



ANNUAL REPORT

AND

FINANCIAL STATEMENTS

FOR

**MID CHESHIRE HOSPITALS
CHARITABLE FUND**

REGISTERED CHARITY NO: 1049008

FOR THE FINANCIAL YEAR ENDED

31 MARCH 2018

Report of the Trustees of Mid Cheshire Hospitals Charitable Fund for the year ended 31st March 2018

The Trustee's present their annual report and financial statement of the Mid Cheshire Hospitals Charitable Fund "the Charity" for the year ended 31st March 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and to comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS102, 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

The Charity is a subsidiary of Mid Cheshire Hospitals NHS Foundation Trust, Leighton Hospital, Middlewich Road, Crewe, Cheshire, CW5 6HG which provides NHS acute and community healthcare to the local health economy. The Corporate board of Mid Cheshire Hospitals NHS Foundation Trust acts as the Trustee of the Charity.

Objectives and Activities for the public benefit

The objective of the Charity is to hold and raise funds for any charitable purpose or purposes relating to the National Health Service, and to be the charity of choice within the catchment area of Mid Cheshire Hospitals NHS Foundation Trust. The Trustees confirm that they have referred to the Charity Commission guidance on public benefit when reviewing the aims and objectives, in planning future activities, and reviewing spending plans throughout the year.

Other objectives for the year ended 31st March 2018 were to further develop the Mid Cheshire Hospitals Charity as a brand in its own right and to promote other fundraising areas in order to engage a wider range of donors whose interests may not be linked to the major appeal. This year has seen the appointment of a new Community fundraiser who will raise the profile of the Charity with schools and local organisations.

All spending made via the Charity must have a demonstrable link to the benefit made to patient care either by direct improvements to patient services or by improvements to staff training or staff well-being which allow them to provide better care for the patients.

The main activity of the year has been the launch of a new appeal to support Dementia patients within the Trust which will allow for specific areas within wards to be made Dementia Friendly

The Charity does not make any financial grants directly to any organisation. The Charity purchases agreed goods or services and donates them to Mid Cheshire Hospitals NHS Foundation Trust for their exclusive use and benefit, and higher value items are treated as donated assets within the accounts of Mid Cheshire Hospitals NHS Foundation Trust.

Achievements and performance

The total income for the year was £282,000 (2016/17:£561,000), which was a decrease on the previous year. Expenditure for the year has totalled £494,000 (2016/17 £411,000)

The main aim of 2017/18 was to develop the new dementia focused 'Everybody Knows Somebody' major fundraising appeal and to continue to raise awareness of the charity internally and externally to encourage more local support for the charity.

In July 2017 the charity, working with a local garden design company, displayed a show garden at the RHS Flower Show at Tatton Park to raise awareness of dementia and the new appeal. The garden received one of the highly coveted spots in the future spaces category and also won a silver gilt award. The garden received lots of media attention gaining local, regional and national coverage and helped to launch the appeal within the local community.

In August 2017 the charity appointed an additional member of staff into a Community Fundraiser role, to help support the growth of the charity by increasing the awareness of its aims and the benefit it delivers to patients. Following the resignation of the charity manager, a new manager was appointed, also in August 2017.

Throughout 2017/18 new processes have been introduced to support 'in aid of' fundraisers to make sure that their activities are safe, legal and appropriate. New resources have been developed to help promote and celebrate fundraising and there has been an increase in activity and engagement on the charity's social media channels.

The main achievements of this year have been:

- The development of a new garden in the Michael Heal Urology department - £2,146
- Purchase of a blood gas analyser for AMU - £12,500
- Purchase of an ultrasound scanner for antenatal - £57,000
- The refurbishment of the day room on the Elderly Care Unit - £6,000
- The purchase of 12 breast pumps for maternity and CAU - £14,400

Through the provision of these and many other items, the charity has helped to improve the experience and enhance the level of care that people using MCHFT services receive. The purchases made by the charity enable patients to be treated more quickly, using state-of-the-art equipment and support the overall wellbeing of people at what can be a difficult or worrying time in their lives.

Improving the care and experience of the charity's beneficiaries has a wider impact by helping to reassure their families and friends and can also have a positive effect on the working conditions and morale of MCHFT staff who care for the patients every day of the year.

Financial Review

By the end of March 2018 the Charity held funds to the value of £887,000 (2016/17 £1,106,000), which includes a provision for the receipt of a legacy to the value of £295,000 (2016/17 £386,500) which is expected to be finalized during 2018/19. The fund balance will ensure that wards and departments can continue to fund the extra benefits for patients for the forthcoming year.

The Charity has no permanent endowments so funds are available to spend at the discretion of the Trustee. The Charitable Committee encourages funds to be spent within reasonable timescales – ideally within two years of the donation receipt. Fund managers are approached on an annual basis for spending plans which are checked against the public benefit criteria. The Charity aims to maintain one year's worth of normal expenditure as its reserve, which is in the region of £250,000. In arriving at the appropriate level of reserves, the financial risks facing the Charity, likely future expenditure (based on historic evidence) and the level of existing funds have all been considered by the Trustee, and will continue to be monitored throughout the next accounting period.

The clinical divisions have all participated in the management of funds with boards including discussions on the usage of funds within Divisional Board meetings and developing divisional spending and fundraising plans.

The major risk the Charity is exposed to is the fall in the value of investments held on the stock exchange. These have been carefully considered and are reviewed by our Investment advisors and the Charity Trustee Sub-Committee. The value of the investments has increased during the year due to the unrealised increase in the value of investments held. A cautious approach has been taken by our Investment Advisors, which has maintained income and protected capital. The Trustees will review this policy in the forthcoming year.

The material funding for the period has come from generous donations from the public and also from legacies left to the Charity. One was subject to a delay in receipt due to a dispute over the provisions made in the will and was subject to a promissory estoppel claim which was resolved during 2016/17 so the full value of the legacy could be recognised. The Charity has recognised as income in previous year the undisputed element of the legacy and any outstanding value not paid shows as a debtor to the charity on the balance sheet.

Throughout the year, the Charity has continued to strengthen within the community and the Trustees are satisfied that by refreshing the branding at the end of 2016/17, this support will continue to grow over the coming years, which will enable the Charity to maintain itself as a going concern.

Plans for the Future

The charity will focus on five main objectives for the year ahead and beyond:

1. Provide excellent customer service and support to donors, fundraisers, MCHT staff and other stakeholders through developing processes, increasing engagement and by providing accessible information and resources.
2. Increase and diversify income streams to enable the charity to continue to support the Trust with its vision to 'Deliver excellence in healthcare through innovation and collaboration' and to ensure sustainability of the charity.
3. Make MCH Charity the local charity of choice for the population MCHFT serves by: raising awareness of the aims and objectives of the charity; celebrating the charity's achievements and by offering a range of opportunities for individuals, groups and organisations to get involved with.
4. Ensure that all charitable income continues to be well managed and is: spent in line with the donor's wishes in a timely manner; supports the strategic priorities of the Trust and is within the remit of the objectives of an NHS charity.
5. Maximise support for the major appeal by widely promoting it to individuals, groups, businesses and stakeholders and by supporting them to get involved. Work with the Dementia Steering Group to ensure that the projects which form the appeal are fully developed in line with MCH Charity objectives and have been approved by the Trustees of the charity. These projects will include refurbishments to wards and departments; the purchase of specialised equipment and reminiscence items; the development of dementia friendly outside spaces and the commissioning of artwork projects, all of which will improve and enhance the experience that people living with dementia have when using MCHFT services.

Structure, Governance and Management

The main recipient of funds raised by Mid Cheshire Hospitals Charitable Fund is Mid Cheshire Hospitals NHS Foundation Trust for the benefit of its patients and staff.

The Mid Cheshire Hospitals Charitable Fund was created by Trust Deed as a governing document and is registered with the Charity Commission as the main umbrella charity for Leighton Hospital and Victoria Infirmary, Northwich (registered number 1049008). This was entered on the Central Register of Charities on 5 September 1995.

There are 3 active subsidiary unrestricted charities registered under the main umbrella charity which are:

Leighton Hospital General Fund – for charitable purposes relating to the NHS;

Victoria Hospital General Fund – for general charitable purposes relating to the NHS;

Cancer Fund – For the prevention, treatment and cure of cancer, the relief of suffering and research and education.

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

The board of Mid Cheshire Hospitals NHS Foundation Trust acts as Corporate Trustee for the Charity and meets independently twice a year. Non-Executive members of the Trust Board have been appointed by the Council of Governors in accordance with the Constitution of the NHS Foundation Trust, and Executive members of the Board are subject to recruitment by the NHS Foundation Trust Board. All Board Members undertake a Trust Induction programme upon appointment. All Board members receive regular updated information from the charity Commission regarding their role as Trustees. Members of the Trust Board and the Charitable Funds Committee do not act as individual Trustees.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and the Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff. The Trustee involves each Division, ward and department in fundraising and decisions regarding the expenditure of charitable monies.

The Corporate Trustee has delegated duties to a Charities Committee who advise and assist the Corporate Trustee through:

- The control, management and monitoring of the use of the fund resources;
- Approval of all expenditure;
- Providing support, guidance and encouragement for all its income raising activities;
- Ensuring that “best practice” is followed in conduct of all its affairs and fulfilling all of its legal responsibilities including ensuring that the use of funds meets the Public Benefit Requirement set out by the Charities Commission;
- Ensuring that the approved Investment Policy is adhered to and that performance is continually reviewed whilst being aware of ethical considerations; and
- Keeping the Trust Board fully informed on the activity, performance and the risks of the Charity.

No payments are made to any individual on the basis of their membership of the Corporate Trustee or the Charities Committee.

Reference and Administrative Details

The Corporate Board acting as Trustee had the following members who served during the period 1st April 2017 to 31st March 2018

Mr Dennis Dunn	-	Trust Chairman
Dame Patricia Bacon	-	Deputy Chair – until 31.3.2018
Mrs Ruth McNeil	-	Non-Executive – until 31.3.2018
Mr David Hopewell	-	Non-Executive
Mr John Barnes	-	Non-Executive
Mr Mike Davis	-	Non-Executive
Mr John Church	-	non-Executive
Mrs Tracy Bullock	-	Chief Executive
Mr Mark Oldham	-	Director of Finance and Planning
Dr Paul Dodds	-	Medical Director & Deputy Chief Executive
Mrs Denise Frodsham	-	Chief Operating Officer – until 11.5.17 then became Director of Strategic Partnerships
Ms Estelle Carmichael	-	Director of Workforce
Ms Alison Lynch	-	Director of Nursing and Quality –until 13.10.17
Ms Anne Cleary	-	Interim Director of Nursing and Quality – from 1.10.17 to 24.1.18
Mrs Julie Tunney	-	Director of Nursing and Quality – from 23.1.18
Mr Chris Oliver	-	Chief Operating Officer – from 15.5.17

The membership of the Charities Committee for the period 1st April to 31st March 2018 is as follows

Mr David Hopewell	-	Non-Executive (Chair)
Mr Dennis Dunn	-	Trust Chairman
Mr Mark Oldham	-	Director of Finance and Planning (or Deputy)
Ms Alison Lynch	-	Director of Nursing and Quality – until 13.10.17

Meeting of the Charities Committee during 2017/18 were also attended by:

Mr Duncan Goff	-	Representing Director of Finance
Ms Caroline Birch	-	Chief Financial Accountant
Mrs Laura Riddle	-	Charity Manager (to 31.07.17)
Mrs Emma Robertson	-	Charity Manager (from 01.08.17)
Mrs Janet Ollier	-	Governor
Mrs Julie Weir	-	Divisional General Manager

The Director of Finance and Planning of Mid Cheshire Hospitals NHS Foundation Trust, Mr Mark Oldham, acts as Principal Advisor to the Corporate Trustee and as Principal Officer for the day-to-day management.

The Principal office for the Charity is Finance Department, Mid Cheshire Hospitals NHS Foundation Trust, Leighton Hospital, Middlewich Road, Crewe, Cheshire, CW1 4QJ.

The Bankers for the Charity are Barclays Bank, Colmore Row, Birmingham, B3 2WN.

The Principal Solicitors for the Charity are Hill Dickinson LLP, No 1 St Paul's Square, Liverpool, L3 9SJ.


The Investment Managers advising the Charity were Sanlam Private Investments Ltd, Bank House, 55 Main Street, Kirkby Lonsdale, Cumbria, LA6 2AH.

The Independent Auditor for the purposes of section 144 of the Charities Act 2011 was Deloitte LLP, 1 City Square, Leeds, LS1 2AL

And Finally

On behalf of the staff and patients who have benefited from improvements due to donations or legacies, the Trustee would like to thank all patients, relatives, staff and members of the community who have made charitable donations to Mid Cheshire Hospitals Charitable Funds, and hope that you will continue to support the Charity in the future.

Approved on behalf of the Corporate Trustee



A handwritten signature consisting of the letters 'D D' followed by a horizontal line and a long, sweeping underline that extends to the left.



A handwritten signature that appears to be 'B. B.' followed by a horizontal line and a small mark at the end.

Independent auditor's report to the trustees of Mid Cheshire Hospitals Charitable Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements of Mid Cheshire Hospitals Charitable Fund (the 'charity') which comprise:

- the Statement of Financial Activities;
- the Balance Sheet;
- the Statement of Cash Flows; and
- the related notes 1 to 12.

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).

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 Mid Cheshire Hospital Charitable Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent 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 respect of these matters.

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing Mid Cheshire Charitable Fund'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 Mid Cheshire Charitable Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.



Deloitte LLP

Statutory Auditor
Manchester, United Kingdom
17 October 2018

Annual Accounts 2017/18

Corporate Trustee Responsibilities Statement

The Corporate Trustee is responsible for preparing the Trustee Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales requires the Corporate Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and the application of resources of the Charity for that period.

In preparing these financial statements, the Corporate Trustee is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reporting) Regulations 2008 and the provisions of the trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities..

The Corporate Trustee is responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By the order of the Corporate Trustees

Signed Bullax Date 15/10/18
Signed Matt Clark Date 15/10/18

Statement of Financial Activities for period ended 31st March 2018

	2017/18		2016/17	
	Unrestricted '000	Total '000	Unrestricted '000	Total '000
Income				
Donations	250	250	241	241
Legacies	17	17	307	307
Other Income	-	-	0	0
Investment Income (note 2)	15	15	13	13
Total	<u>282</u>	<u>282</u>	<u>561</u>	<u>561</u>
Expenditure				
Cost of raising Funds (Note 3)	-75	-75	-68	-68
Charitable Activities (Note 4)	-419	-419	-343	-343
Total	<u>-494</u>	<u>-494</u>	<u>-411</u>	<u>-411</u>
 Net (losses)/gains on Investments	 -7	 -7	 57	 57
Net Income/(Expenditure)	<u>-219</u>	<u>-219</u>	<u>207</u>	<u>207</u>
 Transfers between Funds	 0	 0	 0	 0
Net Movement in Funds	<u><u>-219</u></u>	<u><u>-219</u></u>	<u><u>207</u></u>	<u><u>207</u></u>
 Reconciliation of Funds				
Total Funds Brought Forward	1,106	1,106	899	899
Total Funds Carried Forward	887	887	1,106	1,106

Balance Sheet as at 31st March 2018

	2017/18		2016/17	
	Unrestricted	Total	Unrestricted	Total
	'000	'000	'000	'000
Fixed Assets				
Investments (Note 6)	590	590	585	585
Total fixed assets	<u>590</u>	<u>590</u>	<u>585</u>	<u>585</u>
Current Assets				
Debtors (Note 8)	298	298	388	388
Cash at Bank (Note 7)	68	68	158	158
Total current assets	<u>366</u>	<u>366</u>	<u>546</u>	<u>546</u>
Liabilities				
Creditors falling due within one year (Note 9)	-57	-57	-25	-25
Provisions	-12	-12	-	-
Total Liabilities or provisions	<u>-69</u>	<u>-69</u>		
Net current assets or liabilities	<u>297</u>	<u>297</u>	<u>521</u>	<u>521</u>
Total net assets	<u><u>887</u></u>	<u><u>887</u></u>	<u><u>1106</u></u>	<u><u>1106</u></u>
Funds of the Charity (Note 10)				
Unrestricted Funds	<u>887</u>	<u>887</u>	<u>1106</u>	<u>1106</u>
	<u><u>887</u></u>	<u><u>887</u></u>	<u><u>1106</u></u>	<u><u>1106</u></u>

The notes on pages 14 to 19 form part of these accounts

Signed on behalf of the Corporate Trustee (the Board of Mid Cheshire Hospitals NHS Foundation Trust)

Chief Executive: Tracy Bullock  Date 15/10/18

Director of Finance and Planning: Mark Oldham  Date 15/10/18

Statement of Cash Flows for period ended 31st March 2018

	Total funds '000	Prior year funds '000
Cash Flows from operating activities:	-224	122
(Increase)/decrease in debtors	90	-27
Increase/(decrease) in creditors	32	16
Increase/(decrease) in provisions	12	0
Net cash provided by (used in) operating activities	-90	111
Cash flows from Investing Activities		
Dividends from Investments (note 2)	15	13
Proceeds from sale of investments (note 6)	102	88
Purchase of investments (note 6)	-114	-80
Investment fees (note 3)	-3	-2
Net cash provided by(used in)investing activities	0	19
Change in cash and cash equivalents in year	-90	130
Cash and cash equivalents as at 1st April 2017	158	28
Cash and cash equivalents as at 31st March 2018	68	158

Notes to the Accounts

Note 1 - Accounting Policies

Mid Cheshire Hospitals NHS Foundation Trust is the corporate trustee to Mid Cheshire NHS Charitable Fund, referred to as 'the Charity'.

The Foundation Trust has assessed its relationship to the Charity and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) preparing their accounts in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued on 16 July 2014 and the Charities Act 2011.

Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Debtors are accrued for when the Charity is reasonably satisfied that it will receive the cash. Invoices will be accrued for at face value and legacies will be accrued for at the sum specified or an estimate based upon the estate valuation at the date of death.

Expenditure

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. The financial statements are prepared in accordance with the accruals concept. A liability (and consequently, expenditure) is recognised in the accounts when there is a legal or constructive obligation, capable of reliable measurement, arising from a past event.

Expenditure is split into two main categories being the costs of raising funds and the actual costs of charitable activities.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Costs of activities in the furtherance of charitable activities are expenditure incurred on the provision of services or goods. Support costs are an integral and material part of the costs of these activities.

Creditors are accrued for when the Charity is satisfied that it received the goods or service before the 31st March, and they are based on invoice actual value.

Cash at bank or in hand

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The bank accounts held by the Charity both fall within this definition, and no other type of account is held.

Investment Fixed Assets

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the mid market price, as provided by our Investment advisors. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors. Investment in the manufacture/processing of tobacco products is not permitted under the Investment Policy.

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year.

Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

Structure of Funds

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund. The Charity no longer holds restricted funds.

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Mid Cheshire Hospitals Charitable Fund holds no endowment funds.

Other funds are classified as unrestricted funds. Unrestricted funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the donor has made known their non-binding wishes or where the Trustee at its discretion has created a fund for a specific purpose.

The Trustee involves each division, ward, department, and where appropriate staff representatives, in fundraising and decisions regarding expenditure of charitable monies. A Committee of the Trust Board meets regularly and approves all expenditure.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, which are described above, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Trustee does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

Going Concern

The Charity operates in such a way that no expenditure is committed to unless it has sufficient funds within reserves to cover the expenditure. There are no on-going commitments such as contracted staff costs or long-term leases. The Investments are regularly reviewed and if necessary any future spending would be held if the markets indicated that the portfolio may be subject to losses overall.

Note 2: Investment Income

	2017/18 '000	2016/17 '000
Dividends on Investments	15	13
	<u>15</u>	<u>13</u>

Note 3: Cost of Raising funds

	2017/18 '000	2016/17 '000
Investment Managers Fees	3	3
Fundraising Management	72	65
	<u>75</u>	<u>68</u>

Note 4. Analysis of Expenditure on Charitable Activities

	2017/18		2016/17	
	Unrestricted	Total	Unrestricted	Total
Direct contribution to Patient Welfare				
Additional Equipment	296	296	211	211
Enhancement of patient experience	24	24	33	33
Improvement of patient facilities	30	30	27	27
Direct Contribution to staff Welfare				
Educational opportunities for staff	20	20	16	16
Improvement to staff facilities	8	8	13	13
Recognition of staff achievements	7	7	2	2
Support costs	34	34	41	41
Total Expenditure	<u>419</u>	<u>419</u>	<u>343</u>	<u>343</u>

Note 5: Analysis of Support Costs

	Raising Funds Unrestricted	Charitable Activities Unrestricted	Total	Basis of Allocation
Governance	3	7	10	Apportionment on average fund balance
Finance support	-	11	11	Apportionment on average fund balance
Information Technology	-	1	1	Apportionment on average fund balance
Human Resources	72	15	87	Allocated on time and average fund
Totals	<u>75</u>	<u>34</u>	<u>109</u>	

Note 6: Fixed Asset Movements - Investments

	2017/18 '000	2016/17 '000
Market Value as at 1st April 2017	585	519
Add: Additions to Investments at cost	114	80
Less: Sales at carrying value	-102	-88
Less: Net (loss)/gain on revaluation	-7	74
Market value as at 31st March 2018	<u>590</u>	<u>585</u>
Historic cost of Investments at 31st March	509	472

Investments at Market value comprised:	2017/18	2016/17
	'000	'000
Equities listed on UK stock exchange	571	523
UK Money market investments	19	62
	<u>590</u>	<u>585</u>

Note 7: Analysis of cash and cash equivalents

	2017/18	2016/17
	'000	'000
Cash in hand	68	158
Total Cash and cash equivalents	<u>68</u>	<u>158</u>

Note 8: Analysis of Debtors

	2017/18	2016/17
	'000	'000
HMRC Gift aid	3	2
Confirmed Legacies	295	386
	<u>298</u>	<u>388</u>

Note 9: Analysis of Creditors falling within one year

	2017/18	2016/17
	'000	'000
Audit Fees	-	4
Funds due to MCHT	57	21
	<u>57</u>	<u>25</u>

Note 10: Analysis of Charitable Funds

	Balance B/fwd	Income	Expenditure	Transfers	Gains and losses	Fund c/fwd
	'000	'000	'000	'000	'000	'000
Unrestricted Funds						
Leighton Hospital & Victoria Infirmary	1106	282	-494	0	-7	887
	<u>1106</u>	<u>282</u>	<u>-494</u>	<u>0</u>	<u>-7</u>	<u>887</u>

Significant Balances

Dementia Appeal	£298K
Leighton General	£146K
Cancer Services	£66
Other Funds	£377

Note 11: Contingent Liabilities and Assets

In 2013/14, The Charity was notified of a legacy entitling the Charity to half of the residual estate which had been subject to a promissory estoppel claim. This claim was resolved within 2016/17 and the estimated remaining value of the estate due to MCH Charity has been included in the accounts for 2017/18.

However, in relation to this claim a provision has been made for £12,000 estimated legal costs that will be payable prior to the final distribution being made

Note 12: Related Party Transactions

During the year neither the Trustee nor members of the key management staff or related parties to them had undertaken any material transactions with Mid Cheshire Hospitals Charitable Fund or received remuneration or expenses funded by Charitable Funds during the year. The Charitable Fund has made revenue and capital payments to Mid Cheshire Hospitals NHS Foundation Trust where the Trustee is also the Trust Board. All costs within Expenditure on the Statement of Financial Activities were originally funded by Mid Cheshire Hospitals NHS Foundation Trust Revenue Account and reimbursed in full from Charitable funds. At the Balance Sheet date the amount owing in outstanding transactions to Mid Cheshire Hospitals NHS Foundation Trust was £57,000 (2017: £21,000) and the Trust owed the Charity £0 (2017:£0). The total repaid to Mid Cheshire Hospitals NHS Foundation Trust for 2017/18 was £494,000 (2017: £411,000). The audited accounts of Mid Cheshire Hospitals NHS Foundation Trust are included in its Reports and Accounts.