

TRUSTEES' REPORT & FINANCIAL STATEMENTS

31ST MARCH 2021

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STRATEGIC REPORT

INCORPORATING
THE TRUSTEES' REPORT

REFERENCE & ADMINISTRATION DETAILS

DIRECTORS

J Gibson
Chair

T Douglas
Vice-Chair

A Morris
Senior Independent
Non-Executive

M Ballantyne*

A Begg
Retired 26/10/20

G Fowkes

N Francis

S Harris
Retired 24/09/2020

S Hutchinson

S Millar

N Pirie *

D Sewell

I Turnbull

K Walmsley*
Retired 10/7/21

* Also Directors of
CHSA Trading Limited

SECRETARY

J-C Judson

REGISTERED OFFICE AND PRINCIPAL ADDRESS

Second Floor
Hobart House
80 Hanover Street
Edinburgh
EH2 1EL

INDEPENDENT AUDITOR

Chiene + Tait LLP
Chartered Accountants
and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

INVESTMENT MANAGERS

Brewin Dolphin
Sixth Floor
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

BANKERS

Royal Bank of Scotland plc
142-144 Princes Street
Edinburgh
EH2 4EQ

Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

Santander UK plc
Bootle
Merseyside
L30 4GB

SOLICITORS

Addleshaw Goddard
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

Lindsays
Caledonian Exchange
19a Canning Street
Edinburgh
EH3 8HE

MESSAGE FROM THE CHAIR

This last year has been unlike any other and I want to say a heartfelt thank you to all our donors, supporters, staff, and volunteers for your inspirational work during such a difficult time.

Covid-19 changed our way of working, increased demand for our services, and threatened the income that our charity depends on.

But, faced with the chaos of Covid, we stayed strong and focused because our mission of No Life Half Lived was at the heart of every choice we made. We were determined to help people do more than just survive their condition – to help them really live.

It's what inspired us to support 12,687 people through our care services this year. We stood shoulder to shoulder with our NHS colleagues in the fight against Covid by launching a Hospital to Home service to provide wraparound care for those with lung conditions and entered a partnership with the Scottish Government to deliver care for people living with Long Covid.

It's why we launched our Kindness Programme, which recruited over 6,000 volunteers to deliver 35,200 acts of kindness in our communities – including phone calls, shopping trips, dog walks, and online activity.

It's what drove us on to leave no stone unturned in the search for income to secure the charity's survival. Every donation – big or small - made a huge difference.

And it's what guided us in taking the extremely difficult decisions for the charity's long-term future. The financial uncertainty early in the crisis meant we were forced to make significant cost savings and sadly had to lose 84 colleagues through redundancy. I want to pay tribute to their resilience and understanding. Those difficult decisions meant we could deliver for people with our conditions with no drop in service, despite the challenging economic and public health environment, including switching to digital delivery overnight.

For us all it's been a year of sacrifice. But for so many people affected by our conditions it has been a time of survival, struggle and loneliness. The support that our volunteers, fundraisers, and colleagues at Chest Heart & Stroke Scotland delivered in the past year meant that we could guarantee someone was there when it mattered most.

For that, and for all that you have helped us achieve this year I thank you.

Yours



Jim Gibson

**Chair of the Board of Trustees
Chest Heart & Stroke Scotland**



OBJECTIVES & ACTIVITIES

Everyone has the right to live life to the full. After a diagnosis of a chest or heart condition or a stroke, many people experience fear and isolation and struggle with the impact on their lives. Chest Heart & Stroke Scotland won't stand for that. The care and support we deliver every day ensures everyone can live the life they want to.

This year, our mission to make sure that there is no life half lived has taken on a new resonance. Covid-19 is the biggest health challenge in a generation. It is a new lung condition with wide-ranging health impacts that have changed people's lives, taken people's loved ones, and left many struggling with its after-effects like Long Covid.

More people than ever therefore need the support of Chest Heart & Stroke Scotland. We are determined to help. Our No Life Half Lived strategy has proved to be sound in the face of the pandemic and continues to guide us in our approach to the pandemic and beyond.

IT SETS OUT THE FOLLOWING CORE OBJECTIVES:

- To double the number of people we reach and focus 60% of our work on supporting people living with our conditions
- To develop multi-condition services
- To double income generation through developing our mix of income streams
- To expand our retail presence and build community engagement in the communities where we operate
- To ensure that all our activities are people-driven
- To double the number of volunteers who work with us
- To transform public understanding of the needs of those people living with our conditions.

OUR MAIN CHARITABLE ACTIVITIES ARE:

- Communication support for people affected by stroke, particularly those with speech and language difficulties (aphasia)
- Nurse-led Advice Line and patient information
- Nursing and other support services in the community for people affected by stroke, heart and respiratory conditions (e.g. COPD)
- Education and training activities, including training for patient involvement
- Support for voluntary chest, heart and stroke groups
- Campaigning to Scottish Government, the NHS and other agencies on health issues
- Representational activities on behalf of patients and carers.

In the prior year, a number of key performance indicators (KPIs) were set out, derived from the charity's Strategic Plan, against which performance in the year to 31 March 2021 could be assessed. These KPIs, and progress against them, are as follows:

- **A minimum of 70% of total charity expenditure (excluding retail expenditure) should be on charitable services – achieved; charitable spend was 79% of total.**
- **The charity should operate within its agreed Reserves Policy, ensuring maximum use of resources for charitable purposes, while covering identifiable risks and liabilities – achieved; actual reserves (as calculated under the Reserves policy) at 31 March 2021 were £8.7m against a Reserves policy of £5.5m.**
- **The sickness absence rate across all the charity's activities should be less than 3.5% - achieved; sickness absence rate was 2.2% for 2020-21.**

Reflection from the pandemic has led us to task Leadership Group to develop up to date KPIs.

ACHIEVEMENTS & PERFORMANCE

Covid-19 presented a series of constant and significant challenges. The last year has generated a number of successes – not least the charity's survival. For Chest Heart & Stroke Scotland, the story of this year is one of success through sacrifice.

The charity was faced with the twin challenges of surviving and reforming to ensure long-term sustainability post Covid.

We lost 84 valued colleagues through redundancy. Staff took a 10% cut to their wages for six months. Driven by the determination to help those in need, our staff, volunteers, and supporters have been inspirational.

Together, we changed our internal processes to be more agile. We launched new services to help ease pressures on our NHS colleagues. We transformed how we deliver our services to meet the needs of those we support. We harnessed the power of kindness in our communities to fight Covid-19 head on. We encouraged the creativity of our Communications, Fundraising and Retail teams to launch new products, an online clothes shop, and new virtual fundraising events.

And above all, together, through determination, creativity, and sacrifice we helped more people when they needed it most.



'I have never felt more scared and alone than when I had a stroke. But life changed for me when I got help from Chest Heart & Stroke Scotland. The team at this amazing charity rescued me and my family from the darkest time in our lives.'

Troy

SERVICES

The past year has presented the teams with opportunity and threat in equal measure.

The impact of lockdown and the uncertainty created by Covid meant the teams had to be resilient, agile, and respond to new, fast-moving opportunities as they have emerged.

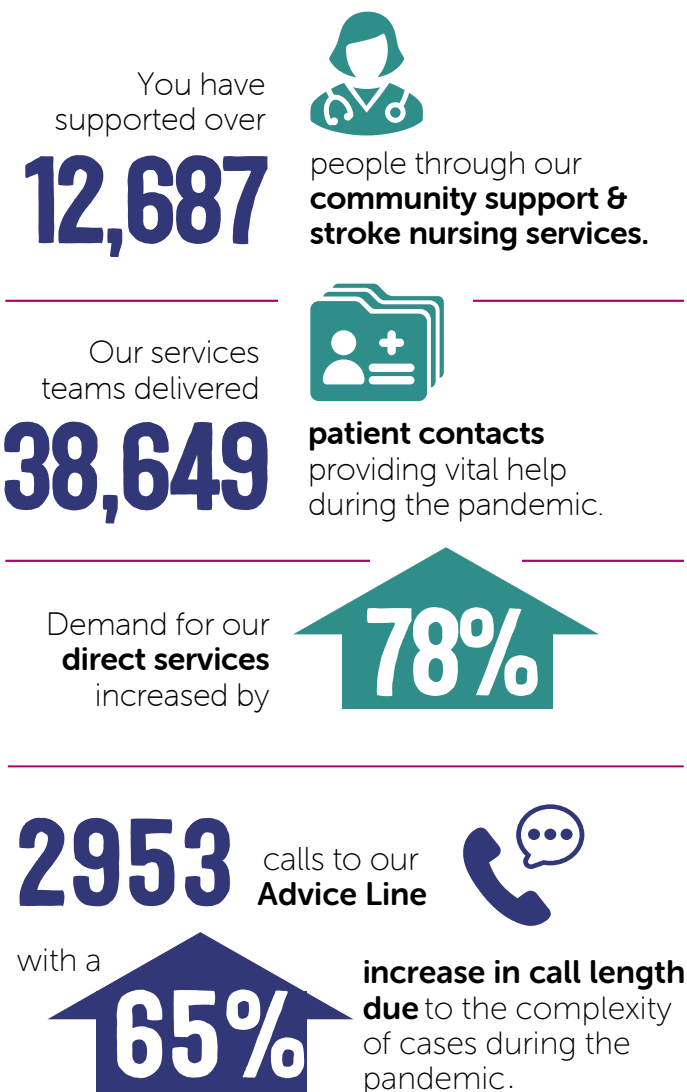
We quickly and successfully moved our services to being delivered online – a move that has allowed us to reach more people this year while also maintaining quality of experience.

Demand for our direct services has increased by 78%. This year we supported 12,687 people and their carers through our community support and stroke nursing services. **Our services teams delivered 38,649 patient contacts**, providing vital help to people during the pandemic.

Our Advice Line also saw an increase in demand and complexity of cases this year. **The team delivered 2,953 life-line phone calls** to those in need with a **65% increase in call length** due to the complexity of cases.

This year, we also **launched our Hospital to Home service in partnership with NHS Boards** to support people with respiratory and heart conditions adjust to life after a period in hospital. The approach has been embraced by clinicians as a way of keeping people well at home, supporting NHS teams to reduce pressures by helping their staff focus on clinically complex caseloads. So far, the service has been adopted in NHS Highland for heart patients with NHS Lothian, NHS Highland, NHS Greater Glasgow & Clyde, and NHS Ayrshire & Arran using the service for respiratory patients.

The approach has received praise from all political parties with First Minister Nicola Sturgeon saying that she is committed to ensuring that **"the whole of Scotland can benefit from this approach"**.



SERVICES

The approach behind Hospital to Home has also been adapted to support people with Long Covid.

At the end of February, we announced a **£760,000 partnership with the Scottish Government** to develop wraparound support for people living with Long Covid. We are working with people affected, Scottish Government and the NHS to ensure that a fully integrated service, based on shared care, can provide the help people need to live with the long-term impacts of Covid.

We also continued our drive to be recognised as a core and critical element in the continued professional development of stroke clinicians. We delivered training as part of the NHS's efforts to **establish a national Thrombectomy service** and continue to have a direct relationship with NHS Boards on the provision of ongoing support for nursing education.



Launched a new national service with our NHS heroes - supporting people with severe lung conditions including Covid-19 get home from hospital.

Announced a **£760K** partnership with the Scottish Government to develop wraparound **support for people living with Long Covid.**



PEER SUPPORT GROUPS

We have a network of over **140 Peer Support Groups** run by volunteers that bring people together across the country to help them live life to the full with a chest, heart or stroke condition.

The pandemic presented a number of significant challenges to our groups. They all had to stop operating as normal due to Covid restrictions. However, the majority (133) continued to connect with members either via telephone, social media groups, or post. We offered support to move groups online and 15 groups commenced operation in this way.

In a challenging year **our groups reached 4,325 people** – a fantastic achievement and we would like to say a big **thank you to the 322 volunteers** who helped continue this vital support.



Over
140 peer groups reached
4325 people throughout the pandemic.



COMMUNICATIONS & FUNDRAISING

Due to Covid, our high-income events like the Forth Rail Bridge Abseil and Beast Races had to be cancelled. Our carefully crafted plans for growth had to be set aside to manage a complex and all-consuming crisis which saw demand for our services increase while income was in jeopardy.

The generosity and kindness of our supporters and partner funders in reaction to the crisis has been incredible. Together we have **raised over £1.5 million** (excluding Legacy income) and **over £3.9 million in Legacies**.

The impact of Covid on planned fundraising income has been significant, but by managing our spending we have ensured that **fundraising has generated a net profit of over £900,000 – a 29% increase on 2019/20**.

Our **Emergency Appeal raised over £40,000** and our Scottish Buzz supporter **newsletters raised over £23,000** – both significantly outperforming their targets. A number of virtual events were a success like our **May Day Munro Challenge which raised £16,000** – with relatively little cost. We also secured new one-off funding from a variety of sources including **Amazon (£10,000) and Barclays (£100,000)**.

We are incredibly grateful to our corporate supporters who extended their partnerships with us this year. They showed extraordinary commitment to helping people in need through this difficult period. **Scotmid Cooperative** extended our partnership until the end of November, **raising a total of £265,000** to help stroke survivors in Scotland with vital support - £300,000 in total across Scotland, England and Northern Ireland. We also joined with them to deliver shopping to vulnerable people through our Kindness Volunteering Programme.

DM Hall has extended our partnership to 2022 and staff became actively involved in volunteering to deliver shopping, prescriptions, and undertaking Kindness Calls to people isolated and lonely.

We are grateful to **Davidson's Chemists who have also extended our partnership to 2022** and have made inspirational efforts to raise money and volunteer with us to help people in need during the pandemic.



The generosity and kindness of our **supporters and partner funders** raised over

£1.5M

£40K

raised by our **Emergency Appeal**

Our first virtual event - **May Day Munro Challenge** raised

£16K

Thanks to **generous legacies** we received

£3.9M



COMMUNICATIONS & FUNDRAISING

Funding from the Scottish Government has also been key in helping us develop our services to meet the significant challenges of Covid-19 and improve care for people at this vital time.

A total of £700,000 was received in Scottish Government grants this year. The money helped us launch our Hospital to Home service for people with lung conditions including Covid-19. It is also supporting the growth and delivery of our Kindness Volunteer Programme and is helping us care for people with Long Covid.

The positive performance in fundraising and across the charity is linked to maintaining our high public profile. **We secured a total of 1,627 pieces of media coverage** this year with a combined readership **reach of 55.6 million** achieving almost **£2.8 million** worth of equivalent advertising (AVE). Over the pandemic we have also seen **a 49% increase in the average number of engagements with our Facebook posts** compared to the previous year.

The work of our campaign supporters continues to achieve significant progress to improve care for people with our conditions. This year saw the first big step towards the introduction of a national Thrombectomy service for stroke patients with a pilot of the life-changing procedure launched in the North of Scotland. Our Long Covid Care Now campaign also secured a commitment from the Scottish Government to create a better co-ordinated care system for people living with the long-term impacts of a Covid diagnosis.

Launched our **Long Covid Care Now campaign** and secured a commitment from Scottish Government to create co-ordinated care system for people affected by Long Covid.



55M Total press readership reach.

1627 local, national and digital press coverage.



HR & ORGANISATIONAL DEVELOPMENT

Covid-19 presented the charity with a very real threat to its future.

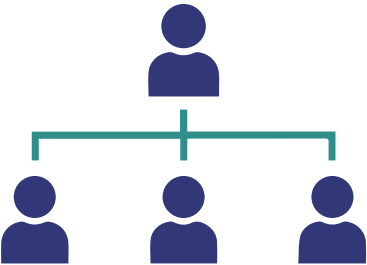
In reaction to this threat, we had to quickly pause recruitment, review our approach to staffing and undertook three employee consultations. They covered a reduction in organisational pension contribution, a 10% reduction in salary for employees for six months and an employee redundancy consultation. As a result of the redundancy consultation, there were 84 employee redundancies - 23 voluntary redundancies and 61 compulsory redundancies. Senior Management was reduced from seven to five.

This was a very difficult period for all concerned. We are grateful to those who supported these consultations including our Staff Consultative Committee who undertook an enhanced role and our external legal consultants who ensured we complied with all pension and employment legislation during the consultation.

Over a very short timescale the majority of our staff were required to work from home. This was a significant change that we successfully delivered and continue to support staff with the adjustment to home working – including offering coordinated health and wellbeing support.

We introduced new procedures and continue to ensure that organisational policies are updated to ensure we comply with UK and Scottish Government and Health and Safety Legislation as well as Covid-19 advice.

We developed a Health and Safety Covid-19 Management Plan to provide a solid ground for successful, timely, and safe implementation of the return to work and management of operational risk throughout the Covid-19 virus phases.



VOLUNTEERING

The reaction to the pandemic from volunteers has been inspirational. They are fighting Covid with kindness.

This year **we increased our volunteer base from 2,500 to 8,500** volunteers – exceeding our No Life Half Lived objective of doubling the number of volunteers.

We developed a Kindness Volunteer Programme as soon as the first lockdown was announced to support individuals who were experiencing isolation and loneliness. So far, the programme has **recruited over 6,300 Kindness Volunteers**. They have delivered over **35,200 acts of kindness** in their communities including **4,191 phone calls** to people who are lonely or isolated, **1,100 dog walks** and **2,000 shopping trips** for vulnerable people.

The programme also has a digital element with Digital Kindness Volunteers sharing vital health and support information via their social networks. **Life-saving messages and Covid advice were shared 27,909 times** online this year.

Our retail volunteers are vital to the success of our retail chain. They stepped up during a very difficult period and supported the re-opening of our shops when the first lockdown lifted. Part of their role was to help customers with information on the wearing of face-masks in store and social distancing arrangements. We are enormously grateful for their contribution and commitment to keeping people safe and helping others.

This year our volunteers helped us to fight Covid with Kindness.



£1.6M The **estimated value** our volunteers bring to our organisation

RETAIL

Our retail operation suffered large shocks this year. In total the teams raised £1.4million in income – 73% less than last year.

Lockdowns meant we had to close the full retail chain for over seven months.

Government support through various schemes like furlough and business rates relief were key to sustaining retail – and the wider charity.

However, the constant uncertainty around the length of furlough and the amount of support available made it very difficult to plan ahead. We had no choice but to take hard decisions to preserve the long-term future of the chain and the charity.

We had to close seven stores, took decisions to reduce the chain's outgoings and lost a number of valued colleagues through the redundancy process.

The teams adapted incredibly well to the ever-changing landscape of national and local lockdowns and restrictions placed on retail this year. When the chain re-opened following the first lockdown, lots of measures were put in place to comply with health and safety requirements to keep our customers, staff and volunteers safe.

Our Christmas and everyday card business also re-focused its efforts to selling online. We launched a new range of Scottish themed face-coverings as well as Christmas designs for the festive period. **The face-mask range sold incredibly well generating £50,000 in income.**

In January we launched a pilot online Boutique selling the best stock from our boutique stores across Scotland. The pilot is currently under evaluation and will inform the development of a new retail strategy that will seek to learn lessons from the pandemic to secure the success of our retail operations in the future.

In a difficult year,
our shops raised

£1.4M

despite being shut
for over 7 months.



Our **face-mask range** introduced
this year raised

£50K

PLANS FOR FUTURE PERIODS

This year the charity has successfully managed the crisis created by a once in a generation pandemic that no one predicted.

The focus for the years ahead is to secure a sustainable footing in the new context created by Covid-19. This will be a significant challenge in the face of an unstable economy and the continued unpredictable nature of Covid-19.

We will learn lessons from our approach, retain the improvements made and enhance the positive culture change that has taken place within Chest Heart & Stroke Scotland.

KEY PRIORITIES ARE TO:

- Keep ensuring that our work is people-driven and that we keep challenging ourselves to improve participation in our work even further.
- Continue development and spread of our Hospital to Home model of direct service provision across Scotland.
- Develop a new digital strategy that will set out how the whole organisation will benefit from and build upon the digital transformation that has taken place.
- Deepen our partnership with our NHS colleagues by continuing to offer excellent training for stroke professionals and extend this offer across all our conditions.
- Improve how we measure and demonstrate the impact of what we do.
- Stabilise income, deepen the great relationship we have with our donors and maintaining our high profile and campaigning with our incredible supporters.
- Produce a new influencing and income generation strategy to set out how we will start growing our income again over the long term and build on our new strategic relationships.
- Retain and support the thousands of volunteers who joined us to help their communities this year, grow our volunteer numbers further, and fully integrate our Kindness Programme into the charity's service delivery.
- Support a safeguarding culture within the organisation whereby everybody in CHSS takes responsibility for the protection of vulnerable individuals.



FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year is set out on page 26 of the financial statements.

The charity's annual budget, approved by the Trustees, planned to operate at a deficit of approximately £20k for the year to 31 March 2021 before the impact of Covid was known. The budget was then revised to an expected deficit of £2.6m. (2020: deficit of £846k). The Group's gross income from all sources was £10,679,399 (2020: £11,057,094 – a decrease of 3%). Income from legacies was £4m, up £1.5m from £2.5m in 2019-20 – this was unexpected. Income from donations and gifts was £1.5m (2020: £1.7m) and income from fundraising events was significantly reduced due to Covid amounting to £72k (2020: £417k). Income from retail activities was £1.4m compared to the £5.3m in 2019-20, a reduction of £3.9m due to significant closures across the retail chain due to Covid-19. £520k was received in relation to insurance claims, mainly for business interruption insurance and we received around £1m in business support grants and £893k of furlough income.

Without these sources of income the organisation would have had a deficit of over £1m. Investments performed well compared to 2019-20 with the value of listed investments increasing by £653k (2020: decrease of £465k). These significant amounts of income in addition to the investment increase led to a net positive movement in funds for the year of £2,838,820 (2020: deficit of £533,105). This surplus ensures we can continue to focus on our service delivery over the next three years.

Income generated from the charity's patient services from the National Health Service, Local Authorities and the Scottish Government increased by 22% to £1,238,647 (2020: £852,411). This increase reflected the expansion of our offering and negotiation of terms in Service Level Agreements (SLAs) as well as government grant funding for the Hospital to Home service. This continues to demonstrate the value placed by statutory agencies on the services provided by the charity, even in times of severe continuing restraint on public expenditure and a global pandemic.

Expenditure for the year for the group was £8,573,056 (2020: £11,122,773), a reduction of 23%. This was due to focussing on cost saving across the organisation at the beginning of the year due to uncertainties around future income due to the pandemic. We have also saved significant costs in rental discounts, supplier negotiations, reduced travel, and office costs. Our spend on charitable activities increased during the year.



INVESTMENT POLICY & RETURNS

In November 2012, the charity appointed Brewin Dolphin as investment managers. As permitted by the charity's Articles of Association, the Trustees have given the investment managers discretion to manage the portfolio within an agreed risk profile.

It is the charity's policy specifically to avoid investment in the tobacco industry. During the year Brewin Dolphin have presented to the Finance Committee and their position as our investment managers is constantly reviewed alongside performance and risk management. The increase in value of the investment portfolio is in line with the global market performance of investments, following the impact of Covid-19 in the March 2020 investment valuation and the more positive global outlook at 31 March 2021.

RESERVES

The Trustees regularly review the charity's reserves and as part of the current Strategic Plan, has a defined reserves policy.

This takes into account a range of factors, including the unpredictability of legacy income, the need to maintain a buffer against unforeseen reductions in service income, fundraising income and retail income, the unpredictability of changes in markets on the investment portfolio and significant unforeseen costs of meeting certain legal obligations and commitments.

THE OBJECTIVES OF THE CHARITY'S RESERVES POLICY ARE: -

- To enable maximum use of donated funds for charitable purposes
- To ensure continuity of operations in the event of large variations in income
- To cover specific liabilities and identifiable risks
- To enable CHSS to respond to unexpected opportunities for service development
- To generate income to support charitable activities.

The target level of reserves as approved by the Trustees as part of the charity's reserves policy is £5.5 million. As at 31 March 2021, the level of reserves under the policy (defined as total funds less the net book value of tangible fixed assets (see Note 10) and restricted reserves (see Note 17) stood at £8.7 million. The charity is therefore operating well above the parameters of its approved reserves policy despite being slightly below at £5.4m at 31 March 2020. Details of restricted funds are given in Note 17 to the financial statements.

GOING CONCERN

Through review of detailed budgets and three year forecasts prepared by management, the Directors, through the charity's Finance Committee, have reviewed the charity's financial position and have concluded that there are sufficient resources to manage any operational or financial risks, so it is reasonable to expect that the charity will continue in operational existence for the foreseeable future.

Cash-flow is strong and performance against budget is reviewed monthly and is above budget at 30 June 2021. We have taken appropriate cost saving measures to ensure long term sustainability of the organisation, and these will continue to ensure the best use of funds amongst the uncertainty that the continued pandemic brings. Accordingly, the Directors consider it appropriate that the financial statements have been prepared on a going concern basis and are satisfied that confirmed funding and existing reserves, as well as mitigation taken to date, provides reasonable assurance that the charity can continue to operate for at least 12 months from the approval of these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The charity operates a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

The Chief Executive and Executive Directors have undertaken a comprehensive review of the risk register and additional risks have been identified as a result of Covid-19. The risk register is presented to the Audit and Risk Committee and the Board.

IN THE MEANTIME THE MAJOR STRATEGIC RISKS FACING THE CHARITY ARE:

- Prolonged restrictions due to continued Covid-19 pandemic significantly impacting the charity's income generation activities.
- Long-term economic impact of the pandemic.
- A widescale data breach.

TO MITIGATE THESE RISKS THE CHARITY HAS IN PLACE:

- A Covid Risk Management Plan.
- A fundraising strategy that has been amended to take account of the context of Covid and continuing to emphasise a diversity of income streams.
- PR strategy and reputational damage response plan.
- Business continuity measures.
- Robust Health and Safety management system with external assurance.

THE BOARD IS SATISFIED THAT:

- The major risks to which the charity is exposed have been identified.
- Suitable action has been taken to mitigate these risks where possible.
- Responsibility for ongoing risk management should be delegated to the Audit and Risk Committee, with an annual report to the Board.

MANAGEMENT REMUNERATION POLICIES, PROCEDURES & PRACTICES

Senior Management staff remuneration is set by the Chief Executive and the governance around this is assured by the Nominations & Remuneration Committee (NRC).

The NRC considers pay principles in relation to the remuneration for the Chief Executive and also reviews the pay decisions made at levels below the Chief Executive level from a governance perspective.

The remuneration is benchmarked against fundraising, charity retail and NHS and uses indexes on good moves for sector comparatives.

**AT 31 MARCH 2021,
THE CHARITY CONSIDERED
KEY SENIOR MANAGEMENT
TO BE THE FOLLOWING:**

**Chief Executive
Jane-Claire Judson**

**Director of People
Driven Development
Paul Okroj**

**Director of Finance and IT
Rachel Ducker**

**Director of Service Delivery
Allan Cowie**

**Director of Communications
and Fundraising
Lawrence Cowan**

**Assistant Director of Fundraising
Gillian Green**

*Details of total key management
remuneration and benefits are included
in Note 7.*

STRUCTURE, GOVERNANCE, & MANAGEMENT

Chest Heart & Stroke Scotland is a charitable company limited by guarantee and a registered charity. It was set up in its current iteration on 24 December 1990.

Chest Heart & Stroke Scotland is governed by its Articles of Association. It is a registered Scottish Company (Scottish Company Number SC129114) and registered with the Office of the Scottish Charity Regulator (OSCR) (Scottish Charity Number SC018761).

The charity is governed by a Board of Trustees drawn from throughout Scotland, and from a range of backgrounds. The Chair of the Board of Trustees is Jim Gibson. The Chief Executive is Jane-Claire Judson. The Chief Executive is supported by the Executive Support Officer, who provides secretariat duties to the Board, sub-committees and their Chairs.

The registered office, which is the principal office of the charity, is detailed on page 4.

The legal and administrative information on page 4 form part of the Trustees Report.

This year, the charity updated its Articles of Association. The revised Articles were taken to an Extraordinary General Meeting of the Trustees in May 2021, approved and then submitted to OSCR for final approval which was granted in July 2021.

BOARD OF TRUSTEES

The Trustees, who are also Directors under company law are elected by members of the charity at the Annual General Meeting. New Trustees are recommended for appointment by the Board by the Nominations & Remuneration Committee, after an open application process.

The charity’s Articles of Association state that Trustees are elected for a period of three years, with the possibility of being re-elected for a further two terms (a maximum of nine years), and that one third of the Trustees will come up for re-election or retiral each year at the Annual General Meeting (AGM). A Trustee who has served for three consecutive terms must take a break from office, unless otherwise determined by a resolution of the Trustees. In order to ensure that the Board of Trustees has the necessary spread of skills, Trustees will take account of any gaps in skills when appointing new Trustees.

All new Trustees will receive induction, including governing documents and policies, Board and committee Terms of Reference, the latest Annual Report, strategy documents and the latest financial statements.

The Board of Trustees delegates certain powers to a number of committees to ensure proper governance. These committees are the Finance Committee, Audit and Risk Committee, and Staff Governance Committee. The Board is also advised by the Impact Advisory Panel and the Volunteer Strategy Group.

The Board and sub-committees meet regularly during the year. This helps Trustees and Executive Directors to examine the charity’s strategic direction in more depth.



TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also Directors of Chest Heart & Stroke Scotland for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2015 (FRS 102) (second edition – October 2019)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

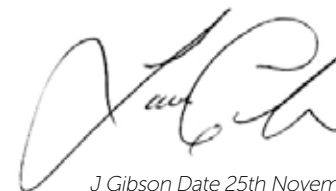
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Report, including the Strategic report was approved by the Board of Trustees and signed on its behalf by:



J Gibson Date 25th November 2021

ACCOUNTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHEST HEART & STROKE SCOTLAND

OPINION

We have audited the financial statements of Chest Heart & Stroke Scotland ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, charitable company statement of financial activities, consolidated and charity balance sheets, consolidated and charity statements of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charitable Company in accordance with the ethical requirements 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 RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHEST HEART & STROKE SCOTLAND

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement as set out on page 22, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the Parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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.

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. This included but was not limited to the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the directors and key management personnel;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located at 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 Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company, the Charitable Company's members as a body and the Charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

signed by

*Jeremy Chittleburgh CA (Senior Statutory Auditor)
For and on behalf of: Chiene and Tait LLP,
Chartered Accountant and Statutory Auditor,
61 Dublin Street, Edinburgh, EH3 6NL*

SOFA GROUP - CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2021		2021			2020		
		Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	Note	£	£	£	£	£	£
INCOME							
DONATIONS AND LEGACIES:							
Legacies		3,956,121	167	3,956,288	2,549,101	2,476	2,551,577
Donations and gifts		1,370,129	135,394	1,505,523	1,593,877	81,498	1,675,375
INCOME FROM OTHER TRADING ACTIVITIES:							
Retail sales of donated goods and new products		1,417,350	-	1,417,350	5,298,915	-	5,298,915
Fundraising events		72,348	-	72,348	417,011	437	417,448
INCOME FROM CHARITABLE ACTIVITIES:							
Grants receivable	3	-	1,238,647	1,238,647	-	852,411	852,411
INVESTMENT INCOME	4	86,923	-	86,923	125,268	-	125,268
OTHER INCOME:							
Insurance	5	519,983	-	519,983	-	-	-
Other Grant income		1,882,336	-	1,882,336	-	-	-
Landlord contributions to fit out costs		-	-	-	-	135,000	135,000
Gain on sale of fixed assets		-	-	-	1,100	-	1,100
TOTAL INCOME		9,305,190	1,374,208	10,679,398	9,985,272	1,071,822	11,057,094
EXPENDITURE							
Expenditure on raising funds:							
Fundraising		919,634	-	919,634	1,483,739	-	1,483,739
Retail costs		4,200,984	15,000	4,215,984	5,633,977	209,464	5,843,441
		5,120,618	15,000	5,135,618	7,117,716	209,464	7,327,180
Expenditure on charitable activities:							
Services		1,727,663	1,127,771	2,855,434	2,502,880	1,003,340	3,506,220
Research		24,419	-	24,419	-	-	-
Welfare		14,510	-	14,510	151,762	-	151,762
Influencing public policy		543,076	-	543,076	137,611	-	137,611
		2,309,668	1,127,771	3,437,439	2,792,253	1,003,340	3,795,593
TOTAL EXPENDITURE	6	7,430,286	1,142,771	8,573,057	9,909,969	1,212,804	11,122,773
NET INCOME/ (EXPENDITURE) BEFORE INVESTMENT GAINS & LOSSES		1,874,904	231,437	2,106,341	75,303	(140,982)	(65,679)
OTHER GAINS AND (LOSSES):							
Realised - (losses)/ gains on investments		79,707	-	79,707	(2,039)	-	(2,039)
Unrealised - (losses)/ gains on investments	11a	652,771	-	652,771	(465,387)	-	(465,387)
NET INCOME/ (EXPENDITURE) AND NET MOVEMENT IN FUNDS FOR THE YEAR		2,607,382	231,437	2,838,819	(392,123)	(140,982)	(533,105)
RECONCILIATION OF FUNDS							
Total funds brought forward		7,145,357	228,535	7,373,892	7,537,480	369,517	7,906,997
TOTAL FUNDS CARRIED FORWARD	18/19	9,752,739	459,972	10,212,711	7,145,357	228,535	7,373,892

The Statement of Financial Activities includes all gains and losses. All amounts relate to continuing activities. The notes on pages 30 to 46 form part of these financial statements.

SOFA CHARITY - CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
CHARITABLE COMPANY STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

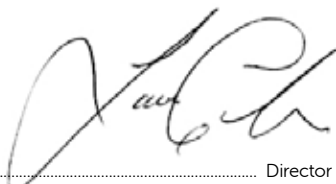
FOR THE YEAR ENDED 31 MARCH 2021		2021			2020		
		Unrestricted funds	Restricted funds	Total 2021	Unrestricted funds	Restricted funds	Total 2020
	Note	£	£	£	£	£	£
INCOME							
DONATIONS AND LEGACIES:							
Legacies		3,956,121	167	3,956,288	2,549,101	2,476	2,551,577
Donations and gifts		1,487,813	135,394	1,623,207	1,593,877	81,498	1,675,375
INCOME FROM OTHER TRADING ACTIVITIES:							
Retail sales of donated goods and new products		1,125,215	-	1,125,215	4,920,506	-	4,920,506
Fundraising events		72,348	-	72,348	417,0110	437	417,448
INCOME FROM CHARITABLE ACTIVITIES:							
Grants receivable	3	-	1,238,647	1,238,647	-	852,411	852,411
INVESTMENT INCOME	4	86,875	-	86,875	124,697	-	124,697
OTHER INCOME:							
Insurance	5	519,983	-	519,983	-	-	-
Other Grant income		1,882,336	-	1,882,336	-	-	-
Landlord contributions to fit out costs		-	-	-	-	135,000	135,000
Gain on sale of fixed assets		-	-	-	1,100	-	1,100
TOTAL INCOME		9,130,691	1,374,208	10,504,899	9,606,291	1,071,822	10,678,113
EXPENDITURE							
Expenditure on raising funds:							
Fundraising		919,634	-	919,634	1,483,739	-	1,483,739
Retail costs		4,026,484	15,000	4,041,484	5,255,883	209,464	5,465,347
		4,946,118	15,000	4,961,118	6,739,622	209,464	6,949,086
Expenditure on charitable activities:							
Services		1,727,663	1,127,771	2,855,434	2,502,880	1,003,340	3,506,220
Research		24,419	-	24,419	-	-	-
Welfare		14,510	-	14,510	151,762	-	151,762
Influencing public policy		543,076	-	543,076	137,611	-	137,611
		2,309,668	1,127,771	3,437,439	2,792,253	1,003,340	3,795,593
TOTAL EXPENDITURE	6a	7,255,786	1,142,771	8,398,557	9,531,875	1,212,804	10,744,679
NET INCOME/ (EXPENDITURE) BEFORE INVESTMENT GAINS & LOSSES		1,874,905	231,437	2,106,342	74,416	(140,982)	(66,566)
OTHER GAINS AND (LOSSES):							
Realised - (losses)/ gains on investments		79,707	-	79,707	(2,039)	-	(2,039)
Unrealised - (losses)/ gains on investments	11a	652,771	-	652,771	(465,387)	-	(465,387)
NET INCOME/ (EXPENDITURE) AND NET MOVEMENT IN FUNDS FOR THE YEAR		2,607,383	231,437	2,838,820	(393,010)	(140,982)	(533,992)
RECONCILIATION OF FUNDS							
Total funds brought forward		7,143,383	228,535	7,371,918	7,536,393	369,517	7,905,910
TOTAL FUNDS CARRIED FORWARD	17/18	9,750,766	459,972	10,210,738	7,143,383	228,535	7,371,918

The Statement of Financial Activities includes all gains and losses. All amounts relate to continuing activities. The notes on pages 30 to 46 form part of these financial statements.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 MARCH 2021

		GROUP		CHARITY	
FIXED ASSETS	Note	2021	2020	2021	2020
		£	£	£	£
Tangible fixed assets	10	1,255,466	1,677,917	1,255,466	1,677,917
Investments	11	4,187,525	3,981,694	4,387,425	4,181,594
Total Fixed Assets		5,442,991	5,659,611	5,642,891	5,859,511
CURRENT ASSETS					
Stocks	12	92,651	108,777	-	-
Debtors	13	3,331,312	1,053,028	3,331,312	1,385,862
Cash at bank and in hand		2,924,152	1,909,212	2,823,473	1,454,311
Total Current Assets		6,348,115	3,071,017	6,154,785	2,840,173
CREDITORS : amounts falling due within one year					
Research grants	14	74,576	114,260	74,576	114,260
Other creditors	15/16	1,323,365	1,013,489	1,331,908	984,517
		1,397,941	1,127,749	1,406,484	1,098,777
NET CURRENT ASSETS		4,950,174	1,943,268	4,748,301	1,741,395
TOTAL ASSETS LESS CURRENT LIABILITIES		10,393,165	7,602,879	10,391,192	7,600,906
CREDITORS : amounts falling due after more than one year					
Research grants	14	180,454	228,987	180,454	228,987
Accruals					
NET ASSETS		10,212,711	7,373,892	10,210,738	7,371,919
THE FUNDS OF THE CHARITY:					
Restricted funds	17	459,972	228,535	459,972	228,535
Unrestricted funds	18	9,752,739	7,145,356	9,750,766	7,143,384
		10,212,711	7,373,891	10,210,738	7,371,919

The financial statements were approved and authorised for issue
by the Board on 25 November 2021



J James Gibson Director

The notes on pages 30 to 46 form part of these financial statements.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED AND CHARITY STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	GROUP		CHARITY	
	2021	2020	2021	2020
	£	£	£	£
Net income	2,838,819	(533,105)	2,838,820	(533,992)
Profit on sale of tangible fixed assets	-	(1,100)	-	(1,100)
Realised (Profit) Loss on sale of listed investments	(79,707)	2,039	(79,707)	2,039
Unrealised (Profit) Loss on listed investments	(652,771)	465,387	(652,771)	465,387
Investment income	(86,923)	(125,268)	(86,875)	(124,697)
Depreciation	434,285	277,415	434,285	277,415
Decrease/(Increase) in stock	16,126	(28,843)	-	-
(Increase) Decrease in debtors	(2,278,284)	956,544	(1,945,450)	909,561
Decrease in creditors	221,660	(119,730)	259,175	(138,105)
Cash generated by operating activities	413,205	893,339	767,477	856,508
Cash flows from investing activities				
Dividend income	85,786	119,500	85,786	119,500
Interest income	1,137	5,768	1,089	5,197
Purchase of tangible fixed assets	(11,834)	(644,068)	(11,834)	(644,068)
Proceeds from sale of tangible fixed assets	-	1,100	-	1,100
Purchase of investments	(389,411)	(62,772)	(389,411)	(62,772)
Proceeds from sale of investments	1,476,429	109,571	1,476,429	109,571
Cash (used in) provided by investing activities	1,162,107	(470,901)	1,162,059	(471,472)
(Decrease) Increase in cash and cash equivalents in the year	1,575,312	422,438	1,929,536	385,036
Total cash and cash equivalents at the beginning of the year	1,941,906	1,519,468	1,487,003	1,101,967
Total cash and cash equivalents at the end of the year	3,517,218	1,941,906	3,416,539	1,487,003

	GROUP		CHARITY	
	2021	2020	2021	2020
Analysis of cash and cash equivalents				
Cash in hand	8,914	8,853	8,914	8,853
Notice Deposits (less than 3 months)	2,915,238	1,900,359	2,814,559	1,445,458
Cash held within investments	593,066	32,695	593,066	32,695
Total cash and cash equivalents	3,517,218	1,941,907	3,416,539	1,487,006

The notes on pages 30 to 46 form part of these financial statements.

Analysis of changes in net debt Group	2020	CASHFLOW	2021
Cash and cash equivalents	1,941,907	1,575,311	3,517,218
Cash at bank and in hand	1,941,907	1,575,311	3,517,218
Analysis of changes in net debt Charity	2020	CASHFLOW	2021
Cash and cash equivalents	1,487,006	1,929,533	3,416,539
Cash at bank and in hand	1,487,006	1,929,533	3,416,539

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 ACCOUNTING POLICIES

General information

Chest Heart & Stroke Scotland Ltd is a charity limited by guarantee incorporated in Scotland, UK, with Company Number SC129114. The address of the registered office and principal address is given on the legal and administration information on page 4 and the nature of the Charity's operations and its principal activities are set out in the Report of the Trustees.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities as amended by Update Bulletin 1; the Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(effective 1 January 2015) and the Companies Act 2006. Chest Heart & Stroke Scotland Ltd meets the definition of a public benefit entity under FRS 102. The Charity's functional and presentational currency is GBP. These financial statements have been rounded to the nearest £1.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment assets. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying the charity's accounting policies, as shown in Note 1a below.

Going concern

Through review of detailed budgets and five year forecasts prepared by management, The Directors, through the Charity's Finance and Audit Committee have reviewed the Charity's financial position and have concluded that there are sufficient resources to manage any operational or financial risks, so it is reasonable to expect that the Charity will continue in operational existence for the foreseeable future. COVID-19 had a significant impact on the Charity however scenario planning and forecasting took place to mitigate the reductions in expected income. Government grants and an insurance pay-out along with the pivoting of service delivery has seen the charity have a particularly strong year and this success has continued into 2021/22. The cash reserves of the charity can meet all obligations. Therefore, these financial statements have been prepared on a going concern basis.

Basis of consolidation

Consolidated financial statements have been prepared in respect of the charitable company ('the Charity') and its wholly owned subsidiary undertaking, CHSA Trading Limited. The results of the subsidiary are consolidated on a line by line basis. A summary of the trading results of the subsidiary is included at note 10) to the financial statements.

Donations and legacies

Income received by way of donations and gifts to the Charity are included in full in the Statement of Financial Activities when receivable. Gifts donated for resale are included as income when they are sold. Donations and legacies are included when they meet the Charities SORP (FRS 102) tests of probability, entitlement and measurement.

Grants receivable

Grants receivable are recognised as income when the conditions for their receipt have been satisfied. Grants received for specific purposes are accounted for as restricted funds. Any grants restricted to future accounting periods are deferred, and recognised in the periods to which they relate.

Dividends

Dividends are accounted for on an accruals basis.

Redundancy and termination of employment

Termination and redundancy costs are accrued by the Charity when there is a constructive obligation to pay them. This is normally through a contractual, legislative or other agreement with employees.

Expenditure

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the financial statements. Expenditure of raising funds include the costs incurred in generating donations and legacies, retail trading costs, fundraising event costs, investment management costs and publicity costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities. Charitable activities expenditure enables CHSS to meet its charitable aims and objectives. Governance costs are associated with the governance arrangements of the charity, and relate to the general running of the Charity at a strategic level. These costs include preparation of the annual report, audit, professional fees including legal advice for the Trustees and costs associated with meeting constitutional and statutory requirements such as the cost of Trustee meetings. Support costs are those costs

which enable fund generating and charitable activities to be undertaken. These costs include finance, personnel, IT and PR. Where expenditure incurred relates to more than one cost category, it is apportioned. The method of apportionment uses the most appropriate basis in each case e.g. full time equivalent employee numbers for each department.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. Land is not depreciated.

Depreciation is provided at the following rates:

Buildings	2% straight line
Office equipment and computers	33.33% straight line
Motor vehicles	25% straight line
Leasehold improvements	Over the remaining period of the lease
Assets in the course of construction	Nil (until brought into use)

No items costing less than £1,000 are capitalised.

Pension costs

The group operates a defined contribution scheme for eligible employees. The assets of the scheme are held separately from those of the group. A charge is made to expenditure in the period in which contributions become payable.

Research grants payable

Research grants are charged to the statement of financial activities in the year in which the award is made by the charity. The unspent balances of grants awarded are disclosed as current or deferred liabilities in the balance sheet, depending upon when the grant is expected to be disbursed.

Leasing contracts

Instalments on operating lease contracts are charged to the statement of financial activities when payable. There are no finance lease contracts.

Lease incentives are spread over the term of the lease in accordance with the Charities SORP (FRS 102).

Stocks

Stocks are valued at the lower of cost and net realisable value. Provision is made for slow-moving or obsolete stock items.

Donated stocks are not included because it is impractical to measure the fair value of goods donated and the costs of valuation would outweigh the benefit to users of the financial statements and to the charity.

Investments

Investments are stated at the bid market ruling at the balance sheet date. Realised and unrealised gains and losses are reflected in the Statement of Financial Activities, and taken to unrestricted funds. The Charity avoids investments in tobacco companies.

Restricted funds

Restricted funds are to be used for specified purposes as laid down, implicitly or explicitly, by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead and support costs.

Financial instruments

Under FRS 102, financial assets and financial liabilities are given the term 'financial instruments'. The Charity only holds basic financial instruments and details are given in note 22 to these financial statements.

Unrestricted funds

Unrestricted funds comprise donations and other incoming resources received or generated for charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed without penalty within three months or less from the opening of the account and cash held with the investment manager.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1A. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's retail improvements through an annual review of each retail shop's performance.
- Determine whether legacy income recognised in the financial statements meets the requirements of Charities SORP FRS 102 on the basis of evidence of entitlement, probability of receipt and reliability of measurement.
- Determine whether or not it is impractical to measure donated goods for sale at fair value on receipt. The Directors consider it is not practical to include a measure of fair value.
- Determine the ageing of research grants between those amounts payable in less than one year and those payable in more than one year. This is done with reference to the grant document which states the period over which the grant is awarded.

Other key sources of estimation uncertainty are as follows:

- Tangible Fixed Assets (see Note 10)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where applicable. For retail improvements, useful lives are determined in line with the associated lease term. For other tangible assets, useful lives are determined through reference to the length of time each individual class of asset is expected to be used by the Charity.

2. STATUS OF THE COMPANY

Chest Heart & Stroke Scotland Ltd is a registered charity (no. SC018761) and a company limited by guarantee (no. SC129114) of its members and does not have a share capital. Each member has undertaken to contribute one pound towards any deficit arising in the event of the company being wound up.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3. GRANTS RECEIVABLE

Group and Charity - Year ended 31 March 2021	Deferred Income 2020	Amount Received 2021	Deferred Income 2021	Income 2021
	£	£	£	£
Grants receivable from Health Boards, NHS Trusts and Local Authorities	50,539	1,324,445	(461,880)	913,104
Scottish Executive Health Directorate	-	385,563	(60,020)	325,543
	50,539	1,710,008	(521,900)	1,238,647

Group and Charity - Year ended 31 March 2020	Deferred Income 2019	Amount Received 2020	Deferred Income 2020	Income 2020
	£	£	£	£
Grants receivable from Health Boards, NHS Trusts and Local Authorities	47,987	853,678	(50,539)	851,126
Scottish Executive Health Directorate	-	1,285	-	1,285
	47,987	854,963	(50,539)	852,411

Deferred income is referenced in Note 16

4. INVESTMENT INCOME

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Income from Quoted Securities	85,786	119,500	85,786	119,500
Bank interest	1,137	5,768	1,089	5,197
	86,923	125,268	86,875	124,697

5. OTHER INCOME

Grant Income	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Coronavirus Job Retention Scheme	893,907	-	893,907	-
Business Rates Relief Grants	988,429	-	988,429	-
	1,882,336	-	1,882,336	-

Insurance Income

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Insurance Claim Income	519,983	-	519,983	119,500
	519,983	-	519,983	119,500

An amount of £480,483 (2020 Nil) was received for business interruption and is included within insurance income.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6. ANALYSIS OF TOTAL EXPENDITURE - GROUP

	Staff costs £	Other costs £	Overhead costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
Fundraising	506,832	234,412	178,390	919,634	1,483,739
Retail costs	1,567,213	2,113,177	535,594	4,215,984	5,843,440
	2,074,045	2,347,589	713,984	5,135,618	7,327,179
Expenditure on charitable activities					
Services	1,823,615	367,252	664,567	2,855,434	3,506,220
Research grants	-	6,457	17,962	24,419	-
Welfare	12,792	1,718	-	14,510	151,762
Influencing public policy	348,880	57,922	136,274	543,076	137,611
	2,185,287	433,349	818,803	3,437,439	3,795,593
Total Expenditure	4,259,332	2,780,938	1,532,787	8,573,057	11,122,772
Support costs by activity					
	Staff costs £	Other costs £	Overhead costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
Fundraising	91,967	10,588	75,835	178,390	409,718
Retail costs	477,669	54,993	2,932	535,594	1,320,529
	569,636	65,581	78,767	713,984	1,730,247
Expenditure on charitable activities					
Services	328,525	65,142	270,900	664,567	746,249
Research grants	9,260	1,066	7,636	17,962	-
Welfare	-	-	-	-	38,746
Influencing public policy	70,255	8,088	57,931	136,274	91,956
	408,040	74,296	336,467	818,803	876,951
Total Expenditure	977,676	139,877	415,234	1,532,787	2,607,198

Support costs are mainly allocated to charitable expenditure based on full time employee equivalents for Finance, IT, HR and Administration and Communications. Irrecoverable VAT, office expenses and innovation expenses are not allocated to retail due to costs not being applicable. Under Support costs by activity above, within the Overhead costs are governance costs of £22,340 (2020:£16,116).

Governance costs are made up as follows:

	2021 £	2020 £
Trustees expenses	200	2,278
Audit	17,115	14,560
Trustees meetings	-	14
Professional Fees	5,025	-
Corporate Govt costs	-	204
	22,340	17,056

Welfare grants

Welfare grants were awarded by a separate committee for applications made on behalf of individuals affected by chest, heart and stroke illnesses. There were no welfare grants made in the year (2020: £93,146). In prior years funding was also given to a Citizen Advice office in Scotland to provide advice to individuals affected by chest, heart and stroke illnesses in seeking government benefits applicable to their situation. This ceased in 2020. The amount paid to this organisation was as follows:

	Total 2021 £	Total 2020 £
Lanarkshire CAB	-	2,875
	-	2,875

Please note the Lanarkshire CAB project ended on 17 May 2020 so residual payment made in financial year 19/20.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6a. ANALYSIS OF TOTAL EXPENDITURE
- CHARITY ONLY

	Staff costs £	Other costs £	Overhead costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
Fundraising	506,832	234,412	178,390	919,634	1,483,739
Retail costs	1,512,294	1,993,596	535,594	4,041,484	5,465,347
	2,019,126	2,228,008	713,984	4,961,118	6,949,086
Expenditure on charitable activities					
Services	1,823,615	367,252	664,567	2,855,434	3,506,220
Research grants	-	6,457	17,962	24,419	-
Welfare	12,792	1,718	-	14,510	151,762
Influencing public policy	348,880	57,922	136,274	543,076	137,611
	2,185,287	433,349	818,803	3,437,439	3,795,593
Total Expenditure	4,204,413	2,661,357	1,532,787	8,398,557	10,744,679
Support costs by activity					
	Staff costs £	Other costs £	Overhead costs £	Total 2021 £	Total 2020 £
Expenditure on raising funds					
Fundraising	91,967	10,588	75,835	178,390	409,718
Retail costs	477,669	54,993	2,932	535,594	942,436
	569,636	65,581	78,767	713,984	1,352,154
Expenditure on charitable activities					
Services	328,525	65,142	270,900	664,567	746,249
Research grants	9,260	1,066	7,636	17,962	-
Welfare	-	-	-	-	38,746
Influencing public policy	70,255	8,088	57,931	136,274	91,956
	408,040	74,296	336,467	818,803	876,951
Total Expenditure	977,676	139,877	415,234	1,532,787	2,229,105

Support costs are mainly allocated to charitable expenditure based on full time employee equivalents for Finance, IT, HR and Administration and Communications. Irrecoverable VAT, office expenses and innovation expenses are not allocated to retail due to costs not being applicable. Under Support costs by activity above, within the Overhead costs are governance costs of £18,700 (2020:£16,116)

Governance costs are made up as follows:

	2021 £	2020 £
Annual report/	-	-
Strategic plan	-	-
Trustees expenses	200	2,278
Audit	13,475	13,620
Trustees meetings	-	14
Professional Fees	5,025	-
	22,340	17,056

Welfare grants

Welfare grants were awarded by a separate committee for applications made on behalf of individuals affected by chest, heart and stroke illnesses. There were no welfare grants made in the year (2020: £93,146). In prior years funding was also given to a Citizen Advice office in Scotland to provide advice to individuals affected by chest, heart and stroke illnesses in seeking government benefits applicable to their situation. This ceased in 2020. The amount paid to this organisation was as follows:

	Total 2021 £	Total 2020 £
Lanarkshire CAB	-	2,875
	-	2,875

Please note the Lanarkshire CAB project ended on 17 May 2020 so residual payment made in financial year 19/20.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7. ANALYSIS OF STAFF COSTS
- GROUP AND CHARITY

Staff costs	Total 2021 £	Total 2020 £
Wages and salaries	4,382,971	5,689,349
Social security costs	372,425	425,270
Pension costs	182,828	314,669
Redundancy and Termination payments	298,783	36,570
	5,237,007	6,465,858

The average number of employees by head count during the year for the Group and Charity, analysed by function, was:

	2021 No	2020 No
Charitable activities	64	67
Retail	104	167
Fundraising and Influencing public policy	26	33
Management and administration of the charity	31	26
	225	293

Employees receiving salaries, plus benefits in kind, of more than £60,000 were in the following bands:

	2021 No	2020 No
Between £60,001 - £70,000	1	4
Between £70,001 - £80,000	0	1

The employees earning more than £60,000 above participated in the defined contribution pension scheme and employer contributions in the year were £3,840 (2020: £25,169).

The key management personnel of the parent charity now comprises the Trustees, the Chief Executive, Director of Finance and ICT (replaces the Director of Corporate Services), Director of Service Delivery, Director of Retail, Director of Communications and Fundraising, Director of Operations & Innovation, Director of People Driven Development and Assistant Director of Fundraising.

The Director of Retail left in May 2020 and this role was undertaken jointly by the Director of Finance and ICT and the Director of People Driven Development. The Director of Operations & Innovation left in July 2020.

The total employee benefits of the key management personnel of the Charity were £455,227. (2020: £551,032).

The key management personnel of the group comprise those of the Charity and the key personnel of its wholly owned subsidiary, CHSA Trading Ltd. CHSA Trading Ltd does not have any employees (except for the unpaid Directors of the Company) and so the key management

personnel of this subsidiary company are the Board members of this subsidiary company and the Director of Retail (who is an employee of the parent charity).

Accordingly, the total employee benefits of key management personnel for the group was therefore £551,032. (2020: £475,020).

No Trustee received any remuneration from the charity, a total of £0 was reimbursed (2020: £2,202) to Trustees for expenses incurred on behalf of the charity in relation to attending meetings.

Since 1992 the charity has purchased insurance to protect it from any loss arising from the neglect or default of its Trustees or other officers and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year was £2,234 (2020: £2,598) and provides cover up to a maximum of £2 million in any one year.

8. ANALYSIS OF NET INCOME/ EXPENDITURE FOR THE YEAR

Total Expenditure also includes:

	2021 £	2020 £
Depreciation: owned fixed assets	434,285	277,415
Operating leases	1,090,897	979,370
Auditor's remuneration (including fees and expenses) - Chiene + Tait LLP	14,175	13,000
Auditor's remuneration (in respect of other services provided) - Chiene + Tait LLP	975	975

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

9. TAXATION

The company, being a charity, is eligible for exemption from tax under Section 505 Income and Corporation Taxes Act 1988. Corporation tax payable by CHSA Trading Limited, the Charity's Trading Subsidiary, after payment of a distribution under gift aid of £117,684 (2020: £335,000) for the year ended 31 March 2021 amounted to £Nil (2020: £Nil).

10. TANGIBLE FIXED ASSETS

Group & Charity

	Freehold Land & Buildings £	Office Equipment & Computers £	Retail Improvement £	Retail Improvement £	Total £
Cost					
At 1 April 2020	125,707	245,300	245,300	108,924	2,813,248
Additions	-	3,080	8,754	-	11,834
Disposals	-	-	(331,232)	(15,825)	(347,057)
At 31 March 2021	125,707	248,380	2,010,839	93,099	2,478,025
Depreciation					
At 1 April 2020	77,213	165,508	786,178	106,432	1,135,331
Charge for the year	2,514	38,101	391,178	2,492	434,285
Disposals	-	-	(331,232)	(15,825)	(347,057)
At 31 March 2021	79,727	203,609	846,124	93,099	1,222,559
Net book value					
At 31 March 2021	45,980	44,771	1,164,715	-	1,255,466
At 31 March 2021	48,494	79,792	1,547,139	2,492	1,677,917

Retail improvement disposals are higher than previous years due to a number of shops closing in 2020/21, as well as some new shops that began fitout no longer due to open. We have fully depreciated these costs in 2020/21.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

11. INVESTMENTS

a) Quoted Investments	2021	2020
	£	£
Market value at 31 March 2020	3,948,999	4,463,224
Less : Disposals at opening book value	(1,396,722)	(111,610)
Add: Acquisitions at cost	389,411	62,772
Net unrealised investment (loss)/ gain for the year	652,771	(465,387)
Market value at 31 March 2021	3,594,459	3,948,999
Cash deposits held for investment	593,066	32,695
	4,187,525	3,981,694
Historical cost at 31 March 2021	2,723,650	3,730,960

The portfolio is split as follows:

	2021		2020	
	£	%	£	%
UK Equity based investments	935,377	22%	1,139,329	29%
Overseas Equity based investments	2,098,187	50%	2,079,994	52%
UK Fixed Interest based investments	367,290	9%	576,766	14%
Overseas Interest based investments	193,605	5%	152,910	4%
Short term deposits	593,066	14%	32,695	1%
	4,187,525	100%	3,981,694	100%

As at 31 March 2021, the following individual holdings represented over 5% of total market value:

	Market Value at 31 March 2021		Market Value at 31 March 2020	
	£	%	£	%
Findlay Park FDS American - 3,330 shares	397,756	9.48%	431,130	10.8%
J P Morgan AM UK Ltd US Equity Income - 339,990.494 shares	443,008	10.56%	339,990	8.52%

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

11. INVESTMENTS (Continued)

b) Investment in subsidiary undertaking

	£
Cost at 1 April 2020 and 31 March 2021	199,900
Net book value at 31 March 2021 and at 31 March 2020	199,900

Details of the subsidiary undertaking, which is registered in Scotland, at the balance sheet date are as follows:

Name of company and business	Class of Shares	Holding %
CHSA Trading Limited (company no. SC113325) 2nd Floor, Hobart House, 80 Hanover Street, Edinburgh, EH2 1EL	Ordinary	<u>100%</u>

The company sells cards and gifts and acts as an agent for gift aid on the goods donated to our charity shops. A summary of its trading results is shown below.

Profit and Loss Account:

	2021 £	2020 £
Turnover	300,135	1,949,956
Cost of sales	(111,322)	(1,454,275)
Gross profit	188,813	495,681
Distribution costs	(26,483)	(89,586)
Administrative expenses	(54,919)	(51,888)
Other income	10,224	-
Interest income	49	571
Corporation Tax	-	-
Net profit retained	117,684	354,778
Distribution to Chest Heart & Stroke Scotland Ltd	117,684	353,889
Assets, liabilities and funds:		
Assets	208,835	565,005
Liabilities	(6,963)	(363,132)
Total funds	201,872	201,873

Audited financial statements of the subsidiary have been filed with the Registrar of Companies.

By acting as an agent for the charity shops gift aid, the Trading company enabled the charity to turn £1,038,538 of clothes sales into gift aided donations in 2020. There were no gift aid claims made during the year 2020-21 due to shop closures. Both the gift aid and the gift aided sales are classified as donations rather than retail sales. Retail donations also includes £44,868 (2020: £38,660) directly handed into our shops.

The Trading company charged the charity a management fee of £0 (2020: £1,209,658) for fundraising activities. The cost of sales increased by the same amount as the Trading company is charged with a share of the shop costs based on the proportion of gift aid sales to total sales. It was nil this year due to no gift aid claims made during the year.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12. STOCKS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Goods held for resale	92,651	108,777	-	-

13. DEBTORS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Other debtors	133,769	194,424	133,769	193,097
Amounts owed by subsidiary undertaking	-	-	-	334,161
Legacies receivable	2,780,938	542,206	2,650,572	542,206
Prepayments and accrued income	546,971	316,398	546,971	316,398
	3,331,312	1,053,028	3,331,312	1,385,862

14. RESEARCH GRANTS

	Chest £	Heart £	Stroke £	Other projects £	Total £
At 1 April 2020	-	117,616	75,660	149,971	343,247
Grants written back during the year	-	-	-	-	-
Grants paid during the year	-	(2,032)	(52,353)	(33,831)	(88,217)
	-	115,584	23,307	116,140	255,030
At 31 March 2021	-	115,584	23,307	116,140	255,030

No new awards were issued in year 2020/21

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

14. RESEARCH GRANTS (Continued)

Governance costs are made up as follows:

	Group and Charity	
	2021	2020
	£	£
Research grants falling due within one year	74,576	114,260
Research grants falling due after more than one year	180,454	228,987
	255,030	343,247

15. OTHER CREDITORS falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Amounts owed by subsidiary undertaking	-	-	18,446	-
Trade creditors	36,457	109,500	33,994	109,190
Tax and social security costs	92,169	115,886	92,169	115,886
Corporation tax	-	-	-	-
Other creditors	150,137	181,761	147,197	167,905
Deferred income - see note 16	521,900	200,648	521,900	185,842
Accruals	522,702	405,694	518,202	405,694
	1,323,365	1,013,489	1,331,908	984,517

Amounts owed to the subsidiary are unsecured, held interest free and have no fixed repayment terms.

16. DEFERRED INCOME

	Group and Charity	
	2021	2020
	£	£
Deferred income at 1 April 2020	185,842	107,788
Released during the year	(185,842)	(68,917)
Income deferred in year	521,900	146,971
Deferred income at 31 March 2021	521,900	185,842
Deferred Income within 1 Year	521,900	185,842
Deferred Income greater than 1 Year	-	-
Total Deferred Income	521,900	185,842

Income is deferred when the charity receives grants or donations for which the conditions of recognition have not yet been met.

Deferred income at 31 March 2021 will be recognised as income next year (31 March 2020 - one year)

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

17. RESTRICTED FUNDS (Group and Charity)

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

	Balance 31 March 2020 £	Income £	Expenditure £	Movement in Funds: Balance 31 March 2021 £
Community services	62,095	672,760	(449,793)	285,062
Research grants	17,922	15,000	-	32,922
Capital grants	135,000	5,000	(15,000)	125,000
Advice and Support	13,518	681,448	(677,978)	16,988
	228,535	1,374,208	(1,142,771)	459,972

Description of Restricted Funds:

- Community services restricted funds represents mainly grant amounts received from Health Boards, NHS Trusts and Local Authorities which are used to partly fund our Community Stroke Services throughout Scotland. In addition, it includes grants from Trusts and other bodies as well as donations from individuals where those parties have indicated that the monies are to be used solely for funding these services.

- Research grants restricted funds represent donations received from mainly individuals where the individual has requested that their donation be used solely for research purposes.

- Capital grant restricted funds relates to landlord contributions to fit out costs incurred on the charity's retail operations. These funds will be set against future depreciation charges in relation to the retail improvements to which the contributions relate.

- Advice and Support restricted funds are mainly received from Health Boards, NHS Trusts and Local Authorities to partly fund our Stroke Nurse service which operates throughout Scotland. It also includes grants from Trusts and other bodies as well as donations from individuals where those parties have indicated that the monies are to be used solely for funding these services.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

18. UNRESTRICTED FUNDS

	Movement in Funds					Balance 31 March 2021 £
	Balance 31 March 2020 £	Income £	Expenditure £	Gains/ (losses) on investments £	Transfers £	
Group	7,145,357	9,305,190	(7,430,286)	732,478	-	9,752,739
Charity	7,143,383	9,130,691	(7,255,786)	732,478	-	9,750,766

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Investments £	Net Current assets/ (liabilities) £	Creditors: amount falling due after more than one year £	Total £
Group - 31 March 2021					
Restricted funds	125,000	-	334,972	-	459,972
Unrestricted funds	1,130,466	4,187,525	4,615,202	(180,454)	9,752,739
	1,255,466	4,187,525	4,950,174	(180,454)	10,212,711
Group - 31 March 2020					
Restricted funds	135,000	-	93,535	-	228,535
Unrestricted funds	1,542,917	3,981,694	1,849,732	(228,987)	7,145,356
	1,677,917	3,981,694	1,943,267	(228,987)	7,373,891

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

	Tangible Fixed Assets £	Investments £	Net Current assets/ (liabilities) £	Creditors : amounts falling due after more than one year £	Total £
Charity - 31 March 2021					
Restricted funds	125,000	-	334,972	-	459,972
Unrestricted funds	1,130,466	4,387,425	4,413,329	(180,454)	9,750,766
	1,255,466	4,387,425	4,748,301	(180,454)	10,210,738
Charity - 31 March 2020					
Restricted funds	135,000	-	93,535		228,535
Unrestricted funds	1,542,917	4,181,594	1,647,860	(228,987)	7,143,384
	1,677,917	4,181,594	1,741,395	(228,987)	7,371,919

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

20. FINANCIAL COMMITMENTS

The Charity has entered into non-cancellable operating leases which have the following minimum commitments:

	2021	2020
	£	£
Land and buildings	2,013,417	2,516,801
Plant and machinery	269,442	204,865
Motor vehicles	10,958	26,156
	2,293,817	2,747,822

The above commitments are payable as follows:

	2021	2020
	£	£
Not later than one year	902,796	1,090,897
Later than one year and not later than five years	1,391,021	1,656,925
More than five years	-	-
	2,293,817	2,747,822

21. RELATED PARTY TRANSACTIONS

Several members of our board of trustees have links with the NHS but these relationships are not deemed to have undue influence on our interactions with the NHS therefore are not disclosed.

One trustee is a close relation of a managing director at POGO studios. During the year we paid POGO circa £97k to support the development and rollout of our Tailored Talks project (£2020 nil). One trustee is a director/ trustee of National Trust for Scotland. During the year we paid National Trust for Scotland £160 for catering (£2020 nil).

There are no related party transactions other than as disclosed in Note 6 for Directors' reimbursement of expenses.

CHEST HEART & STROKE SCOTLAND LTD (A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

22. FINANCIAL INSTRUMENTS

	Group	Group	Charity	Charity
	2021	2020	2021	2020
		£	£	£
Financial assets:	3,594,459	3,948,999	3,594,459	3,948,999
Financial assets held at fair value	6,347,998	2,678,537	6,447,219	2,756,370
Financial assets measured at amortised cost	-	-	-	-
	9,942,457	6,627,536	10,041,678	6,705,369
Financial liabilities: Financial liabilities measured at amortised cost	709,296	711,761	717,839	682,789

Financial assets measured at fair value are listed investments. Financial assets measured at amortised cost include cash at bank, other debtors, accrued income, amounts owed by subsidiary undertaking and investment in subsidiary undertaking.

Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.



**NO LIFE
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