

**THE COUNTESS CHARITY**

**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS**

**for the year ended 31st March 2019**

## **The Countess Charity**

### **Contents**

<b>Details</b>	<b>Page</b>
Foreword	1
Administrative Information	1
Who we are	2
Charitable Funds Committee	3
How our activities deliver public benefit	4
Our Objects	5
Achievements and Performance	6-7
Our Future Plans	7
Financial Review	8-9
Financial Policies	10
Statement of Trustee's Responsibilities	11
Independent Examiner's Report	12
Statement of Financial Activities	13
Balance Sheet	14
Cashflow	15
Accounting Policies	16-20
Prior year comparatives by type of Fund - Unrestricted Funds	21
Prior year comparatives by type of Fund - Restricted Funds	22
Notes to the Accounts	23-28
Fund Statements and Objectives	29-30

**The Countess Charity  
TRUSTEE'S ANNUAL REPORT  
FOREWORD**

Welcome to our Annual Report for 2018/19. The Corporate Trustee presents the Charitable Funds Annual Report together with the Financial Statements for the year ended 31 March 2019.

The Charity's Annual Report and Accounts for the year ended 31 March 2019 have been prepared by the Corporate Trustee in accordance with the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2005. The Charity's report and accounts include all the individual funds registered as Designated Funds and Restricted Funds which are used to further the objectives of the Countess of Chester Hospital NHS Foundation Trust. They do not by themselves constitute charities for accounts purposes and do not need to be separately registered.

**ADMINISTRATIVE INFORMATION**

The Countess Charity, registered Charity Number 1050015 was created under Trust Deed executed on 19 April 1995 in accordance with the Charities Act 1993.

On the 25th July 2017, a supplemental Deed of declaration was made to amend the Charity's name in line with a programme of rebranding. The charity's name was amended from 'The Countess of Chester Hospital NHS Charitable Funds' to 'The Countess Charity'.

The Countess of Chester Hospital NHS Foundation Trust is the Corporate Trustee of the Charitable Funds. The role of Corporate Trustee is therefore carried out by the Board of Directors of the Foundation Trust, the Board being appointed in accordance with the Constitution of the Foundation Trust.

The members of the NHS Foundation Trust Board who served during the financial year were as follows:

**Executive Directors**

Mr Tony Chambers	Chief Executive (to 20 September 2018)
Dr Susan Gilby	Medical Director (from 1 August 2018 to 20 September 2018)
Dr Susan Gilby	Acting Chief Executive (from 21 September 2018 to 31 March 2019)
Dr Susan Gilby	Chief Executive (from 01 April 2019)
Mr Ian Harvey	Medical Director / Deputy Chief Executive (to 21 August 2018)
Dr Darren Kilroy	Acting Medical Director (from 25 September 2018 to 30 May 2019)
Dr Darren Kilroy	Medical Director (from 1 June 2019)
Mrs Alison Kelly	Director of Nursing & Quality
Mr Simon Holden	Director of Finance
Mrs Susan Hodgkinson	Director of People and Organisational Development (to 30 September 2019)
Mrs Alyson Hall (HR Solutions by Design)	Acting Director of Human Resources & Organisation Development (from 12 August 2019 to 28 February 2019)
Mrs Alyson Hall (HR Solutions by Design)	Director of Human Resources & Organisation Development (from 12 August 2019)
Ms Eirrae Burnett	Operations Director (to 30 November 2019)
Mr Stephen Cross	Director of Corporate and Legal Services (to 3 June 2019)
Anna Collins	Director of Communications & Corporate Affairs (from 2 December 2019)

**Non-Executive Directors**

Sir Duncan Nichol	Chairman
Mr Andrew Huggins	Non-Executive Director
Mrs Rachel Hopwood	Non-Executive Director (to 30 November 2019)
Mr Ed Oliver	Non-Executive Director (to 31 August 2019)
Mrs Ros Fallon	Non-Executive Director
Mrs Chris Hannah	Non-Executive Director
Mr David Williamson	Non-Executive Director (from 1 November 2019)

The members of the Charitable Funds Committee who served during the financial year were as follows:

Mr Ed Oliver	Non-Executive Director (Committee Chair)
Sir Duncan Nichol	Chairman
Mr Tony Chambers	Chief Executive (to 20 September 2018)
Dr Susan Gilby	Medical Director (from 1 August 2018 to 20 September 2018)
Dr Susan Gilby	Acting Chief Executive (from 21 September 2018 to 31 March 2019)
Dr Susan Gilby	Chief Executive (from 01 April 2019)
Mr Ian Harvey	Medical Director / Deputy Chief Executive (to 21 August 2018)
Mr Simon Holden	Director of Finance
Dr Caroline Stern	Governor
Mr Stephen Cross	Director of Corporate and Legal Services (to 3 June 2019)

A statement of eligibility to Act as a Trustee is signed by members of the Board of Directors.

**Appointment of Corporate Trustee, Induction and Training**

The Countess of Chester Hospital NHS Foundation Trust has an Induction Policy for all staff, which is delivered at two levels: Corporate, providing Trust wide information, and local, providing the detail for their department and individual role.

Newly appointed members of the NHS Foundation Trust Board are also given additional information about their responsibilities as the Corporate Trustee which includes the Charity Commission booklet CC3 – Responsibilities of Charity Trustees.

Financial Awareness Training for Charitable Funds provides ongoing training for members of the Corporate Trustee and for Fund signatories.

**The Countess Charity**  
**TRUSTEE'S ANNUAL REPORT**  
**WHO WE ARE**

The Trust employs over 3,600 whole time equivalent staff and provides acute emergency and elective services, primary care direct access services and obstetric services to a population of approximately 264,000 residents mainly in Chester and the surrounding rural area. More than 500,000 patients attend the hospital for treatment every year, ranging from a simple outpatient appointment to major surgery.

The Countess Charity exists to raise funds and receive donations for the benefit of the patients of the Countess of Chester Hospital NHS Foundation Trust. By securing donations, legacies and sponsorship the Charity can make a real difference to the experience of patients and their families and the staff who look after them.

The Countess of Chester NHS Foundation Trust comprises the Countess of Chester Hospital, a 600 bed hospital providing the full range of acute and a number of specialist services, and also Ellesmere Port Hospital, a rehabilitation, intermediate care and outpatient facility.

**Principal Office**

The principal office for the charity is:

Executive Office

The Countess of Chester Hospital NHS Foundation Trust

Countess of Chester Health Park

Liverpool Road

Chester

CH2 1UL

**Investment Fund Managers**

M & G Charities

PO Box 9038

Chelmsford

CM99 2XF

**Bankers:**

Lloyds Bank Plc

Chester Branch

8 Foregate Street

Chester

CH1 1XP

**Independent Examiners:**

McIntocks (NW) Limited

2, Hillards Court

Chester Business Park

Chester

CH4 9PX



**The Countess Charity**  
**TRUSTEE'S ANNUAL REPORT**  
**Charitable Funds Committee**

The Charitable Funds Committee has the delegated responsibility from the Board of ensuring that the Funds held on Trust are managed in accordance with the Corporate Governance Manual, and according to Charity Commission regulations.

**Governance**

The Countess of Chester Hospital NHS Foundation Trust Board approves the Corporate Governance Manual which comprises the documents for the regulation and proceedings of business. These include:

- Standing Orders
- Standing Financial Instructions
- Scheme of Delegation

These documents set the framework within which all Directors and employees of the Trust must operate. These documents apply equally to the Trust's Charitable Funds as to the Foundation Trust. The Board considers that these arrangements ensure that the activities of the Charity are considered and applied in accordance with the strategic and operational objectives of the Corporate Trustee, thus ensuring that the same consistency and openness is applied to all the Trust's funds.

The NHS Foundation Trust Board has devolved responsibility for the on-going management of funds to the Charitable Funds Committee which administers the Funds on behalf of the Corporate Trustee. This Committee has specific terms of reference approved by the Trust Board and the membership comprises the Chair and nominated Executive and Non-Executive Directors of the Trust.

During the Financial Year, the Charitable Funds Committee usually meets on a quarterly basis to monitor the overall appropriateness of expenditure from the funds. The minutes of these meetings are submitted to a full Trust Board.

The Chief Finance Officer is the Executive Director nominated by the Board to have prime responsibility for the administration of the Trust's Charitable Fund activities. All expenditure over £10,000 is reported to the Charitable Funds Committee.

Acting for the Corporate Trustee, the Charitable Funds Committee is responsible for the overall management of the Charitable Funds. The committee is required to:

- Ensure the Charitable Funds of the Trust are invested in accordance with the Charitable Funds Registration lodged with the Charity Commission;
- If required to appoint an Investment Advisor qualified within the meaning of the Trustee Investments Act 1961, provide them with guidance and to annually review their performance;
- To monitor the management and performance of the Countess Charity;
- To make recommendations to the Board of Directors on the nature and frequency of major appeals and to monitor performance;
- To approve the annual Countess Charity Accounts; and
- To ensure adequate processes are in place to approve amendments to the schedule of approved Charitable Funds and to monitor the activity of Charitable Funds in accordance with the Trust's Standing Orders and Standing Financial Instructions and the approved purpose of the individual fund.

The Foundation Trust Finance Department, located at the Principal Office maintains the application process, records all financial transactions and provides a management information service to Fund signatories. The financial records are kept on the main Foundation Trust financial system and Fund signatories receive quarterly fund statements.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and by designating funds the Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff. Where funds have been received which have specific restrictions set by the donors a restricted fund has been established. Further details of funds can be found on pages 29 and 30.

## **The Countess Charity**

### **TRUSTEE'S ANNUAL REPORT**

#### **How our activities deliver public benefit**

The Countess of Chester Hospital NHS Foundation Trust is the main beneficiary of the charity and is a related party by virtue of being Corporate Trustee of the charity. By working in partnership with the Trust, the charitable funds are used to best effect for the benefit of the public served by the Trust. When deciding upon the most beneficial way to use charitable funds, the Corporate Trustee has regard to the main objectives, strategies and plans of the Trust, whilst ensuring that the grants reflect the wishes of patients and staff.

At the core of every charity is the requirement to provide benefit to the public. This is the foundation of their charitable status, and each charity must demonstrate how this requirement is met through their aims and activities.

The focus of our activities as described below are to benefit the public who utilise the services of the Countess of Chester Hospital NHS Foundation Trust. This hospital mainly serves the community of Chester and its surrounding rural areas, all of which have equal access to its facilities. Charitable expenditure is made by way of direct grants to the Countess of Chester Hospital NHS Foundation Trust to enhance the patient care already provided.

The Trustee refers to Charity Commission guidance on achieving public benefit when reviewing the aims and objectives of the charity, and in the planning of future activities.

During the year the funds continued to provide a wide range of charitable and health related activities to benefit patients, staff and the wider community. Funds are generally used to purchase a range of additional goods and services over and above the NHS provision. This includes medical and other equipment, furniture and fittings to enhance the patient environment.

In addition to the designated funds on page 30, each ward has their own staff and patient charitable funds, and donations are made specifically to the wards that the donors would like to acknowledge. The funds can then be used for charitable activities to benefit the staff and patients on that ward, including investing in staff to attend courses to help update them on the new ideas and modern techniques in their individual specialties.

The fundraising team are supporting a number of smaller appeals. The appeal has continued to attract support from individuals, families, companies and members of staff who have offered us their support in a range of inspiring and innovative ways. We have continued to promote the charity within the hospital to staff, patients and visitors using the fundraising noticeboard, and are engaging with new staff through involvement in the staff induction courses.

#### **How we manage the Money**

##### **Our Grant Making Policy**

The Countess Charity makes grants from both its unrestricted and restricted funds

**General Funds** - These funds are received with no particular preference expressed by donors. These funds are utilised when applications are made by the Countess of Chester Hospital NHS Foundation Trust for monies to be spent on charitable expenditure which will enhance the patient experience.

**Designated (earmarked) Funds** - contain donations where the donor expressed a wish that the funds be used within a certain department or specialty without any further constraints. Their nomination of an individual fund is not binding on the Trustee and the designated funds are overseen by fund holders who can make recommendations on how best to spend the money in their specialty.

**The Countess Charity**  
**TRUSTEE'S ANNUAL REPORT**  
**OUR OBJECTS**

**Governing Document**

The Countess of Chester Hospital NHS Trust gained Foundation Trust status in April 2004 following the official passing through Parliament of the relevant statutory instrument. Prior to the creation of the Countess of Chester Hospital NHS Trust, Chester Health Authority administered the various charitable funds as part of a pooling arrangement under the provision of the NHS Act 1973. The charitable monies were transferred to the Trust by Statutory Instrument 1994 No. 1301 which came into effect on 9th June 1994. The Countess of Chester Hospital NHS Foundation Trust is legally recognised by the Charity Commission as Sole Corporate Trustee for all its funds held for the benefit of staff and patients. It is empowered to hold and administer funds for Charitable Health purposes within the scope for the National Health Service Act 2006.

**Mission Statement**

The Charity aims to use the charitable income it receives to enhance and improve the patient experience at our hospital, focusing on areas not covered or fully supported by NHS funds. The charity aims to generate income for general purposes and specific projects, and administers all donations in a manner that is both professional and sensitive to the needs of the donor.

The charity has NHS wide objectives as follows:

"The Trustees shall hold the Trust Fund upon trust to apply the income, and at their discretion, so far as may be permissible, the capital for charitable purposes relating to the general or any specific purposes of the Countess of Chester Hospital NHS Foundation Trust or to purposes relating to the health service"

By raising new funds and careful management of our existing funds, the Countess Charity is able to make grants to the Countess of Chester Hospital NHS Foundation Trust and to the benefit of the wider health service.

Grants are made in accordance with charity law, our fund constitution and the wishes and directions of donors. In making grants, we endeavour to reflect the wishes of patients and staff in spending the funds where they feel the money would be best spent.

**Objectives**

The charity has income from three different areas

1. Donations received often as a result of care given
2. Active fundraising for a "smaller" appeal
3. Income generated for a "large or major appeal"

Unsolicited donations are targeted at an area of care at the wish of the donor. The fund holder for that area is informed and decisions are taken clinically as to the best way of using the donation. These are usually smaller donations.

The decisions on utilisation of a larger donation such as a legacy would also be the decision of the fund holder with Executive level support.

When seeking to solicit and proactively raise funds for a specific project, the agreed strategy is to consider the various methods of fundraising and then decide upon the most appropriate way of securing funding based on the requirements of each individual project. These methods include: community fundraising, event organisation, grant applications, trust fundraising, corporate fundraising, social media campaigns and direct donor mailings.

For larger or 'major' appeals, the charity sets up a Fundraising Committee incorporating members of the fundraising team, clinical staff, plus internal and external volunteers. The Committees are usually chaired by an external volunteer who is often a high profile member of the business community, whenever possible with a personal involvement in the cause. The committee monitors the fundraising progress and uses its contacts to support the work of the team and organises personal events.

## **The Countess Charity TRUSTEE'S ANNUAL REPORT**

### **Achievements and Performance Highlights of 2018/19**

It is satisfying to hear on a daily basis, the reasons behind the donations being made to the charity. The main reason is to recognise good care received either by the donor personally or a family member. We always take great care to communicate this to our clinical colleagues.

A great deal of time was spent in 2018 in consultation with staff and users of the neonatal unit to finalise the design of the new building funded through the Babygrow Appeal. We were delighted to receive planning permission to build our new neonatal unit. Work commenced in January 2019 and we anticipate that the build will be completed in 2020. This will be the first neonatal unit in the UK designed around family-centred care and will feature more space for babies and their families, as well as better facilities for siblings and parents who can spend a lot of time in the unit.

This year we continued to run our popular fundraising events, including the Duck Race, Ladies' Lunch, Ladies' Laughter Lunch, Sporting Lunch and Santa Dash. Many of the fundraising events contributed towards our Memory Lane appeal. This created a space for patients on wards 50 and 51 to walk down a memory lane and a lounge for them to use as a social space. Many of these patients have some form of dementia so the environment was carefully planned with clinical staff visiting other hospitals to share their experiences. The final part of this project, a garden, will be completed in late 2019.

The Memory Lane project was designed by clinical staff wanting the best for their patients and they supported all our fundraising events. We were proud of this team effort in March 2019, when Louise Minchin from BBC Breakfast officially opened the space.

As a result of having this additional space, staff were able to plan a number of events including singing, hosting visiting musicians, pet patting and crumpet Tuesdays! We even arranged for The Chester Grosvenor, our local 5 star hotel, to deliver afternoon tea for our patients.

Whilst traditional community fundraising has declined somewhat, we have continued to provide assistance and encouragement to groups and organisations that wish to support us, in line with our long term strategy. A considerable amount of work went in to setting up our collecting tin programme and this continues to deliver income at a good level as well as promoting our current appeals. This demonstration of "grass roots" fundraising strengthens our applications to grant making trusts at a time when many of these trusts are oversubscribed.

We were fortunate to receive a number of unrestricted legacies that we could use where the need was greatest in the Countess of Chester and Ellesmere Port Hospitals. As a result, we were able to make improvements to the ward area on Bluebell Ward at Ellesmere Port Hospital and purchase equipment for use across the Trust. A popular, and much needed purchase was the replacement of the hospital wheelchairs, which are much smoother for the patients and importantly easier to push for their relatives. We took the opportunity to brand the wheelchairs with our logo to share the improvements we have been able to make and further promote the charity.

We continued with our legacy communication plan by sharing the news of these purchases in the local press and through a mailing to donors who may be considering leaving the charity a gift in their will. We will continue to invest in legacy fundraising for the long term benefit of our patients.

An important part of our work is creating and managing partnerships with corporate supporters. We are very grateful for the sponsorship we receive, which helps support our major events. Without this support, we would not be able to host such fantastic events which bring in donations and raise awareness of our aims and ongoing appeals.

## **The Countess Charity TRUSTEE'S ANNUAL REPORT**

### **Achievements and Performance Highlights of 2018/19 (cont.)**

The Countess Charity Lottery, introduced in 2016 has continued to develop and we hope to develop this further in 2019/2020. This creates unrestricted income at a low cost to the charity once members are recruited. Within the busy hospital, there are many opportunities to grow this steadily.

A new event for 2018/19 was introduced – The Springtime Countess Walk which was well received and provided us with a focus for fundraising in the period after Christmas. We will consider the impact this has on our annual Autumn Walk for Wards in 2019 before we commit to this as an ongoing event.

New events allow us to keep a fresh approach to fundraising at the Countess Charity, attracting new supporters as well as maintaining relationships with our current donors.

We have also continued to share our upcoming events and successes with our donors through regular press coverage in The Chester Standard and The Chester Chronicle and regular appearances on Dee Radio.

We organised two Trees of Life events, held at the Countess of Chester and at Ellesmere Port Hospital, with supporters able to remember and celebrate the life of a loved one. Donations are recognised in a 'Book of Honour' and this year over £10k was raised to improve the care and support offered to families at the time of bereavement.

The annual Santa Dash, held for the eighth year, saw thousands of people taking to the streets of Chester to complete the 3.3k course through the city centre. This year, the event raised £20k.

### **OUR FUTURE PLANS**

In 2020, The Countess Charity will celebrate its 25th Anniversary and this is a great opportunity to look back and celebrate all that has been achieved and also to plan for the future.

We maintain a high profile for the charity and hope to use this to be selected as the chosen charity or 'Charity of the Year' by local companies and community groups during our special anniversary year.

We look forward to participating in the national NHS Big Tea fundraiser and continue to work with other NHS fundraisers to share best practice and ideas.

The Charity also continues to raise awareness of its' profile across the hospitals we serve, with colleagues from other departments supporting our aims of providing a better experience for our patients.

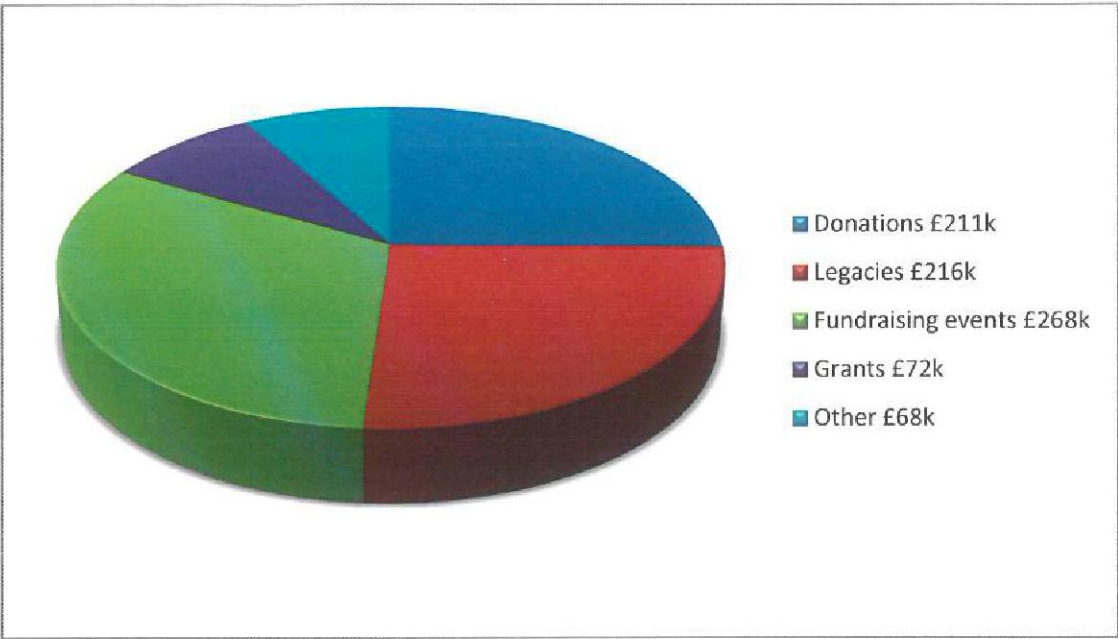
There is a real role for the charity to play in working with clinical colleagues to enhance the excellent care given to our patients. This may be by providing additional equipment or better facilities.

The Fundraising Office is based within the main reception area at the front of the Countess of Chester Hospital and provides a point of contact for donors to bring their donations. The charity office reception is mostly staffed by volunteers who have time to speak with donors and share information about upcoming events and recent activities. Our 40 noticeboards across the hospitals are kept up to date by a volunteer and most thank you letters are personally prepared by a volunteer.

**The Countess Charity**  
**TRUSTEE'S ANNUAL REPORT**  
**FINANCIAL REVIEW**

**Money Received: Sources of Funds**

The statement of financial activities shows the total income for the year was £835,000. This is split into five main sources of income:



Total income this year was very similar to the prior year. However, there was a significant increase in the income received through legacy bequests this year and also a decrease in the income from other grant making bodies.



**The Countess Charity**  
**TRUSTEE'S ANNUAL REPORT**

**FINANCIAL REVIEW**

**A Review of our Finances and Performance**

The net assets of the Charitable Funds as at 31st March 2019 were £1,208,000 (2017/18 £1,312,000), a decrease of £104,000 during the financial year.

Total incoming resources this year amounted to £835,000 (2017/18 £836,000). The incoming resources remain high this year due to the number of smaller appeals underway. The small appeal for the Breast Scanner raised a further £20,000, while the Memory Lane project raised over £144,000, and the Cardiac Equipment appeal raised in excess of £33,000.

Of the total expenditure of £943,000 (2017/18 £2,521,000), expenditure on charitable activities was £689,000 (2017/18 £2,277,000) and expenditure on raising funds was £254,000 (2017/18 £244,000)

**Performance of Investments**

Since July 2003 The Countess Charity has invested with M&G's Charities Investment Managers Ltd, in a unit trust fund called Charifund. This is designed to provide a high and growing income for charities, whilst at the same time protecting their capital from the erosive effect of inflation. The investment remains for the long term, and do not have a maturity date. Investment income received from M&G was £30,000 (2017/18 £28,000) before deducting management fees.

The gain in the valuation of our unrealised investments with M&G was £4,000 (2017/18 loss of £11,000).

In addition to the long term investments, short term deposits are invested with nominated Commercial Banks. The investment income received from this amounted to £34,000 (2017/18 £86,000). This reduction was largely due to holding less cash following the conclusion of the Babygrow Appeal.

**Purchase of new equipment, new building and refurbishment**

This year saw a number of pieces of equipment being purchased through the charitable funds. The total spend on additional medical equipment for the Trust was £320,000 (2017/18 £220,000), a further £13,000 (2017/18 £4,000) was spent on computer equipment and £84,000 (2017/18 £38,000) on furniture and fittings.

**Staff Education and Welfare**

Each ward has its own staff amenities fund. Donations made specifically to these funds are then utilised for the benefit of the staff. During the year, £31,000 (2017/18 £20,000) was spent on staff amenities. These funds also enable consultants and staff to attend additional courses not funded by the NHS, which allows them to keep up to date on new ideas and modern techniques in their individual specialties. A total of £19,000 (2017/18 £23,000) was spent on staff attending external training courses. These figures are shown in the accounts within grant funded activity.

**Patient Education and Welfare**

The total spend on direct patient welfare amounted to £23,000 (2017/18 £41,000). This expenditure includes the purchase of items such as spirometry equipment and mastectomy bras for patients. In addition, the funds were used to support the purchase of Christmas gifts for patients and smaller pieces of medical equipment for the wards.

**The Countess Charity  
TRUSTEE'S ANNUAL REPORT**

**FINANCIAL POLICIES**

**Risk Management**

The major risks to which the charity is exposed, as identified by the Corporate Trustee, have been reviewed and systems have been established to manage those risks. Due to the close relationship between the charity and the Countess of Chester Hospital NHS Foundation Trust itself, the charity benefits from the risk and control framework in place at the Foundation Trust.

A specific Charitable Funds risk register categorises risks facing the charitable funds and considers the actions taken to mitigate the risk. The risk policy, and the risks and controls are reviewed by the Charitable Funds Committee every three years.

"Principal risks" are those risks which have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives or could damage the reputation of the charity, changing the way the Trustee, supporters or beneficiaries might deal with the charity.

The Countess of Chester mitigates the principal risks by regularly engaging with the Fundraising Department to ensure a co-ordinated approach to raising funds.

**Reserves Policy**

The Trustee is under a legal duty to apply charity funds within a reasonable time of receiving them. In order to comply with this duty, the Trustee has developed a reserves policy to explain the level of reserves held and set out how they will be managed.

The reserves policy applies to unrestricted funds, and states that the level of reserves should be sufficient to:

- Ensure stability of grant funding;  
Cover between one and three years administration, fund-raising and support costs; and
- Maintain the level of investments at its current level in order to mitigate against significant fluctuations in the levels of donations.

Therefore, the Trustee considers it prudent that the target range of unrestricted reserves is between £500,000 and £1,500,000 to ensure that the charity can run efficiently and meet the needs of its beneficiaries. The Balance Sheet shows that the unrestricted reserves of £714,000 at the end of the financial year are within the range required by the policy.

Restricted funds are excluded from this policy, in accordance with Charity Commission guidance, as they are subject to specific trusts and are not freely expendable at the discretion of the Trustee.

On an annual basis, the funds will be examined to ensure compliance with this reserves policy.

**Investment powers and policy**

The Trustee's investment powers are governed by the Trust Deed, which permits the charity's funds to be invested in any security listed on the Stock Exchange.

The Investment Policy's aim is to generate a steady income stream to maximise contribution towards the costs of central overheads, while protecting the real value of capital. The policy seeks to obtain the best financial return from the charity's investments, through investing consistently and with commercial prudence. The Trustee is duty bound to act with prudence, and shall not make speculative or hazardous investments. The Trustee should also ensure that there is adequate diversity of investment to minimise the risk of individual institutions performing poorly.

The Trustee should decline to invest in a particular company if its activities are directly contrary to the charitable purposes.

The charity's investments have continued to be managed in line with our Investment Policy and the Trust Deed. The Investment Policy is reviewed every three years.

The main aims of the Policy are:

- That the underlying level of funds available for investment should be split between long term and short term investments; and
- The net income from the investments are distributed over all the funds on an average fund-balance basis.

The portfolio of investments are monitored by the Charitable Funds Committee on a quarterly basis.



**The Countess Charity**  
**TRUSTEE'S ANNUAL REPORT**

**STATEMENT OF TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE  
TRUSTEES' REPORT AND THE FINANCIAL STATEMENTS**

Under the trust deed of the charity and charity law, the Corporate Trustee is responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. The trustees have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

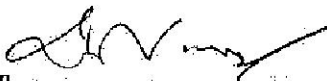
In preparing these financial statements, generally accepted accounting practice entails that the trustee:

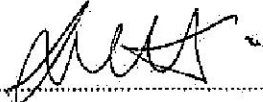
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

By Order of the Corporate Trustee

Signed:

  
Chairman..... 14th January 2020  
Sir Duncan Nichol

  
Trustee ..... 14th January 2020  
Dr Susan Gilby

## **The Countess Charity**

### **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE COUNTESS CHARITY**

I report to the trustees on my examination of the accounts of The Countess Charity (Charity No: 1050015) for the year ended 31<sup>st</sup> March 2019, which are set out on pages 13 to 30.

#### **Responsibilities and basis of report**

As the charity trustees, you are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe in, any material respect,:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**Michael Caputo FCA**  
**McIntocks (NW) Limited**  
**Chartered Accountants**  
**2 Hilliards Court**  
**Chester Business Park**  
**CHESTER**  
**CH4 9PX**

14 January 2020

# The Countess Charity

## Statement of Financial Activities for the year ended 31 March 2019

	Note	Unrestricted Funds 2019 £000	Restricted Funds 2019 £000	Total Funds 2019 £000	Total Funds 2018 £000
<b>Incoming Resources</b>	<b>2</b>				
<b>Income and endowments from:</b>					
Donations and Legacies	2.1	372	127	499	492
Charitable activities	2.2	4	-	4	3
Income from trading activities	2.3	82	186	268	227
Investment income	2.5	56	8	64	114
<b>Total incoming resources</b>		<b>514</b>	<b>321</b>	<b>835</b>	<b>836</b>
<b>Resources Expended</b>					
<b>Expenditure on:</b>					
Raising funds	3.1	(134)	(120)	(254)	(244)
Charitable Activities:					
Grant Funded Activity	3.2	(417)	(272)	(689)	(2,277)
<b>Total expenditure</b>		<b>(551)</b>	<b>(392)</b>	<b>(943)</b>	<b>(2,521)</b>
Net incoming/(outgoing) resources		(37)	(71)	(108)	(1,685)
Net gains/(losses) on investments		2	2	4	(11)
<b>Net income/(expenditure)</b>		<b>(35)</b>	<b>(69)</b>	<b>(104)</b>	<b>(1,696)</b>
Transfers between funds	2.4	(2)	2	-	-
<b>Net movement in funds</b>		<b>(37)</b>	<b>(67)</b>	<b>(104)</b>	<b>(1,696)</b>
Reconciliation of Funds					
Total Funds brought forward		751	561	1,312	3,008
<b>Fund balances carried forward</b>		<b>714</b>	<b>494</b>	<b>1,208</b>	<b>1,312</b>

The notes on pages 16 to 30 form part of these financial statements. All income and expenditure is derived from continuing operations.

**The Countess Charity**

**Balance Sheet as at 31 March 2019**

	Notes	Total Funds at 31 March 2019 £000	Total Funds at 31 March 2018 £000
<b>Fixed Assets</b>			
Investments	6.2	<u>526</u>	<u>522</u>
<b>Total Fixed Assets</b>		<u>526</u>	<u>522</u>
<b>Current Assets</b>			
Debtors	7	<u>12</u>	<u>8</u>
Cash and cash equivalents		<u>789</u>	<u>879</u>
<b>Total Current Assets</b>		<u>801</u>	<u>887</u>
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	10	<u>119</u>	<u>97</u>
<b>Net Current Assets</b>		<u>682</u>	<u>790</u>
<b>Total Assets Less Current Liabilities</b>		<u><u>1,208</u></u>	<u><u>1,312</u></u>
<b>Funds of the Charity</b>			
Restricted Income Funds		<u>494</u>	<u>561</u>
Unrestricted Income Funds		<u>714</u>	<u>751</u>
<b>Total Charity Funds</b>		<u><u>1,208</u></u>	<u><u>1,312</u></u>

The notes at pages 16 to 30 form part of this account.

Approved by the Chairman of the Board on 14th January 2020

Signed:



Sir Duncan Nichol

# **The Countess Charity**

<b>Cashflow</b>	<b>Note</b>	<b>Total Funds 2018-19 £000</b>	<b>Total Funds 2017-18 £000</b>
<b>Cash flows from operating activities:</b>			
<b>Net Cash provided by (used in) operating activities</b>		<b><u>(154)</u></b>	<b><u>(1,695)</u></b>
<b>Cash flows from investing activities:</b>			
Interest from investments		64	114
<b>Net cash provided by (used in) investing activities</b>		<b><u>64</u></b>	<b><u>114</u></b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b><u>(90)</u></b>	<b><u>(1,581)</u></b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b><u>879</u></b>	<b><u>2,460</u></b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b><u>789</u></b>	<b><u>879</u></b>

## **The Countess Charity**

### **Notes to the Account**

#### **Accounting Policies**

##### **1.1**

#### **Basis of Preparation**

The Financial Statements have been prepared under the historic cost convention, with the exception of investments which are included at market value at the Balance Sheet date. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United

The trust constitutes a public benefit entity as defined by FRS 102.

The Trustee considers that there are no material uncertainties about the Countess Charity's ability to continue as a going concern.

In future years, the key risks to the Countess Charity are a fall in income from donations or investment income, but the Trustee has arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

## **The Countess Charity**

### **1.3 Incoming Resources**

- a) 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 Charity 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.

b) **Legacies**

Legacies are accounted for as incoming resources on a case by case basis once the receipt of the legacy is probable.

Receipt is probable when:

- i) Confirmation has been received from the representatives of the estate(s) that probate has been granted;
  - ii) The executors have established that there are sufficient assets in the estate to pay the legacy; and
  - iii) All conditions attached to the legacy have been fulfilled or are within the charity's control.
- c) 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.

## **The Countess Charity**

### **1.4 a) Expenditure Recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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. For more information on this attribution, refer to note (b) below.

Grants payable are payments made to the Countess of Chester Hospital NHS Foundation Trust which is classed as a related party, in furtherance of the charitable objectives of the funds held on trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

### **b) Allocation of Support and Governance Costs**

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.

Governance costs and support costs relating to charitable activities have been apportioned between costs of raising funds and expenditure on charitable activities on a proportional basis. The allocation of support and governance costs is analysed in note 3.

### **c) Expenditure on Raising Funds**

The costs of generating funds includes the direct costs associated with running fundraising events, staff salaries and office costs, investment management fees, and the support and governance costs associated with these activities. Further details are shown in note 3.1

### **d) Expenditure on Charitable Activities**

Costs of charitable activities include grants made to the Countess of Chester NHS Foundation Trust to support the purchase of equipment, training and other activities as well as the support and governance costs associated with these activities. Further details are shown in note 3.2



## **The Countess Charity**

### **1.5 Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

### **1.6 Funds Structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. The Countess Charity has four funds which are classed as restricted, with a further eighteen funds having an element of their balance classed as restricted. This is due to funds receiving grants and legacies with associated restrictions. The charity has no endowment funds.

Unrestricted income 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 earmarked by Trustees, where the donor has made known their non-binding wishes, as outlined explicitly on the donation receipt form.

Transfers between funds are approved by the Charitable Funds Committee in line with agreed expenditure procedures and in accordance with the Standing Financial Instructions.

Details of the funds are shown on page 30.

### **1.7 Fixed Asset Investments**

Investments are a form of basic financial instrument. They are initially recognised at their transaction value and are subsequently measured at their fair value (market value). The Statement of Financial Activities includes the net gains and losses arising on revaluation during the year.

The Investment Fund Units are included in the Balance Sheet at the closing valuation at 31 March 2019.

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.

### **1.8 Realised Gains and losses**

All realised 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 opening market value (or date of purchase if later).

Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or date of purchase if later).

## **The Countess Charity**

### **1.9 Tax**

The Countess Charity 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 trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **1.10 Debtors**

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

### **1.11 Cash and Cash Equivalents**

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, usually in 90 day notice interest bearing savings accounts.

### **1.12 Creditors**

Creditors are amounts owed by the charity. They are measured at the amount that the charity expects to have to pay to settle the debt.

Amounts which are owed in more than a year are shown as long term creditors.

### **1.13 Prior year comparatives by type of fund**

The primary statements provide prior year comparatives in total, pages 21 and 22 provides prior period comparatives for the Statement of Financial Activities and the Balance Sheet for each of the two types of fund that the Countess Charity manages.

### **1.14 Related Party Transactions**

The Countess of Chester Hospital NHS Foundation Trust body is the Corporate Trustee of the Countess Charity. The patients of which are the main beneficiaries of the charity.

The charity has made revenue and capital grant payments to the Countess of Chester Hospital NHS Foundation Trust.

In 2018/19, the expenditure on charitable activities was £689,000 (2017/18: £2,277,000) of which £417,000 (2017/18: £170,000) was expenditure from unrestricted funds and £272,000 (2017/18: £2,107,000) was expenditure from restricted funds to the Corporate Trustee, the Countess of Chester Hospital NHS Foundation Trust

None of the Corporate Trustee members has undertaken any transactions with the Countess of Chester Hospital NHS Foundation Trust or received any benefit from the charity in payment or kind.

The Countess of Chester Hospital NHS Foundation Trust makes a number of clerical transaction services available to the charity.

These include:

Fundraising services and office costs of £207,000 (£200,000 in 2017/18) - see note 3.1  
Administrative services at a cost of £21,000 (£22,000 in 2017/18) in support of the charity's grant making activities which are included within support costs - see note 3.3

The charity is able to utilise the finance system in place within the Trust to facilitate payments to suppliers. These payments are made by the Trust on behalf of the charity and they are subsequently reimbursed. The outstanding balance of £76,000 at 31st March 2019 is included on the balance sheet as a creditor - see note 10.

# The Countess Charity

## Prior year comparatives by type of Fund

### Unrestricted Funds - Statement of Financial Activity for the year ended 31 March 2019

	Unrestricted Funds 2018-19 £000	Unrestricted Funds 2017-18 £000
<b>Incoming Resources</b>		
<b>Income from:</b>		
Donations and legacies	372	215
Charitable activities	4	3
Other trading activities	82	56
Investments	56	49
<b>Total Incoming resources</b>	<u>514</u>	<u>323</u>
<b>Resources Expended</b>		
<b>Expenditure on:</b>		
Raising funds	(134)	(70)
Charitable activities	(417)	(170)
Grant Funded Activities	(551)	(240)
<b>Total expenditure</b>	<u>(551)</u>	<u>(240)</u>
Net incoming/(outgoing) resources	(37)	83
Net gains/(losses) on investments	2	(6)
<b>Net income/(expenditure)</b>	<u>(35)</u>	<u>77</u>
Transfers between funds	(2)	-
<b>Net Movement in funds</b>	<u>-37</u>	<u>77</u>
<b>Reconciliation of Funds</b>		
Total funds brought forward	751	674
<b>Total funds carried forward</b>	<u>714</u>	<u>751</u>
<b>Unrestricted Funds - Balance Sheet as at 31 March 2019</b>		
	<b>2018-19 £000</b>	<b>2017-18 £000</b>
<b>Fixed Assets:</b>		
Investments	324	296
<b>Total Fixed Assets</b>	<u>324</u>	<u>296</u>
<b>Current Assets:</b>		
Debtors	10	5
Cash and cash equivalents	485	498
<b>Total Current Assets</b>	<u>495</u>	<u>503</u>
<b>Liabilities:</b>		
Creditors falling due within one year	105	48
<b>Net Current asset/(liabilities)</b>	<u>390</u>	<u>455</u>
<b>Total Assets less Current Liabilities</b>	<u>714</u>	<u>751</u>
<b>Total Unrestricted Funds</b>	<u>714</u>	<u>751</u>

## The Countess Charity

### Prior year comparatives by type of Fund

#### Restricted Funds - Statement of Financial Activity for the year ended 31 March 2019

	Restricted Funds 2018-19 £000	Restricted Funds 2017-18 £000
<b>Incoming Resources</b>		
<b>Income from:</b>		
Donations and legacies	127	277
Charitable activities	-	-
Other trading activities	186	171
Investments	8	65
<b>Total Incoming resources</b>	<b>321</b>	<b>513</b>
<b>Resources Expended</b>		
<b>Expenditure on:</b>		
Raising funds	(120)	(174)
Charitable activities:		
Grant Funded Activities	(272)	(2,107)
<b>Total expenditure</b>	<b>(392)</b>	<b>(2,281)</b>
Net incoming/(outgoing) resources	(71)	(1,768)
Net gains/(losses) on investments	2	(5)
<b>Net income/(expenditure)</b>	<b>(69)</b>	<b>(1,773)</b>
Transfers between funds	2	-
<b>Net Movement in funds</b>	<b>(67)</b>	<b>- 1,773</b>
<b>Reconciliation of Funds</b>		
Total funds brought forward	561	2,334
<b>Total funds carried forward</b>	<b>494</b>	<b>561</b>
<b>Restricted Funds - Balance Sheet as at 31 March 2019</b>		
	<b>2018-19 £000</b>	<b>2017-18 £000</b>
<b>Fixed Assets:</b>		
Investments	202	226
<b>Total Fixed Assets</b>	<b>202</b>	<b>226</b>
<b>Current Assets:</b>		
Debtors	2	6
Cash and cash equivalents	304	381
<b>Total Current Assets</b>	<b>306</b>	<b>387</b>
<b>Liabilities:</b>		
Creditors falling due within one year	14	49
<b>Net Current asset/(liabilities)</b>	<b>292</b>	<b>338</b>
<b>Total Assets less Current Liabilities</b>	<b>494</b>	<b>564</b>
<b>Total Unrestricted Funds</b>	<b>494</b>	<b>564</b>

## The Countess Charity

### 2 Incoming Resources

#### 2.1 Income from Donations and Legacies

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 £000	Total 2017-18 £000
Donations	156	55	211	275
Grants Received	-	72	72	165
Legacies	216	-	216	52
	<u>372</u>	<u>127</u>	<u>499</u>	<u>492</u>

Donations from individuals are gifts from members of the public, relatives of patients and staff.

#### 2.2 Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 £000	Total 2017-18 £000
Charitable Trading	4	-	4	3
Total	<u>4</u>	<u>0</u>	<u>4</u>	<u>3</u>

Charitable trading in 2018-19 relates to the sale of specialised clothing to patients attending the Breast Care Unit.

#### 2.3 Other Trading Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 £000	Total 2017-18 £000
Fundraising events	82	176	258	225
Corporate Sponsorship	-	10	10	2
Total	<u>82</u>	<u>186</u>	<u>268</u>	<u>227</u>

#### 2.4 Transfers between Funds

During the year, a transfer of £6,900 was made from the Care of the Elderly Fund (restricted fund) to the Memory Lane Appeal (restricted fund) and a transfer of £1,800 was made from the Sensory Garden Fund (unrestricted fund) to the Memory Lane Appeal (restricted fund). This represented the transfer of residual balances in these funds and the monies are being used to fund the garden works planned for the memory Lane project. A transfer of £4,000 was also made to the Countess Choir Fund from the Hospital Fund (both funds are unrestricted). Other small transfers have taken place in order to rationalise funds.

## The Countess Charity

### 2.5 Role of Volunteers

Fund advisors - there are over 100 Countess of Chester Hospital NHS Foundation Trust staff who manage how the charity's designated funds should be spent. Those funds are designated (or earmarked) by the Trustee to be spent for a particular purpose or in a particular ward or department. Each fund advisor has delegated powers to spend the designated funds that they manage in accordance with the Trustee wishes and in accordance with the fund purpose. All expenditure is approved by the Trust's finance department prior to commitment to ensure that the spend is in accordance with the governing documents and that the money is available in the fund.

Due to the varied nature of our work we are able to incorporate the skills of many different volunteers in to the fundraising department. We have recruited retired professionals as well as working with companies who allow staff volunteer days. This brings more skills to the team and allows paid staff to focus on fundraising activities.

We have volunteers who help enter donations on to the data base and produce personalised thankyou letter for the Head of Fundraising to check and sign.

A volunteer takes responsibility for Gift Aid claims, one for the notice boards and one is a receptionist.

Other volunteer roles include selling raffle tickets and tombolas both at the hospital and external venues. Volunteers also help extensively with the annual Duck Race and Santa Dash.

All volunteers have a staff member as a point of contact and are aware of their responsibilities. The office volunteers form part of the rota so we require a commitment from them.

Our volunteers are recruited and managed in line with The Countess of Chester Hospital NHS Foundation Trust

In accordance with the SORP, due to the absence of any reliable measurement basis, the contribution of these volunteers is not recognised in the accounts.

### 2.6 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018-19 £000	Total 2017-18 £000
Short term investments and deposits	30	4	34	86
and cash on deposit	26	4	30	28
Unit Trust Fund Income	56	8	64	114

## The Countess Charity

### 3 Resources Expended

#### 3.1 Analysis of expenditure on raising funds

	Unrestricted Funds	Restricted Funds	Total 2018-19	Total 2017-18
	Direct Costs £000	Direct Costs £000	£000	£000
Fundraising Office	112	95	207	200
Fundraising events	19	24	43	41
Investment Management	2	1	3	2
Support Costs	1	0	1	1
<b>Total</b>	<b>134</b>	<b>120</b>	<b>254</b>	<b>244</b>

#### 3.2 Analysis of expenditure on charitable activities

	Unrestricted Funds		Restricted Funds		Total 2018-19	Total 2017-18
	Grant Funded Activity £000	Support Costs £000	Grant Funded Activity £000	Support Costs £000	£000	£000
Training	17	1	2	0	20	24
Equipment	239	9	178	4	430	268
Building	46	2	81	2	131	26
Other	100	3	5	0	108	1959
<b>Total</b>	<b>402</b>	<b>15</b>	<b>266</b>	<b>6</b>	<b>689</b>	<b>2277</b>

The Charity does not make grants to individuals. All grants are made to the Countess of Chester Hospital NHS Foundation Trust to provide for the care of NHS patients in furtherance of our charitable aims. The total cost of making grants including support costs, is disclosed on the face of the statement of financial activities and the actual funds spent on each category is disclosed in note 3.2.

All support costs are initially apportioned between restricted and unrestricted funds on an average balance basis, reflecting the charges allocated against the funds during the year. Support costs are subsequently apportioned to categories of expenditure based on the levels of expenditure for each category as a percentage of the overall expenditure.

#### 3.3 Allocation of Governance and Support Costs

	Allocated to:		Total 2018-19	Total 2017-18
	Raising Funds £000	Charitable Activities £000	£000	£000
<b>Governance Costs:</b>				
Independent Examiners Fee	0	1	1	2
Management charge	0	2	2	2
<b>Support Costs:</b>				
Financial Services	1	18	19	32
<b>Total</b>	<b>1</b>	<b>21</b>	<b>22</b>	<b>26</b>

## The Countess Charity

### 4 Analysis of Staff Costs

	<b>Total</b>	<b>Total</b>
	<b>2018-19</b>	<b>2017-18</b>
	<b>£000</b>	<b>£000</b>
Salaries and wages	151	141
Social security costs	13	12
Employers pension contribution	22	20
	<b>186</b>	<b>173</b>
Average monthly number of staff in the year:	<b>6</b>	<b>5</b>

No employees had emoluments in excess of £60,000 (2017/18 none)

Staff costs relate to employees of the related party - Countess of Chester Hospital NHS Foundation Trust.

The Directors of the Countess of Chester Hospital NHS Foundation Trust do not receive any remuneration or reimbursement of expenses from the Charity.

### 5 Independent Examiner

The independent examiner's fee of £1,700 (2017/18 £2,100) related solely to the examination with no other additional work undertaken.



## The Countess Charity

### 6 Analysis of Fixed Asset Investments

	31 March 2019	31 March 2018
	Total	Total
	£000	£000
<b>6.1 Movement in Fixed Asset Investments:</b>		
Market value at 1 April	522	533
Unrealised gain/(loss) on revaluation	4	(11)
Market value at 31 March	<u>526</u>	<u>522</u>
Historic cost at 31 March	<u>353</u>	<u>353</u>

### 6.2 Market value:

	Held in UK	31 March 2019	31 March 2018
	£000	Total	Total
		£000	£000
Investments in a Common Investment Fund	526	526	522
	<u>526</u>	<u>526</u>	<u>522</u>

All investments are held at fair value.

All the Fixed Assets investments are held in a Common Investment Fund with M&G Investments. The main risk from these financial instruments lies in the combination of uncertain investment markets and volatility in yield. The main principle of the investment policy is to protect the real value of capital and generate a steady income stream to maximise contribution towards the costs of central overheads. The investments continue to grow at a steady rate whilst maintaining an increase in investment income year on year.

### 6.3 Investment Management Costs

The investments in the M&G unit trust fund incurs an annual charge of 0.47% of the average balance of the funds held by them.

### 6.4 Analysis of Cash and Cash Equivalents

	2019	2018
	£000	£000
Cash in hand	789	879
Notice deposits (less than 3 months)	<u>0</u>	<u>0</u>
<b>Total Cash and Cash Equivalents</b>	<u>789</u>	<u>879</u>

The notice deposits are sums held on interest bearing deposit fixed term deposits with the National Loans Fund. No cash or cash equivalents or current asset investments were held in non-cash investments or outside of the UK.

All of the amounts held on interest bearing deposits are available to spend on charitable activities.

## The Countess Charity

### 7 Analysis of Debtors

	31 March 2019 £000	31 March 2018 £000
Amounts falling due within one year:		
Trade Debtors	0	0
Accrued income	12	8
<b>Total debtors falling due within one year</b>	<b>12</b>	<b>8</b>

### 8 Cash at Bank and in Hand

	31 March 2019 £000	31 March 2018 £000
Bank balances at 1 April	879	2,460
Net change in year	(90)	(1,581)
<b>Cash and cash equivalents in the statement of cash flows at 31 March</b>	<b>789</b>	<b>879</b>

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

	31 March 2019 £000	31 March 2018 £000
Net income/(expenditure) as per the Statement of Financial Activities	(104)	(1,696)
Gains/losses on investments	(4)	11
Dividends and interest from investments	(64)	(114)
Decrease / (increase) in debtors	(4)	31
Increase / (decrease) in creditors	22	73
<b>Net cash provided by (used in) operating activities</b>	<b>(154)</b>	<b>(1,695)</b>

### 10 Analysis of Creditors

	31 March 2019 £000	31 March 2018 £000
Amounts falling due within one year:		
Other creditors	76	85
Accruals	43	12
<b>Total creditors falling due within one year</b>	<b>119</b>	<b>97</b>

Other creditors represent sums owed at the year end by the charity to a related party, the Countess of Chester Hospital NHS Foundation Trust.

### 11 Contingent Asset

There are no contingent assets to declare for this financial period.

## The Countess Charity

### FUND STATEMENTS AND OBJECTIVES

#### TYPE OF FUND

	31 Mar 2019 £	31 Mar 2018 £	DETAILS ON PAGE
General Purpose Fund	171,515	198,594	29
Restricted Funds	441,748	510,441	29
Designated Funds	570,052	582,471	30
Cumulative Unrealised (Loss)/Gain on investments	24,944	20,912	
	<u>1,208,258</u>	<u>1,312,418</u>	

The unrealised loss on investments has been allocated between restricted and unrestricted funds on a percentage of the total balance at the 31st March 2019 as shown on the Balance Sheet in Total Funds.

### UNRESTRICTED GENERAL PURPOSE FUNDS

Held by the Countess of Chester NHS Charitable Funds

The General Purpose Fund income is generally available for the benefit of patients, their families and staff.

Name of Fund	Purpose	Fund Balance Bfwd 31 Mar 2018 £	Income £	Expenditure £	Interfund transfers £	Cumulative Unrealised Gains & Losses £	Fund Balance Cfwd 31 Mar 2019 £
Countess General Fund	General Purposes	198,594	130,532	(153,463)	(4,148)	(6,325)	165,190
<b>Total Unrestricted General Purpose Funds</b>		<u>198,594</u>				<u>(6,325)</u>	<u>165,190</u>

### RESTRICTED FUNDS

Held by the Countess of Chester NHS Charitable Funds

Name of Fund	Purpose	Fund Balance Bfwd 31 Mar 2018 £	Income £	Expenditure £	Interfund transfers £	Cumulative Unrealised Gains & Losses £	Fund Balance Cfwd 31 Mar 2019 £
Chester Cardiac Fund	Support and improve cardio respiratory services. Staff amenities	244,989	-	(62,877)		21,559	203,671
Critical Care Unit	To benefit Critical Care including Staff & Patient Amenities	21,160				2,517	23,777
The Babygrow Appeal	To build and equip a new neonatal unit - surplus to 9091	1,942	58,570	(16,582)		5,201	49,131
Trees Of Life	To improve bereavement care	848	21,407	(11,050)		1,326	12,531
Small Appeal - Breast Scanner	Purchase of ultrasound scanner for the Breast Care Unit	71,258	20,411	(56,948)		2,927	27,648
Small Appeal - Renal Unit	Purchase of renal dialysis equipment	21,624	2,230	(24,002)	148	0	-
Small Appeal - Memory Lane	Enhance Wards 50 & 51, which specialise in elderly care	33,134	144,324	(114,214)	8,638	8,510	80,392
Small Appeal - Cardiac Equipment	Fund purchase of cardiac equipment	250	33,267	(8,892)		2,915	27,540
Grants Fund	Receive legacies and administer grants from external grant-making bodies	74,258	3,000	(68,619)		1,023	9,662
North West Human Milk Bank	To benefit the North West Human Milk Bank	4,173	8,632	(358)		1,474	13,921
Neonatal Unit	Funds for the purpose of the neonatal unit. Staff amenities	7,498	3,000	-		1,232	11,640
Other restricted funds		29,297	26,162	(18,501)	(6,439)	3,613	34,132
<b>Total Restricted Funds</b>		<u>510,441</u>				<u>52,296</u>	<u>494,044</u>

#### Restricted Funds

The restricted funds have arisen as they are appeals funds and therefore the donors have an expectation that the funds will be spent in the way advertised in the fundraising literature. Once the appeal targets have been reached the remaining funds will be unrestricted to enable the Trustees to utilise the funds in accordance with the objects of the charitable funds.

Restricted funds also arise when a legacy bequest is received, and the legator bequeaths the funds for a specific purpose. These funds are held as restricted funds until the legacy is fully expended.

In addition, the charity applies to grant-making bodies for funding to purchase equipment or to support ongoing spenders. These grants are often restricted in nature and only allow us to use the funding in line with the application submitted to the grant making body. These grants are held as restricted until the funding is fully utilised.

The Trustees set an opening or closing balance of £10,000 or above as the threshold for the separate reporting of material restricted funds.

The Countess Charity

DESIGNATED FUNDS

Held by the Countess of Chester NHS Charitable Funds

Name of Fund	Purpose	Fund Balance Btwd 31 Mar 2018 £	Income £	Expenditure £	Interfund transfers £	Cumulative Unrealised Gains & Losses £	Fund Balance C/wd 31 Mar 2019 £
Breastcare Unit Fund	The benefit the unit including staff and patient amenities	39,768	20,019	(16,350)		(1,565)	40,872
Car Boot Fund	Purchase medical & surgical equipment for the Hospital	31,874	22,220	(31,910)		(81)	2,103
Chester Eye Fund	Ophthalmic equipment and benefit of patients	13,720	9,033	(15,888)		(253)	6,612
Chester Cardiac Fund	Support and improve cardio respiratory services, Staff amenities	7,679	14,028	-		(801)	20,906
Coronary Care Unit	Equipment & staff training	44,033	3,870	(4,684)		(1,594)	41,615
Critical Care Fund	To benefit Critical Care including Staff & Patient Amenities	29,259	24,439	(43,320)		(383)	9,095
EPH General Fund	For the benefit of staff and patients at EPH	10,244	5,780	(9,937)		(224)	5,863
Grant Fund	Receive legacies and administer grants from external grant-making bodies.	148	167,319	(107,279)		(2,220)	57,968
Haematology and Oncology Fund	Benefit the haematology and oncology units and provide staff & patient amenities	93,966	14,914	(36,190)		(3,681)	79,009
Kisizi Hospital Project	To fund visits to Kisizi, purchase equipment, support training	11,313	4,269	(7,274)		(306)	8,002
Neonatal Fund	Funds for the purpose of the neonatal unit. Staff amenities	7,173	13,258	(2,227)		(671)	17,533
Paediatric Fund	Wards 29, 30, & paediatric outpatients	12,812	383	(2,003)		(420)	10,972
Palliative Care	For the ongoing improvement including education and research	39,851	3,871	(6,377)		(680)	17,765
Patients Amenities	Benefit of patients at Countess of Chester Hospital	64,972	28,493	(10,518)		(3,059)	79,888
Staff Amenities	Benefit of staff at Countess of Chester Hospital	21,379	12,073	(15,289)		(670)	17,493
The Respiratory Fund	Respiratory equipment & courses	10,080	2,233	(3,152)		(338)	8,825
Vascular Surgery	Research expenses & audit	19,468	1,607	(3,210)		(659)	17,206
Other unrestricted funds		144,632	35,206	(61,829)	1801	(4,423)	115,387
<b>Total Unrestricted Funds:</b>		<b>582,471</b>				<b>(21,027)</b>	<b>549,025</b>