

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

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

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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

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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.

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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.

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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

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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 25th 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

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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.

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

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

EAST CHESHIRE HOSPICE
REPORT OF THE TRUSTEES (INCORPORATING THE STRATEGIC REPORT)
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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 25th 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

EAST CHESHIRE HOSPICE
INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE
For the year ended 31 March 2023

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.

EAST CHESHIRE HOSPICE
INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE
For the year ended 31 March 2023

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
INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF EAST CHESHIRE HOSPICE
For the year ended 31 March 2023

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. 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 2023

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 £
Income from:							
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
Total		6,837,790	1,412,513	8,250,303	5,754,226	1,454,159	7,208,385
Expenditure on:							
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
Total		6,009,493	445,730	6,455,223	4,514,279	844,504	5,358,783
Net gains/(losses) on investments	13	(510,457)	-	(510,457)	217,906	-	217,906
Net income/(expenditure)		317,840	966,783	1,284,623	1,457,853	609,655	2,067,508
Transfers between funds	22	(5,665)	5,665	-	625,780	(625,780)	-
Net income/(expenditure) for the year		312,175	972,448	1,284,623	2,083,633	(16,125)	2,067,508
Total funds brought forward		9,442,772	4,979,867	14,422,639	7,359,139	4,995,992	12,355,131
Total funds carried forward	22	9,754,947	5,952,315	15,707,262	9,442,772	4,979,867	14,422,639

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 £
Fixed Assets					
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
		9,681,174	10,271,394	9,681,176	10,271,396
Current Assets					
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
		6,708,241	4,537,966	6,707,545	4,537,793
Creditors: amounts falling due within one year	17	682,153	386,721	682,277	387,368
Net Current Assets		6,026,088	4,151,245	6,025,268	4,150,425
Total Assets Less Current Liabilities		15,707,262	14,422,639	15,706,444	14,421,821
Creditors: amounts falling due after more than one year		-	-	-	-
Net Assets		15,707,262	14,442,639	15,706,444	14,421,821
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
Total Funds	22	15,707,262	14,422,639	15,706,444	14,421,821

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

	2023	2022
	£	£
Cash flows from operating activities:		
Net cash provided by / (used in) operating activities	<u>2,605,761</u>	<u>1,317,600</u>
Cash flow from investing activities:		
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>
Change in cash and cash equivalents in the year	2,686,916	(1,363,730)
Cash and cash equivalents b/f	<u>3,079,803</u>	<u>4,443,533</u>
Cash and cash equivalents c/f	<u>5,766,719</u>	<u>3,079,803</u>

Notes to the consolidated cash flow statement

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

	2023	2022
	£	£
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:

	2023	2022
	£	£
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
	4,620,033	1,403,019	6,023,052	4,431,324	1,444,943	5,876,267

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
	784,235	308,835	1,093,070	884,699	695,243	1,579,942

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
	755,420	-	755,240	207,212	-	207,212

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
	1,239,309	9,494	1,248,803	1,000,088	9,216	1,009,304

EAST CHESHIRE HOSPICE

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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
	223,028	-	223,028	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
	£	£	£	£	£	£
Donations and legacies:						
Staff costs	321,669	-	321,669	266,008	-	266,008
Events and fundraising costs	219,733	-	219,733	121,129	2,867	123,996
	541,402	-	541,402	387,137	2,867	390,004
Other trading activity:						
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
	634,590	-	634,590	525,537	-	525,537
Investment costs:						
Investment managers fee	-	-	-	2,307	-	2,307
Support costs	97,660	-	97,660	79,956	-	79,956
	1,273,652	-	1,273,652	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 £
Inpatient services:						
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
	2,639,699	95,668	2,735,367	2,322,098	106,479	2,428,577
Day care and outpatients:						
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
	651,889	59,902	711,791	487,936	97,710	585,646
Hospice @Home:						
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
	963,194	256,422	1,219,616	364,962	550,491	915,453
Family support:						
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
	360,424	26,403	386,827	293,169	73,378	366,548
Outreach and education:						
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
	120,635	7,335	127,970	51,177	13,578	64,755

EAST CHESHIRE HOSPICE

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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
	97,660	265,076	85,289	188,343	55,805	6,976	699,149	571,115

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:	2023	2022
	£	£
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
	4,644,932	3,834,995

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:

	2023	2022
Full time equivalent:	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
	112	102
Headcount – all areas:	144	144

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

	2023	2022
	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

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. 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

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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):

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

Managed Portfolio	2023	2022
	£	£
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)
Market value c/f	5,487,526	5,997,983
Historical cost c/f	5,937,103	5,937,103
The portfolio consisted of:		
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
	5,487,538	5,997,995

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:

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

15. Stocks:

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Merchandise stock	694	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:

	Group		Charity	
Amounts falling due within one year:	2023	2022	2023	2022
	£	£	£	£
Trade debtors	48,121	567,746	48,121	567,746
VAT recoverable	11,930	20,180	11,930	20,180
Amount due from subsidiary company	-	-	-	-
Gift aid recoverable	16,300	27,707	16,300	27,707
Prepayments and accrued income	864,477	842,359	864,477	842,359
	940,828	1,457,992	940,828	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
Amounts falling due within one year:	£	£	£	£
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>
Analysis of deferred income:				
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	(343,024)	(378,452)	(343,024)	(378,452)
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	-	-

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

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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
	£	£	£	£	£	£
Unrestricted Funds:						
General	5,378,641	6,837,790	(5,900,874)	332,994	(449,577)	6,198,974
Revaluation reserve	60,880	-	-		(60,880)	-
Designated Funds:						
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
	9,442,772	6,837,790	(6,009,493)	(5,665)	(510,457)	9,754,947
Restricted:						
Property Funds:						
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
Service Funds:						
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
Other Funds:						
Staff Fund	3,150	63	(2,150)	-	-	1,063
Total Restricted	4,979,867	1,412,513	(445,730)	5,665	-	5,952,315
TOTAL FUNDS	14,422,639	8,250,303	(6,455,223)	-	(510,457)	15,707,262

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
Group:	9,754,947	5,952,315	15,707,262
Investments	2	-	2
Net current assets	(820)	-	(820)
Charity:	9,754,129	5,952,315	15,706,444

24. Related parties:

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