.

**13. Results of Trading Subsidiary:**

ECH Trading Limited (Company number 05688814) is a wholly owned subsidiary of East Cheshire Hospice, operating a retail business selling new goods. The results for the year ended 31 March 2022 are:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Turnover	28,581	14,643
Cost of sales and administration	(17,092)	(12,042)
Operating profit	11,489	2,601
Amount gift aided to the charity	11,489	(2,601)
Retained in subsidiary	-	-
<b>Balance Sheet</b>	<b>£</b>	<b>£</b>
Current assets	820	820
Current liability - amount owed by / (to) parent	-	-
Total net assets	820	820

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2022

14. Stocks:

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Merchandise stock	<u>171</u>	<u>441</u>	<u>-</u>	<u>-</u>

The amount of stock recognised as an expense in other trading activity during the year for the Group is £9,215 (2021: £4,969) and Charity £nil (2021: £nil).

15. Debtors:

	Group		Charity	
	2022	2021	2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	<b>567,746</b>	70,817	<b>567,746</b>	70,817
VAT recoverable	<b>20,180</b>	58,475	<b>20,180</b>	58,475
Amount due from subsidiary company	-	-	-	-
Gift aid recoverable	<b>27,707</b>	68,630	<b>27,707</b>	68,630
Prepayments and accrued income	<b>842,359</b>	753,278	<b>842,359</b>	753,278
	<u><b>1,457,992</b></u>	<u>951,200</u>	<u><b>1,457,992</b></u>	<u>951,200</u>

16. Creditors:

	Group		Charity	
	2022	2021	2022	2021
Amounts falling due within one year:	£	£	£	£
Grants payable	<b>15,000</b>	15,000	<b>15,000</b>	15,000
Trade creditors	<b>74,423</b>	68,895	<b>74,423</b>	68,895
Amount due to subsidiary company	-	-	<b>647</b>	377
Taxation & social security	<b>72,947</b>	61,837	<b>72,947</b>	61,837
Accruals	<b>125,767</b>	235,541	<b>125,767</b>	235,541
Deferred income	<b>98,584</b>	126,747	<b>98,584</b>	126,747
	<u><b>386,721</b></u>	<u>508,020</u>	<u><b>387,368</b></u>	<u>508,397</u>
<b>Analysis of deferred income:</b>				
Deferred income b/f	<b>126,747</b>	71,632	<b>126,747</b>	71,632
Income deferred in the year	<b>350,289</b>	389,802	<b>350,289</b>	389,802
Income released in the year	<b>(378,452)</b>	(334,687)	<b>(378,452)</b>	(334,687)
Deferred income c/f	<u><b>98,584</b></u>	<u>126,747</u>	<u><b>98,584</b></u>	<u>126,747</u>

Deferred income includes lottery subscription fees and event income received in advance. Lottery income is deferred on receipt and released in the week of the draw. Events income relates to ticket and participator sponsorship monies received in advance of events, which is deferred and released when the event takes place.

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2022

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#### 17. Pensions:

The Hospice, without obligation, contributes to 3 pension schemes for current employees:

- **Scottish Widows Group Personal Pension Plan** - a defined contribution scheme. The Hospice paid employers contributions of £133,191 (2021: £123,085), and the pension creditor at the yearend was £nil (2021: £nil).
- **Now Pensions** - a defined contribution, auto-enrolment scheme for staff who do not wish to join the Scottish Widows or NHS schemes. The Hospice paid employers contributions of £6,114 during the year (2021: £6,302), and the pension creditor at the year end was £1,456 (2021: £1,229).

**NHS Pension Scheme** – an unfunded defined benefit scheme under the direction of the Secretary of State in England and Wales. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). It is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Hospice is taken as the contributions payable to that scheme for the accounting period. The Hospice paid employers contributions of £154,406 (2021: £149,238) on behalf of employees who were existing members of the scheme before joining the Hospice and are therefore able to carry on their membership under the scheme rules. This is based on a rate of 14.3% of pensionable pay, based on HMT Valuation Directions. The pension creditor as at the year end was £20,767 (2021: £21,197).

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year, carried out by the Government Actuary's Department to ensure that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2022, is based on valuation data as 31 March 2021, updated to 31 March 2022 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at March 2016. The results of this valuation set the employer contribution rate payable from April 2021 at 20.6%, and the Scheme Regulations were amended accordingly. The 2016 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud. HMT published valuation directions dated 7 October 2021 (see Amending Directions 2021) that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

While the Employer contribution rate has been set at 20.6%, Employers have only been required to make contributions at 14.3% for both 2019/20 and 2021/21. Had the full rate been in force, the Employer contributions in 2021/21 would have been £222,052 (2021: £214,986), an increase of £67,646 (2021: £65,748).

**EAST CHESHIRE HOSPICE**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2022**

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**18. Contingent assets:**

As at 31 March 2022 the Hospice is aware of 20 ongoing legacy cases (5 pecuniary and 15 residuary) where the value is uncertain as estate accounts are still to be finalised – no amounts have been included in income in relation to these legacies.

**19. Capital Commitments:**

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Contracted	-	<b>635,097</b>

**20. Operating lease commitments:**

At the year end, the group and charity had total commitments under operating leases expiring:

	<b>Land &amp; Buildings</b>	<b>Equipment</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within 1 year	-	-	-	-
Between 1 and 5 years	<b>127,083</b>	<b>13,456</b>	<b>142,324</b>	117,700
In more than 5 years	<b>176,000</b>	-	<b>176,000</b>	198,000
	<b>303,083</b>	<b>13,456</b>	<b>318,324</b>	315,770

Operating lease payments made during the year were £82,471 (2021: £63,706).

**21. Share capital and company status:**

The company is incorporated under the Companies Act 2006. It is limited by guarantee and, therefore, does not have any issued share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2022

**22. Funds:**

	Balance b/f	Income	Costs	Transfers	Gains/ (losses)	Balance c/f
	£	£	£	£	£	£
<b>Unrestricted Funds:</b>						
General	5,546,791	5,754,226	(4,194,143)	(2,889,220)	1,160,987	5,378,641
Revaluation reserve	1,003,961	-	-		(943,081)	60,880
<b>Designated Funds:</b>						
Service development	808,387	-	(320,136)	1,200,000	-	1,688,251
Repairs & equipment	-	-	-	485,000	-	485,000
Building Development	-	-	-	1,830,000	-	1,830,000
	7,359,139	5,754,226	(4,514,279)	625,780	217,906	9,442,772
<b>Restricted:</b>						
<b>Property Funds:</b>						
Hospice Premises	3,531,863	-	(160,201)	668,201	-	4,039,863
Proseal Wing Fund	826,075	-	(30,631)	(693,831)	-	101,613
Equipment fund	19,275	60,117	(670)	(48,489)	-	30,233
Hospice garden	1,337	1,200	(802)		-	1,735
<b>Service Funds:</b>						
NHSE Covid-19 capacity fund	-	551,661	-	(551,661)	-	-
Hospice @Home services	482,112	509,315	(541,735)		-	449,692
Single point of access service	95,089	212,488	(13,375)		-	294,202
Bereavement – Adult & Child services	35,054	10,974	(46,028)		-	-
Day Care services	5,000	41,947	(17,129)		-	29,818
Dementia services	-	62,500	(32,939)		-	29,561
Chaplaincy services	-	662	(662)		-	-
<b>Other Funds:</b>						
Staff Fund	187	3,295	(332)		-	3,150
<b>Total Restricted</b>	4,995,992	1,454,159	(844,504)	(625,780)	-	4,979,867
<b>TOTAL FUNDS</b>	12,355,131	7,208,385	(5,358,783)	-	217,906	14,422,639

**Unrestricted Funds:**

**General fund** – this is the accumulation of free reserves. **Revaluation Reserve** – is required by the Companies Act 2006 and represents the amount by which investments have been revalued from their historic cost.

**Designated fund:**

**Service development** – the Hospice @Home designated fund has been incorporated into the service development fund, and a further £1.2m has been designated in year to support ambitious plans in the fields of dementia and single point of access as well as further Hospice at Home expansion

**Repairs and equipment** – funds have been designated in year to ensure that the fabric of the Millbank Drive building can be maintained to a high standard. Much of the building is over 30 years old and inevitable repairs to areas such as boilers, windows, roof, plumbing and electrics are starting to be required on a rolling basis.

**Building Development** – in 2018 plans were drawn up to modernise the Millbank Drive site, making it fit for modern services required by our patients and their families. The plans are phased so that they could be done as and when funding is

**EAST CHESHIRE HOSPICE**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2022**

available. Phase 1, the Proseal Wing, was completed in 2021 and fully funded by a generous donation. This designated fund will be used to match fund capital appeals for the remaining 4 phases, and accounts for c30% of the forecast build cost.

**Restricted Funds:**

**Property Funds - Hospice Premises** - this fund represents the net book value of the Hospice's premises at Millbank Drive and includes £300,000 for the land originally donated by the Health Authority. It does not include £36,000 relating to a separate property in Macclesfield. Should the Hospice's activities cease, and the Millbank Drive premises be sold, all the proceeds would be payable to The Secretary of State for Health and Social Care. This obligation is secured by a legal charge over the Hospice's premises at Millbank Drive. The value of the land and buildings is therefore considered to be restricted. The transfers result from movements in the property value arising from capital expenditure and depreciation.

**Proseal Wing Fund** – These funds were generously provided by £1m donation from Proseal UK, and a further £150,000 from each of The Hargreaves Charitable Trust and the Porto Charitable Trust to fully fund the building of the Proseal Wing to house the community care hub. The transfer in year relates to the certified value of the build completion and will be finalised in late summer 2022.

**Property funds - Equipment Fund and Hospice Garden funds** represents funds received for the purchase of equipment for all areas of the Hospice, and for the maintenance of the gardens.

**Service funds:**

The NHSE Covid-19 capacity relates to funding received in year to allow the Hospice to make available bed capacity and community support for people with complex needs in the context of the COVID-19 situation. The Hospice @Home service is supported by a well-received major donor campaign, started in 2017 with 5-year support pledged whilst other funding sources are built up. This work has led into the development of a Single Point of Access project which is now in development phase. Other service funds represent monies received for the provision of specific Hospice services as named.

The **Staff Fund** - this represents donations given specifically for the benefit of staff and for staff training. The HR manager is responsible for deciding benefits to be provided.

**Transfers between funds:**

These reflect the fulfilment of restrictions through the purchase of fixed assets with restricted donations, and depreciation of those restricted assets.

**Analysis of net assets between funds:**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	233,538	4,039,863	4,273,401
Investments	5,997,993	-	5,997,993
Net current assets	3,211,241	940,004	4,151,245
<b>Group:</b>	<b>9,442,772</b>	<b>4,979,867</b>	<b>14,422,639</b>
Investments	2	-	2
Net current assets	(820)	-	(820)
<b>Charity:</b>	<b>9,441,954</b>	<b>4,979,867</b>	<b>14,421,821</b>

**23. Related parties:**

There are no related party transactions that require disclosure other than those relating to the trading company (note 13).

**EAST CHESHIRE HOSPICE**

England & Wales - Charity number 515104

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# Accounts

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**EAST CHESHIRE HOSPICE**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Registered company number 01807691 (England and Wales)**  
**Registered Charity number 515104**

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2021**

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**EAST CHESHIRE HOSPICE**

**LEGAL AND ADMINISTRATIVE INFORMATION**  
**For the year ended 31 March 2021**

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<b>Registered Company Number</b>	01807691 (England and Wales)
<b>Registered Charity Number</b>	515104
<b>Constitution</b>	Company limited by guarantee
<b>Principle and Registered Office</b>	Millbank Drive Macclesfield Cheshire SK10 3DR
<b>Auditors</b>	Heywood Shepherd Chartered Accountants & Registered Auditors 1 Park Street Macclesfield Cheshire SK11 6SR
<b>Bankers</b>	Royal Bank of Scotland PLC 52 Chestergate Macclesfield Cheshire SK11 6BU
<b>Investment Advisors</b>	Quilter Cheviot One Kingsway London WC2B 6AN

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2021**

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The Trustees (who are also the directors of the charity for the purposes of the Companies Act 2006) who served during the year were:

Mr S W Spinks	Chair		
Mr J Lovett	Vice Chair	Dr D Maxwell	(appointed May-21)
Dr J Beck	Vice Chair	Mr N McArthur	
Mr R Barrow DL MBE		Mrs A Ratcliffe	
Mrs G Crawford	(appointed May-21)	Mrs N Sampson	(appointed May-21)
Mrs S Dickenson	(appointed May-21)	Mrs J Stephens	
Dr L Hastings		Dr A Wills	(retired May-21)
Mr A C Kennedy			

All trustees are members of the Company and have no beneficial interest in it. Unless indicated above, they were all trustees at the time that this Report and the attached Financial Statements were approved.

**Patrons:** Mr Nick Robinson  
Prof Alistair Burns CBE  
Mr Charlie Lawson

**President:** Mr David Briggs CVO MBE KStJ

**Vice Presidents:** Mr P Bianchi Mrs J C Legh  
Mr N Bianchi Miss E McVey MP  
Mrs F Brereton Mr P Morrissey  
Mrs F Bruce MP Rt Hon G Osborne  
Mrs J Clowes Mr D Pollock DL  
Mr H G Fielding Mr R Raymond  
Mrs C Hayward DL Mr D Rutley MP  
Mr S Hayward Dr R Stead  
Mrs J Hilditch Lady A Winterton  
Mr M Jones Sir N Winterton  
Mr P E Jones

**Honorary Vice President** Mrs E Keefe

**Management Team:**

Mrs K Johnston	Chief Executive
Dr D Alexander	Medical Director
Mrs R Allcock	Income Generation Director
Mrs S Dale	Director of Quality, Innovation & Collaboration
Ms S Jones	Clinical Director
Mrs S Seabourne	Finance Director

# 2020/21

An unprecedented year in the life of East Cheshire Hospice



**361** patients were supported in their own homes by the newly launched Hospice @Home daytime team and the overnight Rapid Response team

**113,932** additional pieces of PPE (personal protective equipment such as masks, and aprons) were sourced and used

**£460k** donated to our emergency fundraising campaign



**8** ECH nurses worked in their spare time to help vaccinate local people

**3,505** telehealth sessions delivered over Zoom

**1** new shop opened in Poynton

**ECHO**  
by East Cheshire Hospice  
**REDISCOVERED TREASURES**

**840** patients and their families were supported by the ECH team during the pandemic

**5,376** additional hours worked to cover Covid absences

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2021**

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In submitting their Annual Report together with the consolidated financial statements of East Cheshire Hospice and its subsidiary for the year ended 31 March 2021, the Trustees have ensured that all financial statements comply with the Charity Act 2011, the Companies Act 2006, and Accounting & Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102, effective 1 January 2019).

## **CHARITABLE PURPOSE & PUBLIC BENEFIT**

The objects and principal activities of East Cheshire Hospice are to provide palliative care and support to people with life limiting illnesses within the communities of Buxton, Congleton, Handforth, High Legh, High Peak, Knutsford, Macclesfield, Poynton, Wilmslow and the 72 villages and hamlets in between, serving a total population of c.200,000. It does this by:

- operating a residential hospice
- providing care to end-of-life patients in their own home
- operating a day hospice wellbeing centre
- operating a range of outpatient clinics
- providing social, psychological and spiritual support services for patients and carers.

The Trustees have carefully considered the Charity Commission guidance on public benefit in setting our objectives and planning our services, which are provided free of charge for the benefit of the public. Our mission is to provide the highest quality care and support to the people we serve. Our values and principles can be summarised by the acronym CARE – compassion, association, resourcefulness and excellence.

- **Compassion:** We ensure we put our patients, their families and carers at the centre of everything we do, and we always act with care and compassion
- **Association:** We work in partnership and collaboration, forming productive alliances in the interests of our patients
- **Resourcefulness:** We make the best use of our resources, ensuring that donations from our communities is directly channelled into the care and support for patients and their families
- **Excellence:** We will act with integrity and treat patients, families, colleagues, collaborators and supporters with respect at all times. We will invest in learning and development for our staff and volunteers – striving for excellence in all we do.

### **Our Vision**

Our vision is that within the next decade, East Cheshire Hospice will be at the centre of a whole-system solution delivering or facilitating high quality, seamless, co-ordinated end of life care to people affected by life limiting illness, ensuring they are prepared, supported and cared for in a place of their choosing and with the minimum of stress and anxiety.

## **ACTIVITIES**

East Cheshire Hospice provides palliative care and treatment to adults who are nearing the end of their lives, as well as supportive services for their families, carers and loved ones. Our comprehensive range of services is available free of charge to those living in the communities we serve. Our provision is constantly adapting to the changing needs of our communities, including increasing numbers of patients presenting with frailty, dementia and complex comorbidities.

This report covers the year from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021, which was a year unlike any other, as it began in the midst of the first wave of the Covid-19 pandemic and a national lockdown. Inevitably throughout the year our patients, families and carers, staff, volunteers and services were all significantly impacted by the virus as well as the resulting government restrictions to get the spread under control.

How each element of hospice operations was specifically impacted is described below:

- **The purpose-built Inpatient Unit**, providing end of life care as well as acute symptom management treatment for patients, staffed by a team of highly trained clinical palliative care specialists.

**Covid Impact:** This facility has remained open throughout the pandemic, with increased capacity from 15 to a potential 19 beds to help protect the NHS. With little known about symptoms, transmission and without access to testing in the early stages of the pandemic, all patients were cared for as if they had the virus and therefore were under strict infection control procedures. This put a huge strain on staff as well as on our supplies of personal protective equipment (PPE) which were extremely difficult to replenish. We were indebted to our community and corporate supporters for helping us maintain adequate stocks of PPE to keep services operating safely.

Whilst we never closed to visitors, their time on and movement around the Unit was severely restricted. Staff worked incredibly hard to maintain our patients' care and wellbeing, despite unprecedented challenges such as working long hours in PPE, reduced access to complementary therapies and having to impose limitations on visiting hours.

The need to keep numbers of people entering and leaving the Unit to a minimum meant that we had to ask our volunteers to stay at home. This meant that staff members had to do the work of around 30 caring and compassionate volunteers who all help to make the Inpatient Unit a cheerful, welcoming and relaxing environment.

- **The Hospice @Home Service** providing specialist palliative care for patients in their own homes. The service works in close collaboration with existing community services to prevent unnecessary hospital admissions and to enable more people to spend their final days in the place where they feel most at home.

**Covid Impact:** Despite the challenges of Covid, we launched our new daytime Hospice @Home service as planned in April 2020. The new team complemented the existing out of hours @Home rapid response team to offer personal care to end-of-life patients within their own homes between 7:30am and 8:30pm, this meant that we could support patients at home around the clock, 365 days a year. With patients fearful of going into hospital or a care home and families desperate to keep their loved ones close, the demand for this service was much greater than we had anticipated. The staff worked under incredibly difficult conditions, maintaining high levels of infection control and supporting many more patients than we had originally planned for. The bravery and dedication of this team cannot be underestimated.

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- **The Sunflower Wellbeing Centre**, a day hospice providing nurse-led clinics and therapeutic interventions for all disease types and conditions, including specialist support for conditions such as Dementia and Motor Neurone Disease (MND). Services include a living well programme, breathlessness clinic, stimulating activities, complementary therapies and guidance on advanced care planning.

**Covid Impact:** Sunflower Centre services operated using telehealth procedures during the national lockdowns, with in-person sessions open for only limited numbers of patients to comply with Covid-safe guidelines at all other times. Patients reported feeling well supported, and some of the telehealth procedures will continue in the post-pandemic era as a positive way to share information, experiences and social interaction for many more patients than our in-person facilities could accommodate pre-pandemic.

- **The Outpatient Facility** providing individual appointments for patients needing access to physiotherapy, occupational health, lymphoedema management, art psychotherapy and complementary therapies.

**Covid Impact:** Outpatient appointments were offered in person wherever possible outside of national lockdowns and within Covid-safe limitations. Virtual support and telehealth care were made available throughout the year.

- **Family Support Services** meeting the practical, social, physiological and spiritual needs of the people who are important to our patients. These include a 24-hour helpline staffed by clinical palliative care specialists, friends and family support and information programme, pre- and post-bereavement counselling for adults, specialist childhood bereavement service and spiritual support for those of all faiths and none, led by a chaplain.

**Covid Impact:** Using additional Covid19 funding from Cheshire Clinical Commissioning Group (CCCG), we were able to review and expand our bereavement services to offer specialist counselling support for local people who had experienced bereavement by any cause during the pandemic. This was particularly important when, due to Covid restrictions, funeral traditions, the usual family and friends network support or access to other local authority/third sector counselling services were severely limited or absent.

- **Education and Learning** continues to be central to the provision of our high-quality services that meet the needs of our community. We partner with local and national training service providers to ensure staff and volunteer teams have the skills they need to deliver great care.

**Covid Impact:** Whilst our normal training programmes were disrupted by the inability to meet in person, our team worked hard to provide as much learning as possible via online training and webinars. We were able to contribute to and learn from many of the programmes produced by the End of Life Partnership, who did an excellent job of re-engineering their training modules so that they could be delivered online.

In addition, we focused on providing specialist wellbeing support and resilience training for all our staff, to help them cope with and recover from the physical, emotional and mental impact of working through the Covid19 pandemic.

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- **Volunteers** play a vital role in connecting us to our local community, bringing their skills, talents and insights to our work. Our 640 fully trained and supported volunteers, from all age groups, demographics and communities, are able to make their valuable contribution to the exceptional care delivered by East Cheshire Hospice. But not this year.

**Covid Impact:** One of the most significant impacts of the initial lockdown was the enforced instruction to all our volunteers to stay at home in order to stay safe. We have always believed that it was our volunteers who added immeasurably to the vibrancy of our work, but with their absence, it was blatantly obvious that it was their presence which gave the Hospice its soul. By the end of the year as restrictions were lifted, we were grateful to those volunteers who returned and brought with them added vitality and enthusiasm to our battle-weary workforce. We worked hard throughout a very difficult year to stay engaged with our volunteer team members and remain hopeful that most of them will return to their pre-Covid roles in due course.

## **ACHIEVEMENTS AND PERFORMANCE**

East Cheshire Hospice's senior management team were in the process of reviewing the year and articulating the annual delivery plan for 2020/21 when the Covid pandemic became the top priority in February 2020. As a consequence, we did not release a new plan until September 2020, when our 18-month Covid19 Recovery and Delivery Plan was developed. The key elements of this plan are outlined in the ***Plans for Future Periods*** section of this report.

The year was spent reviewing and adapting our services against the constantly developing Covid19 situation, to ensure that care for our patients and families was maintained wherever possible, whilst also protecting the wellbeing and safety of our teams. The following factors were key considerations during this time:

- The safety of our patients, staff, visitors and volunteers, including who should be allowed onsite, the effective and efficient use of PPE, Covid isolation procedures, regular testing and access to vaccinations.
- The wellbeing and mental health of our staff and volunteers. Significant investment was made into providing professional support to all staff impacted by Covid19, including group and individual counselling if required. Resilience training is now ongoing.
- The wellbeing and mental health of our patients and families, which was drastically impacted by visitation restrictions and the limited access to some of our services. Reaching the perfect balance between safety and compassion was a challenge throughout the year, one which we faced with determination and were able to achieve for the vast majority of those in our care.
- The viability of service delivery given the limitations on staffing due to Covid19 illness and isolation following potential exposures. We have been able to maintain key services throughout the pandemic thanks to the flexibility and dedication of our staff who have worked in different roles across the Hospice as needed.

Efficient collaboration with all partners involved with health and social care services was key to the local pandemic response, and we were able to strengthen existing relationships and make new connections to support patients and families under very difficult circumstances.

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In terms of progress against the 18-month Covid19 Recovery and Delivery Plan, whilst several projects remain outstanding for the year ahead, significant progress has been made in the following areas:

- **Hospice @Home Expansion:** Despite Covid, we were able to launch and expand a new Hospice @Home Daytime Service this year to provide planned and highly personalised care for palliative patients in their own homes. The extra capacity which the launch of this service added to our local health and social care economy and the high quality of the care provided was only made possible by donations from our community, principally from a significant and on-going annual gift from Dr Michael Oliver & Mrs Jennifer Oliver. This meant that patients at home could access our care around the clock, which proved invaluable in a time when all health and social care services were operating well beyond their capacities.

Since the formal launch in April, the Hospice @Home service has:

- supported 361 patients at home,
- made 2,379 home visits,
- helped 64% of patients to achieve their preferred place of death,
- attended at end of life on 39 occasions,
- avoided c. 13 hospital admissions

Most referrals into this service came through the Continuing Healthcare process and was our first venture into contracting with the NHS, providing a new income stream to help cover a proportion of the operating costs of the service. The systems and procedures established under this process are working well.

- **Phase one of the building refurbishment programme:** Phase one is to erect a new Hospice wing as a self-contained extension of the existing site. It will accommodate our East Cheshire Hospice @Home service and become the hub from which all palliative and end of life care in northeast Cheshire will be co-ordinated.

This is the first stage of a multi-million-pound refurbishment programme, and was made possible by a generous donation totalling £1.3m from local firm Proseal together with the Porto and Hargreaves charitable trusts.

Following a competitive tender process conducted in the first half of the year, builders PE Jones Contracts Ltd was selected and arrived on site in November 2020 to begin work. Construction began in the midst of the second wave of Covid19, however the site was managed and operated under strict Covid secure guidelines and building work was able to progress to programme. It is expected to be completed by August 2021.

- **Palliative Care 24hr Helpline:** Working with St Luke's (Cheshire) Hospice, Hospice of the Good Shepherd and End of Life Partnership, this project's aim is to give consistent access to telephone support to end of life patients, their families and healthcare professionals involved in their care across East, Mid and West Cheshire. The project is part of the grant service level agreement which we currently have with Cheshire CCG. In year, we completed phase one to standardise data collection and call handling across all Cheshire Hospices, and focused on the next stage to collect and analyse call comparison data to identify potential improvements.
- **Childhood and Adult Bereavement:** This year, we planned to develop and expand our existing service offering to help more people, using a mix of digital communication platforms and in-person sessions, in order to increase capacity, accessibility and choice.

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Government mandated retail closures and the need to operate premises in a Covid secure way outside of lockdowns meant that our smallest shop on Chestergate, Macclesfield was not viable. We decided to convert its use into a wellbeing centre that could accommodate the planned expansion of Adult, Children and Young People's bereavement services. Renovation work took longer than anticipated due to the age and condition of the building, but we worked hard to ensure the new Chestergate Wellbeing Centre would be operational by mid-2021.

- **Regular and Legacy Giving:** The appointment in 2020 of a dedicated Individual Giving Fundraiser has proven to be hugely successful. The contribution that this role has made to the overall fundraising effort cannot be under-estimated, and a more intelligent approach to donor journeys has been developed which will enhance all aspects for future income growth. In year we carried out developmental work and training to lay strong foundations that will enable us to further strengthen our vital legacy income stream.
- **Eco-Friendly Retailing:** The launch of our new ECHO concept store in Poynton not only supports communities to recycle and reuse unwanted items, but it is also part of our donor engagement strategy which has proved to be highly successful. Despite the enforced retail closures, the community of Poynton has taken the eco-shop to its heart and support for the Hospice in that area has never been higher.

## **FINANCIAL REVIEW**

The Statement of Financial Activities is set out on page 21, and a summary of the financial results is given below. The group achieved a surplus on net operating activity of £809,073 (2019/20: surplus £1,570,887). The overall result, after allowing for stock market gains and losses on the market value of our investment fund, is a gain of £1,580,883 (2019/20: surplus £1,311,404).

This is a reassuring result in what has been the Hospice's most challenging year, and very different from where we expected to be when the pandemic first hit. We are hugely grateful for the continued and generous support of our local community, along with the significant funding we received over the last year from NHS England and our local commissioner, Cheshire CCG. This helped us not just to maintain, but also to expand our services during the most difficult of times for our patients and their families.

Given the continuing and heightened financial uncertainties in the short and medium terms, the Board felt that a strong closing balance sheet was important to maintaining existing services and developing new support mechanisms for patients in future years.

### **Income Generation Activity**

Despite an incredibly challenging year, the Hospice's income generation activity has surpassed all expectations and we ended the year ahead of budget. The adverse financial impact of the national and local lockdowns have been mitigated by our community's substantial response to the *Now More Than Ever* fundraising campaign and government assistance. However, the impact on longer term fundraising activity is likely to be significant as we continue to experience the effects of the clinical and economic impact of the pandemic.

The income generation team was restructured during the year in order to reduce costs and maximise the potential of changing income streams. Whilst the changes were difficult, the new team structure is

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working well and we are taking full advantage of the new opportunities presented to us. Key activities within the three key income streams were as follows.

### **Commercial**

Our charity shops had a particularly trying time, with some staff being on furlough for almost half the year. Our Chestergate shop was deemed too small to operate effectively with any form of social distancing, and so has closed permanently and is to be reused as a wellbeing centre. We also reviewed the staffing of our furniture collection and delivery service to reduce costs, and this is now an ad-hoc volunteer service.

New retail premises were found in Poynton, in line with our strategy to expand our retail offering to other areas of our catchment. This shop is branded as 'ECHO' and is designed to appeal to the eco-friendly modern consumer, as opposed to being a typical charity shop. We were able to refurbish and rebrand the space with the help of our corporate supporters and a team of trade professionals who volunteered their time and expertise. The opening of the new shop was delayed until September 2020 due to the lockdown restrictions, but it has been a huge success since launch consistently meeting target income when open and generating significant local interest and engagement.

Despite restrictions, our retail team have remained committed to generating income wherever possible and have made the most of online selling options such as Facebook and eBay.

### **Relationships**

Covid restrictions led to the cancellation of a vast range of community fundraising activities this year, significantly impacting on our community income stream. However, our dedicated supporters found other ways to support us, launching virtual quizzes and taking part in their own challenge activities.

Our annual Christmas Tree Collection was delayed at the last minute due to Covid restrictions, but we were inundated with support following this decision. Indeed, the additional donations received surpassed the small number of refunds which were requested, making this collection our most successful ever, raising £150k. Trees were finally collected from just over 1,000 customers in April.

We are hugely grateful for the hard work and dedication of Richard Raymond and Peter Chapman and their families and friends without whose leadership and support the ECH Christmas Tree Collection would not happen. Richard and Peter have also devoted significant amounts of their time to share their valuable experience with over 50 other hospices to ensure the scheme can be operated in the most efficient way in other areas. This has made a momentous contribution to the end of life experience of thousands of patients and families across the UK.

Our corporate support was particularly strong this year, with AstraZeneca selecting us as their Charity of the Year, and Leek Building Society and PourMoi Clothing both running major fundraising campaigns for us during the Covid outbreak.

Our major donor activity continues to be highly successful thanks to our Angels and Ambassador programme. This year the group focused on seed funding the East Cheshire Hospice Co-ordinated Care Service, reaching 65% of the £775,000 five-year funding target by February 2021, two months ahead of schedule. With the usual programme of events cancelled due to Covid restrictions, the Group launched a series of virtual 'Meeting of Minds' networking events, led by our Patron Nick Robinson and including a range of famous figures, such as Robert Peston and Sir John Timpson. The online events proved extremely popular and not only did they attract new donors, but were instrumental in retaining 100% of our pledged income and several people have signed up for new five-year pledges, despite a

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challenging economic climate.

### **Engagement**

Digital engagement has proven even more fundamental to our success during lockdown. We have continued to evolve our website and virtual fundraising activities to reflect the preferences and needs of our supporters. We are planning to invest further in our digital communications in the coming year, so that we can communicate more effectively with our supporter base.

Event engagement declined this year, even prior to lockdown with many events cancelled indefinitely. We are reviewing our events activities moving forwards to ensure that they are cost effective as well as adhering to Covid19 safety guidance. Our first major in person event is scheduled take place in August 2021, some 22 months after our last.

### **Fundraising complaints**

We have again not received any complaints about our fundraising activities during the last year. Our fundraising team abides by the Fundraising Regulator's Code of Practice and their Fundraising Promise. We strive always to act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

### **Funding from statutory bodies**

During the year Hospice UK worked on behalf of all adult hospices in England to secure NHS England (NHSE) funding. This funding was intended to allow hospices to make available bed capacity and community support from April 2020 to July 2020, and subsequently from November 2020 to March 2021. This was to ensure that support could continue to be provided to people with complex needs during the COVID19 pandemic. We are hugely grateful to both Hospice UK and NHSE for the £864,000 received through this grant, which helped us not only to stay open but also to increase our inpatient and community services.

Our main commissioner, Eastern Cheshire CCG, merged with 3 other local CCGs on 1 April 2020 to form the Cheshire CCG. We were delighted to see a 2.5% increase in our core grant for 2020/21 after more than 10 years of static funding. We also worked with Cheshire CCG to expand our services in year, with a one-year, non-recurrent grant to support Covid19 bereaved families, and another to provide carer's breaks for end-of-life patients. We also contracted with Cheshire CCG to provide domiciliary end of life care under the Continuing Health Care framework, enabling us to further expand our Hospice @Home service to provide care 24/7 in more patients own homes, a service that has been particularly well received during the pandemic.

We continue to work closely with our CCGs in Cheshire and Derbyshire. Both CCGs are now required to undergo further restructuring into Integrated Care Systems (ICS) by April 2022 and it is not yet clear how this will impact our relationships or funding.

Finally, we also benefited in year from government Covid assistance through the Job Retention Scheme (£49,000) primarily for our furloughed retail staff, and from Cheshire East Council Retail Assistance Grants (£53,000) whilst our retail premises were required to remain shut.

### **Investment Objectives and Returns**

The Trustees have the power to invest in such assets as they see fit. The Hospice maintains a mixture

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of liquid funds and longer-term stock market investments which act as both an income stream and reserves. Income flows can be hard to predict, and so cash balances over and above those required for immediate operational purposes are invested in a mix of shorter- and longer- term deposits to allow for possible funding gaps. The investment portfolio is managed by Quilter Cheviot on a discretionary basis, but with no investment in tobacco related companies. Their performance is reviewed quarterly against the Asset Risk Consultants (ARC) benchmark, comprising 50% of the Balanced Index and 50% of the Steady Growth Index. Despite extremely turbulent markets in the final quarter, the total return on the portfolio for the year to 31 March 2021 was ahead of the benchmark by 1.3%, ending the year at +28.3%. This equates to an unrealised gain of £771,810, which more than recovered the 2019/20 fall in investment value, and has added to reserves in year.

## **Expenditure**

Total costs have increased by £434,450 over last year, an increase of 9%, primarily driven by the expansion of our Hospice @Home service and a change in depreciation methodology. We were able to realise some temporary in-year savings as a result of fundraising events being cancelled.

Our Hospice @Home daytime service launched in April, providing care between 7.30am and 9.30pm seven days a week, making the @Home service now 24/7. Staffing costs increased by £129,000 for the additional staffing, and are expected to increase further as the service expands to meet demand. The cost of other operational services remained broadly in line with the prior year before depreciation charges.

Work on the Proseal Wing, which was fully funded by Proseal UK, The Hargreaves Charitable Trust and the Porto Charitable Trust, started in November 2020, with an expected completion date of August 2021. All costs related to the build have been capitalised in year. In considering the need for the new annex and the use of our existing buildings and assets, we identified that the method of depreciation no longer reflected their useful life or value. Accordingly, we changed the method of depreciation in year, and this has resulted in an additional one-off depreciation charge of £362,000.

We remain grateful to NHSE that, for the third year in a row, they have picked up the increase in the NHS Pensions employers costs following the 2016 actuarial valuation (effective April 2019). This increase in employers' contributions from 14.3% to 20.6% and would otherwise be an additional cost of c.£65,000 to the Hospice. It is not yet clear if or when the Hospice will be expected to take on this cost directly.

We are mindful as always of the need to use our donated income and resources in the most efficient way, and to provide the maximum benefit for our patients and their families. This led to a restructuring of a number of services in year, primarily in our income generation teams but also within our day hospice and bereavement services. We continue to review all our activity to ensure we meet the changing needs of the community we serve.

## **Risk Management**

The Board reviews detailed assessments of the risks to which the Charity may be exposed. Comprehensive governance arrangements are in place to oversee risk management in clinical, support services and business administration to ensure that standards are maintained in line with good practice, legislation and accreditation. The processes in place are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

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- identification and management of risks, using an Organisational Risk Register;
- insurance covers for the major financial risks which are reviewed annually;
- a three-year rolling strategic plan and an annual delivery plan with budgets and key performance indicator targets, all approved by the trustees;
- regular consideration by trustees of financial results in comparison with budgets and prior year performance;
- regular review of financial and non-financial performance indicators and bench-marking reports;
- appropriate levels of delegation of authority and segregation of duties.

The key risk identified by the Trustees is the long-term financial sustainability, given the reliance on voluntary income, which is needed to support 81% of the Hospice's annual costs. The pandemic increased demand for our services and therefore costs escalated, and we experienced the largest economic downturn since the Great Depression which increased the risk of long-term sustainability. The Trustees share a concern about this risk with trustees in every other majority voluntary funded local hospice across the country and, through the collective voice of Hospice UK, are working with government to put end of life care services on a more assured footing. The Trustees are also continuing to follow a strategy of investing in income generation and service delivery in tandem, in order to stay relevant to the needs of the community and increase both the number and value of the engagement with our donor base.

### **Reserves**

At 31 March 2021, the Hospice held total reserves of £12,355,131, an increase of £1,580,883 over the previous year. Of the total reserves, £4,995,992 relates to restricted reserves, with the main restriction being over the Hospice building. Should the Hospice cease to operate, or the building be sold, all proceeds must be returned to the Secretary of State for Health.

Remaining restricted funds relate primarily to the afore-mentioned build project and the Hospice @Home service – this is being pump-primed by our Hospice Angels campaign which started in 2016, 12 months before the service became operational. Angels have pledged to provide support for 5 years whilst a sustainable income stream is built up. The service is also match-funded by the Hospice via a designated Hospice @Home fund, which has been increased in year to support continued service expansion.

During the year, the Trustees reviewed the reserves policy and set a range within which it was deemed prudent to hold free reserves. This is based on a minimum level required to support the Hospice through two fallow income generation years and sufficient funds to wind up the Hospice in the event of a forced closure, and a maximum level of 12 months' operating costs. Reserves in excess of the minimum are held to support service development and to meet exceptional circumstances.

The Hospice's 'free reserves' are those unrestricted funds that are freely available to spend on any of the charity's purposes, and excludes all fixed assets, restricted and designated funds. Free reserves at 31 March 2021 are £6,361,228 compared to £4,610,816 last year. This is equivalent to 14.1 months running costs (2020: 11.1 months) and has been driven by additional Covid-19 relief funding and an exceptional year for investment gains. Although this is in excess of the preferred maximum level of reserves, the Trustees are satisfied that this level is reasonable given the huge uncertainty over funding streams created by the pandemic, the expected ongoing impact this may have over a number of years,

and the ongoing expansion of our @Home services.

## **PLANS FOR FUTURE PERIODS**

Our 18-month Covid19 Recovery and Delivery Plan was released in September 2020 and outlines our priorities until March 2022.

Our strategy has been influenced by our patient and family feedback, research into local health and social care needs and trend analysis of 'consumer behaviour' in the health arena. It is designed to fit with the six ambitions in the National Framework for Palliative Care and informed locally by the Joint Strategic Needs Assessment for Cheshire East, and regionally by the Palliative and End of Life Strategic Collaborative Cheshire. We have also engaged with our patients and families, supporters, colleagues, partners and collaborators as well as people in the wider community who have the potential to become stakeholders in the future.

Whilst we will not deviate from our ten-year vision to be at the centre of a whole-system solution delivering or facilitating high quality, seamless, co-ordinated end of life care to people affected by life limiting illness, the way we plan to achieve it has been radically impacted by the Covid pandemic.

### **Strategic Priority 2020-2022**

To provide and expand the availability of high quality, compassionate and co-ordinated palliative and end of life care that gives patients and families real choice and control and meets the future needs of the communities we serve.

### **Key Projects**

The following key projects have been identified as priorities to be delivered by March 2022:

- **Hospice @Home Expansion**  
We will further expand our Hospice @Home Daytime Service provide planned and highly personalised care for patients in the last 12 weeks of life. We will help patients who are at home in the last six months of life and those who care for them with regular respite breaks.
- **Palliative Care Respite Beds**  
We will care for patients with short term (1-2 weeks) inpatient stays and give their families, carers and loved ones much needed respite breaks from their caring responsibilities.
- **Cheshire-wide Palliative Care in Partnership Project** – East Cheshire Co-ordinated Care Service  
We have been working and will continue to work with partners in the public, private and third sectors to deliver excellence in end of life care across Cheshire. Co-ordinated care is key to ensuring all resources in our area are deployed efficiently and effectively to deliver high quality, easily accessible at home care services. East Cheshire Hospice will operate the Co-ordinated Care Hub.
- **Palliative Care 24hr Helpline**  
We will work with St Luke's (Cheshire) Hospice, Hospice of the Good Shepherd and End of Life Partnership to give consistent, countywide access to telephone support to end of life patients, their families and healthcare professionals involved in their care.

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- **Childhood and Adult Bereavement**

We will develop and expand our existing service offering to help more people by using a mix of digital communication platforms and in-person sessions which will increase accessibility and choice.

- **Support end of life patients who are homeless**

Working in partnership with St Luke's (Cheshire) Hospice and Hospice of the Good Shepherd, we will provide specialist support to those who need end of life care but have no fixed abode.

- **Delivering phase one of the building programme**

We will complete the building of an annex to the rear of the Hospice site to accommodate East Cheshire Hospice @Home expanded clinical team and future care co-ordination centre together with administration facilities.

- **IT and Digital Futures Strategy**

We will create a digital strategy to enable ECH to transform into a tech-enhanced organisation using new technologies to better meet the needs and expectations of patients now and in the future.

- **End of Life Care Practice Facilitator**

We will part-fund an End of Life Practice Facilitator role to enhance the palliative care skills and confidence of hospital staff and support a pilot of a community-based scheme in Bollington, Disley and Poynton Care Community.

- **Quality Improvements Framework**

We will work with individual GP Practices and Primary Care Networks to provide practical help and specialist advice to assist in the care of end-of-life patients in the community.

- **Integrate and digitise our financial processes**

Continue to develop and integrate a new accounting systems and processes that are fit for purpose now and in the future.

- **Regular and Legacy Giving**

We will develop and expand our individual and retail regular giving offer, and also our legacy income streams by initiating and growing long-term meaningful relationships with new and existing supporters.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Hospice is a charitable company limited by guarantee, incorporated on 10 April 1984 and registered as a charity on 25<sup>th</sup> April 1984. The company is established under a Memorandum of Association which sets out the objects and powers and is governed under its Articles of Association, as updated in March 2015.

The Nominations and Remuneration Committee is responsible for monitoring and evaluating the trustee recruitment, selection and appraisal process. The governing document requires between 5 and 14 trustees. Board vacancies are identified through regular skills audits and vacancies are filled through a formal recruitment process. The Hospice serves the needs of the broad community so the Board endeavours to reflect this in the make-up of its membership, whilst meeting the need to have an

**EAST CHESHIRE HOSPICE**  
**REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)**  
**For the year ended 31 March 2021**

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appropriate mix of professional skills necessary for the day-to-day and longer term running of the Charity. Once appointed to the Board, new trustees undertake an induction programme, supported by an existing member of the Board, and are supplied with a comprehensive information pack detailing the responsibilities of their trusteeship. Trustees are elected to serve for a term of three years, but can seek re-election for two further periods, with a total permitted maximum of nine consecutive years.

The Board meets at least four times a year and is responsible, through its committees, for setting and monitoring progress against the Strategic Plan, Annual Delivery Plans and Key Performance Indicators. These meetings are attended by the Chief Executive and members of the management team, who are responsible for the day-to-day running of Hospice services.

The committees are attended by designated Trustees and management team. The committees make proposals to the Board and have approved terms of reference with specific assigned responsibilities. The committees are:

- The Patient Care and Clinical Governance Committee which is responsible for monitoring patient care/services, partnership and clinical governance, and meets quarterly;
- Finance and Resources Committee which is responsible for monitoring and compliance of all matters financial, donor engagement, partnerships, use of technology and all other resources inclusive of human resources, and meets quarterly;
- The Nominations and Remuneration Committee which is responsible for the appointment of Trustees, Vice Presidents and other key roles, and meets twice yearly. It is also responsible for agreeing the remuneration of management posts as they become vacant. This is done by reference to other similar roles in the local job market and other hospices.

The Finance and Resources Committee reviews all staff pay on an annual basis to determine whether an inflation pay award can be given. The management team is included in this review and receive any increase on the same basis as all other staff.

The Hospice is a member of The End of Life Partnership, a local charity consisting of 28 partner organisations involved in end of life care issues across Cheshire. It also promotes the delivery of high-quality palliative care education in order to ensure all communities are prepared for end of life care. The Hospice does not have any control over this charity, however, along with other hospices within Cheshire, it does provide an annual grant towards its core costs. The Hospice is also a shareholder in the Hospice Quality Partnership, a commercial company set up by hospices nationally to provide more efficient and better-quality procurement in the sector through collective bulk purchasing power.

The Hospice's wholly owned subsidiary, ECH Trading Limited, was established to run commercial retail activities. It gift aids its profits to the Hospice and all related party transactions are provided in the notes to these accounts.

## **RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The Trustees (who are directors of East Cheshire Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted

**EAST CHESHIRE HOSPICE**  
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Accounting Practice).

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure for the financial year. In preparing those financial statements, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity Statement of Recommended Practice (SORP)
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The Board is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

## **AUDITORS**

Heywood Shepherd were re-appointed as the charitable company's auditors and have expressed their willingness to continue in that capacity.

**Approved by the Board on 16 September 2021 and signed on its behalf by:**

**Mr S W Spinks**

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**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE**  
**For the year ended 31 March 2021**

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**Opinion**

We have audited the financial statements of East Cheshire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheet and the consolidated statement of cashflows 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable company 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 group's or parent charitable company'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

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**For the year ended 31 March 2021**

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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.

**Opinions 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' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 group's and parent charitable company'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 group or the parent charitable company 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.

**EAST CHESHIRE HOSPICE**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE**  
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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, are detailed below:

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 company through discussions with trustees and management, and from our 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 company, including the Companies Act 2006, Charities SORP FRS102, 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 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 company'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;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- Performed analytical procedures to identify any unusual or expected relationships;
- 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;
- reading minutes of meetings of those charged with governance;
- 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 directors 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 Independent Auditor's Report.

**EAST CHESHIRE HOSPICE**  
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE**  
**For the year ended 31 March 2021**

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**Use of our report**

This report is made solely to the charitable company's members, 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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mr N A Kennington (Senior Statutory Auditor)**  
**For and on behalf of Heywood Shepherd,**  
**Chartered Accountants**  
**1 Park Street**  
**Macclesfield**  
**Cheshire**  
**SK11 6SR**

**Dated: 16 September 2021**

EAST CHESHIRE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating and Income & Expenditure account)  
As at 31 March 2021

	Notes	2021			2020		
		Unrestricted Funds £	Restricted Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Total £
<b>Income from:</b>							
Donations and legacies	2	3,841,723	1,503,309	5,345,032	3,395,615	1,972,145	5,367,760
Charitable activities	3	87,226	-	87,226	24,925	-	24,925
Other trading activities	4	666,530	1,541	668,071	1,011,693	21,983	1,033,676
Investments	5	106,048	-	106,048	107,380	-	107,380
<b>Total</b>		<b>4,701,527</b>	<b>1,504,850</b>	<b>6,206,377</b>	<b>4,539,613</b>	<b>1,994,128</b>	<b>6,533,741</b>
<b>Expenditure on:</b>							
Raising funds	7	934,133	2,272	936,405	1,055,539	70	1,055,609
Charitable activity	8						
Inpatient services		2,604,379	17,206	2,621,585	2,275,039	63,251	2,338,290
Day-care and outpatients		663,049	6,436	669,485	518,753	45,591	564,344
Hospice @Home		214,850	477,559	692,409	166,321	349,789	516,110
Family support services		363,834	43,478	407,312	291,548	33,958	325,506
Outreach and education		69,974	134	70,108	95,074	3,617	98,691
Other		-	-	-	64,304	-	64,304
<b>Total</b>		<b>4,850,219</b>	<b>547,085</b>	<b>5,397,304</b>	<b>4,466,578</b>	<b>496,276</b>	<b>4,962,854</b>
Net gains/(losses) on investments	12	771,810	-	771,810	(259,483)	-	(259,483)
Net income/(expenditure)		623,118	957,765	1,580,883	(186,448)	1,497,852	1,311,404
Transfers between funds	22	1,246,924	(1,246,924)	-	13,875	(13,875)	-
<b>Net income/(expenditure) for the year</b>		<b>1,870,042</b>	<b>(289,159)</b>	<b>1,580,883</b>	<b>(172,573)</b>	<b>1,483,977</b>	<b>1,311,404</b>
Total funds brought forward		5,489,097	5,285,151	10,774,248	5,661,670	3,801,174	9,462,844
<b>Total funds carried forward</b>	22	<b>7,359,139</b>	<b>4,995,992</b>	<b>12,355,131</b>	<b>5,489,097</b>	<b>5,285,151</b>	<b>10,774,248</b>

The statement of financial activities includes all gains and losses recognised in the year and all amounts derive from continuing activities. The transfer between funds is in respect of movements in fixed assets.

The notes on pages 25 to 37 form part of these accounts.

EAST CHESHIRE HOSPICE

BALANCE SHEET  
For the year ended 31 March 2021

	Notes	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
<b>Fixed Assets</b>					
Tangible assets	11	<b>3,721,363</b>	3,747,964	<b>3,721,363</b>	3,747,964
Investments	12	<b>3,746,614</b>	2,964,399	<b>3,746,616</b>	2,964,401
		<b>7,467,977</b>	6,712,363	<b>7,467,979</b>	6,712,365
<b>Current Assets</b>					
Stock	14	<b>441</b>	767	-	-
Debtors	15	<b>951,200</b>	898,039	<b>951,200</b>	898,039
Cash at bank and in hand		<b>4,443,533</b>	3,551,812	<b>4,443,531</b>	3,551,810
		<b>5,395,174</b>	4,450,618	<b>5,394,731</b>	4,449,849
Creditors: amounts falling due within one year	16	<b>508,020</b>	388,733	<b>508,397</b>	388,784
<b>Net Current Assets</b>		<b>4,887,154</b>	4,061,885	<b>4,886,334</b>	4,061,065
<b>Total Assets Less Current Liabilities</b>		<b>12,355,131</b>	10,774,248	<b>12,354,313</b>	10,773,430
Creditors: amounts falling due after more than one year		-	-	-	-
<b>Net Assets</b>		<b>12,355,131</b>	10,774,248	<b>12,354,313</b>	10,773,430
Restricted funds		<b>4,995,992</b>	5,285,151	<b>4,995,992</b>	5,285,151
Unrestricted - general funds		<b>5,546,791</b>	4,707,827	<b>5,545,973</b>	4,707,007
- designated funds		<b>808,387</b>	573,896	<b>808,387</b>	573,896
- revaluation reserve		<b>1,003,961</b>	207,374	<b>1,003,961</b>	207,374
<b>Total Funds</b>	22	<b>12,355,131</b>	10,774,248	<b>12,354,313</b>	10,773,430

These financial statements of East Cheshire Hospice (charity number 515104; company number 01807691) were approved by the Board of Trustees on 16 September 2021 and signed on its behalf by:

Mr S W Spinks

Mr A C Kennedy

The notes on pages 25 to 37 form part of these accounts

**EAST CHESHIRE HOSPICE**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the year ended 31 March 2021

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net cash provided by / (used in) operating activities	<u>1,287,549</u>	<u>821,308</u>
<b>Cash flow from investing activities:</b>		
Dividends and interest from investments	106,048	107,380
Proceeds from the sale of equipment	11,800	-
Purchase of property, plant and equipment	(501,090)	(56,027)
Proceeds from the sale of investments	216,897	319,376
Purchase of investments	(229,483)	(557,566)
Net cash provided by / (used in) investing activities	<u>(395,828)</u>	<u>(186,837)</u>
<b>Change in cash and cash equivalents in the year</b>	<b>891,721</b>	<b>634,471</b>
Cash and cash equivalents b/f	<u>3,551,812</u>	<u>2,917,341</u>
<b>Cash and cash equivalents c/f</b>	<u><b>4,443,533</b></u>	<u><b>3,551,812</b></u>

**Notes to the consolidated cash flow statement**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income / (expenditure) for the reporting period	1,580,883	1,311,404
Depreciation charge	520,034	157,416
(Gains) / losses on investments	(771,810)	259,483
Investment income	(106,048)	(107,380)
Loss / (profit) on sale of fixed assets	(4,143)	395
Decrease/(increase) in stock	326	51
(Increase)/decrease in debtors	(53,160)	(734,276)
(Decrease)/increase in creditors	119,285	(73,804)
Investment commissions	2,182	8,019
Net cash provided by / (used in) operating activities	<u>1,287,549</u>	<u>821,308</u>

Analysis of cash and cash equivalents:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash in hand	1,193,533	651,812
Notice deposits	3,250,000	2,900,000
Total cash and cash equivalents	<u>4,443,533</u>	<u>3,551,812</u>

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2021

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### 1. Summary of Significant Accounting Policies

#### General Information and Basis of Preparation

The financial statements of the charitable company, which is a public benefit entity under FRS102, 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 (Charities SORP FRS102 – effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value as modified by the revaluation of certain assets.

#### Basis of consolidation

These accounts consolidate the results of the charity and its wholly owned trading subsidiary, ECH Trading Limited, on a line by line basis. A separate Statement of Financial Activities has not been presented for the charity as allowed by Section 408 of the Companies Act 2006. The net gain of the Hospice for the year is £1,580,883 (2020: net gain £1,311,404).

#### Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Restricted funds are donations which the donor has specified are to be used for specific projects. The aim and use of each significant restricted fund is set out in the notes to these accounts.

#### Incoming Resources and Debtors

All income is recognised in the statement of financial activities when the Hospice has entitlement to the funds, receipt is probable, and the amount can be reliably measured. The following policies are applied to income:

- Voluntary income is included in full when receivable. Grant income is recognised when the charity becomes unconditionally entitled to it.
- Legacies are included at the earlier of when the Executors notify the Hospice that a distribution will be made, or when a distribution is received. Where legacies have been notified to the Hospice, but the recognition criteria have not been met, the legacy is treated as a contingent asset and disclosed if material.
- Gifts in kind and donated services are recognised within incoming resources and expenditure at an estimate of open market value. The value of services provided by volunteers is not included in the accounts.
- Items donated for resale through the charity's shops are included as incoming resources when they are sold.
- Investment income is included when receivable.
- Lottery income received in advance is deferred and released in the week that the draw takes place.

Debtors are recognised at settlement value.

#### Resources Expended and Creditors

Expenditure is recognised when there is a legal or constructive obligation to a third party, payment is probable, and the amount is reliably measurable. Irrecoverable VAT is allocated as a support cost. Expenditure is classified under the following activity headings:

- Costs of raising funds are those associated with fundraising activity, including the charity's shops and lottery operations and their associated support costs.
- Charitable expenditure is incurred in the delivery of the charity's activities and services for its beneficiaries. It includes costs that can be directly apportioned and indirect associated support costs.

Grants payable are made to third parties in the furtherance of the Hospice's charitable objectives. Grants are accounted for when the conditions for payment have been met by the recipient, or in full when no conditions have been set.

Redundancy and termination payments are recognised on an accruals basis as a liability is incurred.

# EAST CHESHIRE HOSPICE

## NOTES TO THE ACCOUNTS For the year ended 31 March 2021

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### 1. Summary of Significant Accounting Policies (continued)

Creditors are recognised where it is probable that a reliably estimated present obligation will result in a payment to a third party. Creditors are recognised at their settlement value.

#### Support costs

Support costs are those back-office functions that are necessary for the effective running of the Hospice but are not directly involved in providing care. They are allocated between the cost of raising funds and charitable activities as set out in the notes to these accounts.

#### Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 are capitalised at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over their estimated useful life as follows:

- Buildings 2 – 10% p.a. straight line depending on the asset nature
- Plant, equipment and vehicles 12.5% p.a. straight line
- Computer hardware 25% straight line

As a result of the Hub build project, the depreciation policy was reviewed in the year. This resulted in a change of depreciation methodology from reducing balance to straight line, and a change in estimated useful lives, which is considered to reflect a more accurate value of the assets. The land at Millbank Drive is included at market value at the time of donation from the Health Authority.

#### Investments and cash

Listed investments are stated at market value at the balance sheet date. Unlisted investments are valued at cost. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Cash at bank is held to meet the day to day running costs of the Hospice as they fall due.

#### Stock

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold.

#### Leases

Rental payable under operating leases are charged to the statement of financial activities in equal annual instalments over the period of the lease.

#### Pensions

The Hospice contributes to the NHS pension scheme as allowed under direction of the Secretary of State in England and Wales. This is an unfunded, defined benefit pension scheme and it is not possible to identify the assets and liabilities which are attributable to the Hospice. The scheme is therefore accounted for as defined contribution scheme. The Hospice also operates 2 further defined contribution pension schemes. The assets of all schemes are held separately from those of the Hospice in independently administered funds. Contributions payable for the year are charged to the SOFA in line with the activity carried out by the relevant pension scheme member.

#### Taxation

The Hospice is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

#### Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of Hospice reserves to be able to continue as a going concern.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2021

**2. Donations and legacies:**

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Donations	1,405,555	573,118	1,978,673	840,160	622,932	1,463,092
Donations – capital	-	-	-	-	1,300,000	1,300,000
Legacies	1,023,770	600	1,024,370	1,300,956	-	1,300,956
Community activity	388,530	200	388,730	412,715	43,288	456,003
Grants	1,023,868	929,391	1,953,259	841,784	5,925	847,709
	<b>3,841,723</b>	<b>1,503,309</b>	<b>5,345,032</b>	<b>3,395,615</b>	<b>1,972,145</b>	<b>5,367,760</b>

The capital donation fully funds the build of a new wing to house our Co-ordinated Care Service – see note 22.

<b>Grants receivable were:</b>	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
NHS Cheshire CCG – care	443,894	-	443,894	433,067	-	433,067
NHS Cheshire CCG – drugs	110,700	-	110,700	108,000	-	108,000
NHS Cheshire CCG – other	168,247	-	168,247	123,265	-	123,265
NHS Derbyshire CCG – care	40,476	-	40,476	40,481	-	40,481
Cheshire East Council – retail grant	53,170	-	53,170	85,000	-	85,000
Job Retention Scheme	49,399	-	49,399	-	-	-
NHSE Covid-19 capacity grant	-	864,079	864,079	-	-	-
Other grants and trusts	157,982	65,312	223,294	51,971	5,925	57,896
	<b>1,023,868</b>	<b>929,391</b>	<b>1,953,259</b>	<b>841,784</b>	<b>5,925</b>	<b>847,709</b>

The Hospice's main grant agreements are with NHS Cheshire Clinical Commissioning Group (CCG), which makes a contribution to the provision of 24-hour specialist palliative care for patients and families in the East Cheshire region and for drugs. The Hospice has a similar arrangement with NHS Derbyshire CCG as the boundaries of the Hospice's service area extend to parts of Derbyshire.

The NHSE awarded funding to allow the Hospice to make available bed capacity and community support from April 2020 to July 2020, and subsequently from November 2020 to March 2021, to provide support to people with complex needs in the context of the COVID-19 situation.

**3. Charitable activities:**

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Local government and NHS service contracts	86,241	-	86,241	1,323	-	1,323
Other ancillary income	985	-	985	23,602	-	23,602
	<b>87,226</b>	<b>-</b>	<b>87,226</b>	<b>24,925</b>	<b>-</b>	<b>24,925</b>

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2021

4. Other trading activities:

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Events and sponsorship	168,114	1,541	169,655	336,485	21,983	358,468
Lottery income	324,471	-	324,471	343,028	-	343,028
Shops	173,945	-	173,945	332,180	-	332,180
	<b>666,530</b>	<b>1,541</b>	<b>668,071</b>	<b>1,011,693</b>	<b>21,983</b>	<b>1,033,676</b>

5. Investment income:

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
Dividends received	87,167	-	87,167	89,161	-	89,161
Interest received	18,881	-	18,881	18,219	-	18,219
	<b>106,048</b>	<b>-</b>	<b>106,048</b>	<b>107,380</b>	<b>-</b>	<b>107,380</b>

6. Net incoming resources for the year (group and charity):

	2021	2020
	£	£
This is stated after charging:		
Depreciation (owned assets)	520,034	157,416
Auditor's remuneration (excluding VAT)	8,000	7,800
Non audit fees (excluding VAT)	<b>4,825</b>	<b>4,490</b>

7. Raising funds:

	Unrestricted Funds	Restricted Funds	Total 2021	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£	£	£	£
<b>Donations and legacies:</b>						
Staff costs	274,517	-	274,517	255,315	-	255,315
Events and fundraising costs	98,889	-	98,889	189,497	-	189,497
	<b>373,406</b>	<b>-</b>	<b>373,406</b>	<b>444,812</b>	<b>-</b>	<b>444,812</b>
<b>Other trading activity:</b>						
Staff costs	271,763	-	271,763	248,799	-	248,799
Events and fundraising costs	19,724	-	19,724	102,145	-	102,145
Lottery management costs	10,225	-	10,225	29,133	-	29,133
Lottery prizes	78,022	-	78,022	78,070	-	78,070
Shop running costs	143,553	1,870	145,423	117,166	-	117,166
	<b>523,287</b>	<b>1,870</b>	<b>525,157</b>	<b>575,313</b>	<b>-</b>	<b>575,313</b>
<b>Investment costs:</b>						
Investment managers fee	19,955	-	19,955	20,161	-	20,161
Support costs	17,485	402	17,887	15,253	70	15,323
	<b>934,133</b>	<b>2,272</b>	<b>936,405</b>	<b>1,055,539</b>	<b>70</b>	<b>1,055,609</b>

EAST CHESHIRE HOSPICE

NOTES TO THE ACCOUNTS  
For the year ended 31 March 2021

8. Charitable activities:

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
<b>Inpatient services:</b>						
Staff and related costs	1,719,401	160	1,719,561	1,686,017	40	1,686,057
Patient consumables – direct	132,209	30	132,239	111,584	-	111,584
Catering and housekeeping	42,108	-	42,108	45,978	287	46,265
Property occupation and repairs	109,862	9,643	119,505	111,645	6,762	118,407
Depreciation	280,248	-	280,248	35,089	54,864	89,953
Support costs	320,551	7,373	327,924	284,726	1,298	286,024
	<b>2,604,379</b>	<b>17,206</b>	<b>2,621,585</b>	<b>2,275,039</b>	<b>63,251</b>	<b>2,338,290</b>
<b>Day care and outpatients:</b>						
Staff and related costs	346,297	816	347,113	320,161	18,658	338,819
Patient consumables – direct	1,929	279	2,208	9,347	560	9,907
Catering and housekeeping	12,692	-	12,692	12,967	68	13,035
Property occupation and repairs	42,542	2,258	44,800	43,947	1,709	45,656
Depreciation	125,540	-	125,540	15,390	24,063	39,453
Support costs	134,049	3,083	137,132	116,941	533	117,474
	<b>663,049</b>	<b>6,436</b>	<b>669,485</b>	<b>518,753</b>	<b>45,591</b>	<b>564,344</b>
<b>Hospice @Home:</b>						
Staff and related costs	142,512	460,585	603,097	136,058	337,555	473,613
Patient consumables – direct	-	16,304	16,304	-	8,018	8,018
Catering and housekeeping	1,415	-	1,415	707	-	707
Property occupation and repairs	10,575	-	10,575	6,756	273	7,029
Depreciation	31,206	-	31,206	2,462	3,850	6,312
Support costs	29,142	670	29,812	20,338	93	20,431
	<b>214,850</b>	<b>477,559</b>	<b>692,409</b>	<b>166,321</b>	<b>349,789</b>	<b>516,110</b>
<b>Family support:</b>						
Staff and related costs	178,589	41,735	220,324	188,731	18,600	207,331
Patient consumables – direct	267	-	267	1,983	624	2,607
Catering and housekeeping	3,576	-	3,576	2,474	-	2,474
Property occupation and repairs	26,737	-	26,737	23,645	957	24,602
Depreciation	78,899	-	78,899	8,618	13,476	22,094
Support costs	75,766	1,743	77,509	66,097	301	66,398
	<b>363,834</b>	<b>43,478</b>	<b>407,312</b>	<b>291,548</b>	<b>33,958</b>	<b>325,506</b>
<b>Outreach and education:</b>						
Staff and related costs	18,224	-	18,224	17,707	-	17,707
Patient care – grant	45,922	-	45,922	72,283	3,594	75,877
Support costs	5,828	134	5,962	5,084	23	5,107
	<b>69,974</b>	<b>134</b>	<b>70,108</b>	<b>95,074</b>	<b>3,617</b>	<b>98,691</b>

Other costs of £nil (2020: £64,304), as shown on the face of the statement of financial activities, includes costs of developing the new build project.

**EAST CHESHIRE HOSPICE**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2021**

**9. Allocation of support costs:**

	Raising funds	Inpatient services	Day care & outpatients	Hospice @Home	Family Support	Outreach/ education	Total 2021	Total 2020
	£	£	£	£	£	£	£	£
Governance costs	946	17,335	7,249	1,576	4,097	315	31,518	21,840
Office support	953	17,473	7,307	1,589	4,130	318	31,770	28,918
Accounting and payroll	3,022	55,396	23,166	5,036	13,094	1,007	100,721	91,262
Information technology	4,189	76,802	32,117	6,982	18,153	1,396	139,639	96,909
Workforce & volunteers	5,941	108,926	45,551	9,903	25,746	1,980	198,047	174,645
Marketing	2,459	45,083	18,853	4,098	10,656	820	81,969	72,412
Irrecoverable VAT	377	6,909	2,889	628	1,633	126	12,562	24,771
	<b>17,887</b>	<b>327,924</b>	<b>137,132</b>	<b>29,812</b>	<b>77,509</b>	<b>5,962</b>	<b>596,226</b>	<b>510,757</b>

Support costs are apportioned on the basis of floor space used in each activity as an approximation of the resources used in that activity.

**10. Staff costs and numbers**

**Staff payroll costs (excluding agency) were:**

	2021	2020
	£	£
Salaries	3,129,259	2,950,953
Social security costs	268,484	245,887
Employers pension – defined contribution	129,386	117,864
Employers pension – defined benefit	149,238	141,459
	<b>3,676,367</b>	<b>3,456,163</b>

Staff costs includes £25,333 (2020: £nil) for redundancy and termination payments to 5 individuals as a result of service re-organisation.

The average monthly number of staffs employed during the year on a full time equivalent and headcount basis was:

	2021	2020
	No.	No.
<b>Full time equivalent:</b>		
Clinical and patient support staff	66	62
Support – HR & Volunteer, Finance, Marketing, office and ICT	17	18
Income generation staff – retail, lottery and Fundraising	18	17
	<b>101</b>	<b>97</b>
<b>Headcount – all areas:</b>	<b>143</b>	<b>150</b>

The number of staff whose emoluments exceeded £60,000 in the year was:

	2021	2020
	No.	No.
£70,001 - £80,000	2	2

Pension contributions of £10,849 (2020: £10,414) were made to a defined contribution scheme in respect of these employees.

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2021**

The total amount of salary and benefits paid to key management personnel, as identified on page 2 (Legal and administrative details – Management Team) was £380,596 (2020: £368,445). None of the Trustees received any remuneration or benefits from an employment with the charity or related entities.

During the year no expenses were paid to or on behalf of Trustees (2020: £nil). Trustees donate their time, talent and skills to the smooth running of the Hospice. As well as their ambassadorial duties, they have supported fundraising events and contributed to the commercial activity of the Hospice as Lottery members and by making donations to the shops. In addition to this, the aggregate unconditional donations from Trustees during the year was £25,820 (2020: £12,425).

The Hospice is grateful for the valuable support of all its volunteers who support the work of paid staff in all areas of the Hospice's work.

**11. Tangible fixed assets (group and charity):**

	<b>Freehold land &amp; Buildings</b>	<b>Plant &amp; Equipment</b>	<b>Computers</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2020	5,044,825	662,100	173,055	<b>5,879,980</b>
Additions	470,845	30,245	-	<b>501,090</b>
Disposals	-	(18,695)	-	<b>(18,695)</b>
At 31 March 2021	<b>5,515,670</b>	<b>673,650</b>	<b>173,055</b>	<b>6,362,375</b>
<b>Depreciation</b>				
At 1 April 2020	1,565,245	437,753	129,018	<b>2,132,016</b>
Charge for the year	382,562	106,669	30,803	<b>520,034</b>
Disposals	-	(11,038)	-	<b>(11,038)</b>
At 31 March 2021	<b>1,947,807</b>	<b>533,384</b>	<b>159,821</b>	<b>2,641,012</b>
<b>Net book values</b>				
At 31 March 2021	<b>3,567,863</b>	<b>140,266</b>	<b>13,234</b>	<b>3,721,363</b>
At 31 March 2020	3,479,580	224,347	44,037	3,747,964

Land and buildings includes £300,000 of non-depreciable land. Additions of £470,845 in year relates to the new Proseal Wing to accommodate the Co-ordinated Care Service, which at the year end, is an asset under construction.

The depreciation methodology was updated during the year, resulting in a change from reducing balance to straight line basis.

**EAST CHESHIRE HOSPICE**  
**NOTES TO THE ACCOUNTS**  
**For the year ended 31 March 2021**

**12. Investments:**

<b>Managed Portfolio</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Market value b/f	2,964,389	2,993,701
Additions	210,766	602,001
Disposals	(216,897)	(319,376)
Net investment gains/(losses)	771,810	(259,483)
Charges paid in the year	(2,182)	(8,019)
Movement in cash deposits	18,718	(44,435)
<b>Market value c/f</b>	<b>3,746,604</b>	<b>2,964,389</b>
<b>Historical cost c/f</b>	<b>2,742,643</b>	<b>2,757,015</b>
<b>The portfolio consisted of:</b>		
UK Equity Shares	904,579	768,282
International equity shares	1,697,449	1,159,494
UK Fixed Interest	484,435	471,899
International fixed interest	82,320	77,040
Alternatives	539,993	468,559
Cash	37,828	19,115
	<b>3,746,604</b>	<b>2,964,389</b>
Unquoted - Hospices Quality Partnership	10	10
	<b>3,746,614</b>	<b>2,964,399</b>
ECH Trading Ltd - wholly owned subsidiary (see note 13)	2	2
	<b>3,746,616</b>	<b>2,964,401</b>

The investment portfolio is managed by the Investment Advisors on a discretionary basis with the objective of having a balanced, medium risk fund with no investments in tobacco companies.

**13. Results of Trading Subsidiary:**

ECH Trading Limited (Company number 05688814) is a wholly owned subsidiary of East Cheshire Hospice, operating a retail business selling new goods. The results for the year ended 31 March 2021 are:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Turnover	14,643	28,820
Cost of sales and administration	(12,042)	(19,048)
Operating profit	2,601	9,772
Amount gift aided to the charity	(2,601)	(9,772)
Retained in subsidiary	-	-
<b>Balance Sheet</b>	<b>£</b>	<b>£</b>
Current assets	820	820
Current liability - amount owed by / (to) parent	-	-
Total net assets	<b>820</b>	<b>820</b>

**EAST CHESHIRE HOSPICE**

**NOTES TO THE ACCOUNTS**  
For the year ended 31 March 2021

**14. Stocks:**

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Merchandise stock	441	767	-	-

The amount of stock recognised as an expense in other trading activity during the year for the Group is £4,969 (2020: £10,286) and Charity £nil (2020: £nil).

**15. Debtors:**

Amounts falling due within one year:	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	70,817	86,007	70,817	86,007
VAT recoverable	58,475	27,307	58,475	27,307
Amount due from subsidiary company	-	-	-	-
Gift aid recoverable	68,630	-	68,630	-
Prepayments and accrued income	753,278	784,725	753,278	784,725
	951,200	898,039	951,200	898,039

**16. Creditors:**

Amounts falling due within one year:	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Grants payable	15,000	60,000	15,000	60,000
Trade creditors	68,895	124,114	68,895	124,114
Amount due to subsidiary company	-	-	377	51
Taxation & social security	61,837	64,613	61,837	64,613
Accruals	235,541	68,374	235,541	68,374
Deferred income	126,747	71,632	126,747	71,632
	508,020	388,733	508,397	388,784
<b>Analysis of deferred income:</b>				
Deferred income b/f	71,632	96,426	71,632	96,426
Income deferred in the year	389,802	351,320	389,802	351,320
Income released in the year	(334,687)	(376,114)	(334,687)	(376,114)
Deferred income c/f	126,747	71,632	126,747	71,632

Deferred income includes lottery subscription fees and event income received in advance. Lottery income is deferred on receipt and released in the week of the draw. Events income relates to ticket and participator sponsorship monies received in advance of events, which is deferred and released when the event takes place.

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2021

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#### 17. Pensions:

The Hospice, without obligation, contributes to 3 pension schemes for current employees:

- **Scottish Widows Group Personal Pension Plan** - a defined contribution scheme. The Hospice paid employers contributions of £123,085 (2020: £111,500), and the pension creditor at the yearend was £nil (2020: £15,840).
- **Now Pensions** - a defined contribution, auto-enrolment scheme for staff who do not wish to join the Scottish Widows or NHS schemes. The Hospice paid employers contributions of £6,302 during the year (2020: £6,363), and the pension creditor at the year end was £1,229 (2020: £1,405).

**NHS Pension Scheme** – an unfunded defined benefit scheme under the direction of the Secretary of State in England and Wales. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). It is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Hospice is taken as the contributions payable to that scheme for the accounting period. The Hospice paid employers contributions of £149,238 (2020: £141,459) on behalf of employees who were existing members of the scheme before joining the Hospice and are therefore able to carry on their membership under the scheme rules. This is based on a rate of 14.3% of pensionable pay, based on HMT Valuation Directions. The pension creditor as at the year end was £21,197(2020: £20,178).

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year, carried out by the Government Actuary's Department. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used. The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at March 2016. The results of this valuation set the employer contribution rate payable from April 2020 at 20.6%, and the Scheme Regulations were amended accordingly. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

While the Employer contribution rate has been set at 20.6%, Employers have only been required to make contributions at 14.3% for both 2019/20 and 2020/21. Had the full rate been in force, the Employer contributions in 2020/21 would have been £214,986 (2020: £203,434), an increase of £65,748 (2020: £61,975).

## EAST CHESHIRE HOSPICE

### NOTES TO THE ACCOUNTS For the year ended 31 March 2021

#### 18. Contingent liabilities and assets:

**Contingent liability** - In 2011 the Hospice received a grant from the Social Enterprise Investment Fund (SEIF) of £450,000. The grant agreement contains a condition that repayment is required if free reserves, defined as all liquid assets that are not restricted, exceed 12 months operational expenditure in any financial year. Should this happen the grant must either be repaid in full or converted to an interest-bearing loan to be repaid in monthly instalments over the remainder of a ten-year term. If free reserves remain below 12 months operational expenditure for the whole of the 10-year term commencing on 1st April 2011, the grant becomes non-repayable. The grant is secured by a legal charge over the Hospice's premises at Millbank Drive. The Social Investment Business Group, who administer SEIF, varied the grant terms so that the Designated Hospice @Home Fund and the Revaluation reserve are also excluded from free reserves until the end of the grant term. This is the final year of the agreement and free reserves under this measure are equivalent to 11.9 months. The conditions have therefore been met in full and a contingent liability no longer exists in relation to this grant.

**Contingent asset** – as at 31 March 2021 the Hospice is aware of 8 ongoing legacy cases (4 residuary and 4 pecuniary) where the value is uncertain as estate accounts are still to be finalised – no amounts have been included in income in relation to these legacies.

#### 19. Capital Commitments:

Capital commitments at the end of the financial year for which no provision has been made are as follows:

	2021 £	2020 £
Contracted	<u>635,097</u>	<u>-</u>

#### 20. Operating lease commitments:

At the year end, the group and charity had total commitments under operating leases expiring:

	Land & Buildings £	Equipment £	Total 2021 £	Total 2020 £
Within 1 year	-	-	-	-
Between 1 and 5 years	94,708	23,062	117,700	256,899
In more than 5 years	198,000	-	198,000	-
	<u>292,708</u>	<u>23,062</u>	<u>315,770</u>	256,899

Operating lease payments made during the year were £63,706 (2020: £59,755).

#### 21. Share capital and company status:

The company is incorporated under the Companies Act 2006. It is limited by guarantee and, therefore, does not have any issued share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

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**22. Funds:**

	Balance b/f	Income	Costs	Transfers	Gains/ (losses)	Balance c/f
	£	£	£	£	£	£
<b>Unrestricted Funds:</b>						
General	4,707,828	4,701,527	(4,634,711)	796,924	(24,777)	5,546,791
Revaluation reserve	207,374	-	-	-	796,587	1,003,961
Designated Hospice @Home	573,895	-	(215,508)	450,000	-	808,387
	<b>5,489,097</b>	<b>4,701,527</b>	<b>(4,850,219)</b>	<b>1,246,924</b>	<b>771,810</b>	<b>7,359,139</b>
<b>Restricted:</b>						
<b>Property Funds:</b>						
Hospice Premises	3,443,580	-	-	88,283	-	3,531,863
Proseal Wing Fund	1,300,000	-	(3,080)	(470,845)	-	826,075
Equipment fund	26,125	2,927	(9,494)	(283)	-	19,275
Hospice garden	1,460	-	(123)	-	-	1,337
<b>Service Funds:</b>						
NHSE Covid-19 capacity fund	-	864,079	-	(864,079)	-	-
Hospice @Home	427,388	629,084	(479,271)	-	-	577,201
In-patient Unit	-	350	(350)	-	-	-
Bereavement – Adult and Child services	86,411	1,935	(53,292)	-	-	35,054
Sunflower Centre for Day Care	-	5,805	(805)	-	-	5,000
Dementia services	-	290	(290)	-	-	-
Chaplaincy services	-	380	(380)	-	-	-
<b>Other Funds:</b>						
Staff Fund	187	-	-	-	-	187
<b>Total Restricted</b>	<b>5,285,151</b>	<b>1,504,850</b>	<b>(547,085)</b>	<b>(1,246,924)</b>	<b>-</b>	<b>4,995,992</b>
<b>TOTAL FUNDS</b>	<b>10,774,248</b>	<b>6,206,377</b>	<b>(5,397,304)</b>	<b>-</b>	<b>771,810</b>	<b>12,355,131</b>

**Unrestricted Funds:**

**General fund** – this is the accumulation of free reserves.

**Revaluation Reserve** – is required by the Companies Act 2006 and represents the amount by which investments have been revalued from their historic cost.

**Designated fund – Hospice @Home** – in March 2017 the Trustees agreed to transfer £1,100,000 of reserves to help fund the Hospice @Home project for 5 years whilst a secure and viable income stream is built up to fund this service in the longer term. A further £450,000 has been designated in March 2021 to support ongoing @Home services and the development of the Community Care Hub under the Palliative Care in partnership Project.

**Restricted Funds:**

**Property Funds - Hospice Premises** - this fund represents the net book value of the Hospice's premises at Millbank Drive and includes £300,000 for the land originally donated by the Health Authority. It does not include £36,000 relating to a separate property in Macclesfield. Should the Hospice's activities cease, and the Millbank Drive premises be sold, all the proceeds would be payable to The Secretary of State for Health and Social Care. This obligation is secured by a legal charge over the Hospice's premises at Millbank Drive.

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The value of the land and buildings is therefore considered to be restricted. The transfers result from movements in the property value arising from capital expenditure and depreciation.

**Proseal Wing Fund** – These funds were generously provided by £1m donation from Proseal UK, and a further £150,000 from each of The Hargreaves Charitable Trust and the Porto Charitable Trust to fully fund the building of the Proseal Wing to house the community care hub. Building works are on-going, having commenced in November 2020 and the transfer in year relates to the certified value of the build completion.

**Property funds - Equipment Fund and Hospice Garden funds** represents funds received for the purchase of equipment for all areas of the Hospice, and for the maintenance of the gardens.

**Service funds:**

The NHSE Covid-19 capacity relates to funding received in year to allow the Hospice to make available bed capacity and community support for people with complex needs in the context of the COVID-19 situation.

Other service funds represent monies received for the provision of specific Hospice services. The Hospice @Home service is supported by a well-received major donor campaign, started in 2017 with 5-year support pledged whilst other funding sources are built up.

**Other funds:**

The **Staff Fund** - this represents donations given specifically for the benefit of staff and for staff training. The HR manager is responsible for deciding benefits to be provided.

**Transfers between funds:**

These reflect the fulfilment of restrictions through the purchase of fixed assets with restricted donations, and depreciation of those restricted assets.

**23. Analysis of net assets between funds:**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	189,500	3,531,863	3,721,363
Investments	3,746,614	-	3,746,614
Net current assets	3,423,025	1,464,129	4,887,154
<b>Group:</b>	<b>7,359,139</b>	<b>4,995,992</b>	<b>12,355,131</b>
Investments	2	-	2
Net current assets	(820)	-	(820)
<b>Charity:</b>	<b>7,358,321</b>	<b>4,995,992</b>	<b>12,354,313</b>

**24. Related parties:**

There are no related party transactions that require disclosure other than those relating to the trading company (note 13).