



**Royal Liverpool and Broadgreen University  
Hospitals NHS Trust Charitable Funds**

**Registered Charity Number 1047988**

**ANNUAL REPORT  
&  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Royal Liverpool University Hospital  
Prescot Street  
Liverpool  
L7 8XP**

**ANNUAL REPORT  
& FINANCIAL STATEMENTS 2020/2021**

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# **ROYAL LIVERPOOL AND BROADGREEN UNIVERSITY HOSPITALS NHS TRUST CHARITABLE FUNDS**

**Registered Charity No 1047988**

**ANNUAL ACCOUNTS 2020-21**

The accounts of the funds held on trust by the Liverpool University Hospitals NHS Foundation Trust (Royal Liverpool and Broadgreen University Hospitals NHS Trust up to 30<sup>th</sup> September 2019).

## **FOREWORD**

These financial statements have been prepared by the Trustees in accordance with the Charities Act 2011 and the Charities Statement of Recommended Practice (SORP) (FRS 102) 2019.

## **STATUTORY BACKGROUND**

The NHS Trust is the corporate trustee of the funds held on trust under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990. Royal Liverpool and Broadgreen University Hospitals NHS Trust dissolved on the 30<sup>th</sup> September 2019, joining with Aintree University Hospital NHS Foundation Trust to become a combined organisation named Liverpool University Hospitals NHS Foundation Trust from 1<sup>st</sup> October 2019.

## **MAIN PURPOSE OF THE FUNDS HELD ON TRUST**

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the Liverpool University Hospitals NHS Foundation Trust (Royal Liverpool & Broadgreen University Hospitals NHS Trust up to 30<sup>th</sup> September 2019).

**ROYAL LIVERPOOL AND BROADGREEN UNIVERSITY  
HOSPITALS NHS TRUST CHARITABLE FUNDS**

**STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

The Trustee is responsible for preparing the Trustees' Annual report and the financial statements in accordance with applicable laws and regulations

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 to operate.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustee confirms that it has met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 25 to 42 attached have been compiled from and are in accordance with the financial records maintained by the Trustee.

The 2020/21 Annual Report & Accounts have been approved by the Board of Directors on 2<sup>nd</sup> February 2022.

**By Order of the Trustee**

Signed :

Chair



Dated: 02/02/2022

Financial Trustee



Dated: 02/02/2022

## CHARITABLE FUNDS

# TRUSTEE REPORT

### Introduction

It is with pleasure that the Trust presents the twenty-fifth annual report for the Charitable Funds of the Royal Liverpool and Broadgreen University Hospitals (NHS) Trust.

The Trust is the sole corporate trustee for all charitable funds registered under the name of the Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds, the **main** charity of the Trust.

The **main** charity, is the charity that has been created with purposes wide enough for all other charities administered by its Trustee to be recorded as **special trusts** in an *umbrella* registration arrangement.

This report and financial statements has been prepared in accordance with the requirements of applicable law and SORP (FRS 102).

### Legal and Administrative Details

In June 1995, the Charity Commission issued an Umbrella Charity Registration Number, under which all the individual charitable funds administered by the Trustee have been recorded as special trusts. The umbrella charitable fund is held upon trust for “any charitable purpose or purposes relating to the National Health Service”. Special trusts are funds (or property) held on separate trusts, on behalf of the charity, for any special purposes of that charity. These funds are referred to as restricted funds where the donor has imposed a restriction on how or where or when the Trustee can apply the funds. A schedule of the special trusts is appended (Appendix A).

The Liverpool University Hospitals NHS Foundation Trust is the Corporate Trustee (formerly Royal Liverpool & Broadgreen University Hospitals NHS until 30<sup>th</sup> September 2019) of the Charitable Funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and also the Charities Act 2011, the SORP (FRS 102) and the Trust Deed.

The **registered charity number** of the Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds is **1047988**. The Registered address is:

Royal Liverpool & Broadgreen University Hospital  
Prescot Street  
Liverpool L7 8XP

The charity is administered by the **Charitable Funds Committee**, which consists of executive and non-executive directors of the Trust, on behalf of the Trust Board. The committee meets quarterly to set and monitor administrative policy and consider spending applications. Membership of the Charitable Funds committee is decided by the Trust Board

as vacancies arise. Executive members of the Trust Board are subject to recruitment by the Board whereas Non-Executive members are appointed by NHS Improvement. Members of the Trust Board and the Charitable Funds Committee are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee. New Charitable Funds Committee members are provided with induction literature that includes the committee's terms of reference; Trustee's Annual report and Accounts; previous committee minutes and the Charity Commission booklet CC3, *the Essential Trustee*. The "charitable funds section" within the Trust's finance department, is responsible to the committee for the day-to-day administration of all charitable matters.

During 2020/21 the Charitable Funds Committee comprised of:

Ms Mandy Wearne	Non-Executive Director (Committee Chair)
Mr Robert Forster	Deputy Chief Executive & Chief Finance Officer
Ms Dianne Browne	Chief Nurse
Mr Tristan Cope	Medical Director

The Trust's charitable funds are held distinct from the exchequer funds of the Liverpool University Hospitals NHS Foundation Trust (Royal Liverpool & Broadgreen University Hospitals NHS Trust until 30<sup>th</sup> September 2019). The charity's bank accounts are held at:

Natwest	and	Barclays Bank plc
2 <sup>nd</sup> Floor		48B/50 Lord Street
280 Bishopsgate		Liverpool L2 1TD
London EC2M 4RB		

The charitable funds investments are held by Bankers Trust, as nominee for the Trustee. The investments are managed on behalf of the charity by the following three investment managers:

Rathbone Investment Management Ltd Port of Liverpool Building Pier Head Liverpool L3 1NW	Olim Limited * Pollen House 10/12 Cork Street London W1S 3NP	UBS AG 5 Broadgate London EC2M 2AN
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\* Olim Limited decided to cease operating in January 2021, half the portfolio holdings were sold to release cash and the remaining holdings transferred over to Rathbone Investment Management.

Legal advice is provided to the Trustee by:

Hill Dickinson Solicitors  
Pearl Assurance House  
Derby Square  
Liverpool L2 9XL

The Trustee responsibilities, which include; the maintenance of financial records appropriate to the activities of the funds; the establishment and monitoring of a system of internal control; safeguarding the assets of the funds held on trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; are subject to “internal audit” verification by;

Mersey Internal Audit Agency  
Regatta Place  
Brunswick Business Park  
Summers Road  
Liverpool L3 4BL

The appointed auditors are;

Jason Leach, Senior/Statutory Auditor  
Bennett Brooks & Co Limited  
St George’s Court  
Winnington Avenue  
Northwich CW8 4EE

## Objectives

The Charity's umbrella fund 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 any charitable purpose or purposes relating to the National Health Service.**

Within this overall governing framework provided by the umbrella, the charity has 111 separately registered charitable funds with their own specific objectives, restricting the NHS criteria above to particular areas of activity and/or particular services, departments and Hospitals that are, primarily, under the management of the organisation (The latter rule provides some flexibility to allow individual charities to support activities outside the control of the Trust). In addition, there is also a separately registered Common Investment fund.

The operation of such a large number of individual funds within a complex NHS organisation could potentially lead to divergent policies. However, the Charitable Funds Committee operates as a unifying force, working closely with delegated fundholders and senior managers to ensure that all funds are utilised for the benefit of the organisation as a whole and as part of the overall strategic direction of the Trust.

The main aim of the charity is to improve the provision of high quality patient care, working with the Trust to develop services throughout the organisation, focusing on areas not covered or fully supported by exchequer funds. This will include the improvement of the Hospital environment for both patients and staff and supporting better facilities for the Trust. As a large acute teaching hospital, the Trust also has significant links with the local universities, particularly the University of Liverpool. Another important aim of the charity is therefore to provide financial aid to support and encourage our clinicians in new research projects, many of which are co-ordinated through the University of Liverpool. However, in the short to medium term, the Charity is very much focused on supporting the Hospital Trust in delivering the highest possible standards of treatment and care to our patients when the new Royal Hospital opens.

## Annual Report and Accounts

Incoming resources to the Trust's charitable funds totalled £1,693,000 for the year ended 31 March 2021, a fall of £1,041,000 on the previous twelve months total of £2,734,000. The drop in income from last year was due to donations decreasing by £584,000 to £1,313,000 (in 2019/20 the charity received a one-off donation from the Marina Dalglish Trust of £1.25m towards a Da Vinci robot), and legacies falling by £410,000 (from £543,000 in 2019/20 to £133,000 in 2020/21) and investment income falling by £43,000 (from £290,000 in 2019/20 to £247,000 in 2020/21).

Included within these figure are :-

- a) Corporate donations of £978,000 of which £977,000 was received through direct fundraising (including £926,000 to our Covid Appeals, £52,000 to the New Royal Hospital Appeal). The largest corporate donations received included:
  - i) £523,000 from the NHS Charities Together for our Covid appeals, including a specific grant of £297,000 to improve psychology services for staff.
  - ii) £250,000 from Barclays for our Covid appeals
  - iii) £100,000 from Deliveroo for our Covid appeals
- b) Donations from individuals of £468,000, including £412,000 through fundraising (£86,000 for the Covid Appeals; £67,000 for the Foundation for the Prevention of Blindness fund; £6,000 for the FMN Cancer Appeal fund; £164,000 for the New Royal Hospital Appeal)

The trust's donated income policy, which prescribes how donations should be collected and recorded, is shown in Appendix B.

Legacies from two bequests were received totalling £96,000. A further four legacies totalling £37,000 were also notified and accounted for in the year ended 31<sup>st</sup> March 2021. The largest single bequests being:

- i) £86,000 was received from the estate of Mr Brian Shirley (deceased).
- ii) £17,000 from the estate of Ruth Hoyle (deceased).
- iii) £10,000 was received from the estate of Margaret Holt (deceased).

The total legacies accounted for during 2020/21 amounted to £133,000.

Investment income totalling £246,700 was earned during the year, a fall of £42,900 on the previous year's figure of £289,600. Dividends from equity stocks and gilts provided £246,700, and nothing was earned from interest on cash balances held.

## **Fundraising**

We raise money for the many charitable funds across the Trust. Although in 2020/21 our main focus has been on our Covid appeals following the outbreak of the pandemic in the UK from March 2020.

The Charity makes use of fundraisers employed by the Royal Liverpool and Broadgreen University Hospitals NHS Trust, and subject to control and supervision by the Hospital Trust. There were no complaints received about the fundraising activity undertaken during 2020/21.

As always we are extremely grateful to the individuals and groups who fundraise for R Charity, and help to support.

As well as focusing on the new Covid Appeal, the charity also continues to support fundraising for the Foundation for the Prevention of Blindness Fund research charity. In 2020/21 over £77,000 was raised for the Foundation, including £10,000 of legacies.

Fundraising for the charity as a whole (excluding legacies and investment returns) raised £1,257,000, a rise of £720,000 on the previous twelve months figure of £537,000. The costs of operating the fundraising teams totalled £291,000, including staff costs of £261,000. In comparison, fundraising costs totalled £333,000 in 2019/20, including staff costs of £260,000. Net fundraising for the year was £966,000, a rise of £762,000 on the £204,000 achieved in 2019/20.

## **Expenditure**

Direct charitable expenditure for the year was £1,097,000, a fall of £2,048,000 on 2019/20 spend of £3,145,000. The large drop in expenditure can be partly explained by the £1.6m capital purchase during the 2019/20 financial year of a Da Vinci robot, that resulted in an abnormally high spend for that particular year. Expenditure accounted for in 2020/21 included contributions to Staff Welfare and Amenities of £709,000; Research and Education grants totalling £241,000; Patient Welfare & Amenities totalling £74,000 and grants of £73,000 were provided for NHS Capital projects.

Support costs attributable to the grants of £37,000 brought the total grants figure to £1,134,000. A further £357,000 (including £27,000 support costs) was incurred in the costs of generating funds for the charity, comprising £304,000 spent on generating voluntary income; £52,000 on investment management costs and £1,000 in fundraising trading activities.

Major grants awarded during 2020/21 included:-

- a) £297,000 from the Covid Appeal fund to support a two year staff psychology service extension via a direct grant from NHS Charities Together.

- b) £186,000 from the Covid Appeal fund to purchase staff hoodies for all employees.
- c) £121,200 from the FMN Cancer Appeal fund to support a Breast Cancer research study exploring protein CPT-1 pathways.

The expenditure invested by the charity in supporting the services provided by the Hospital Trust has had a positive impact on the quality of care that the Trust is able to provide to its patients and stakeholders not only currently, but also in the future, meeting the overriding aims of the charity.

Governance costs, the central running costs of the charity that are not apportioned out as support costs, totalled £52,400. This included salary costs of £27,700; Audit fees of £7,800 and establishment/other expenses of £16,900. This was an overall rise of £6,200 on last year's governance costs of £46,200, primarily due to the cost of an external governance review undertaken towards the end of 2020/21.

The overall charity spend in 2020/21 was consequently £1,543,000 in total (£3,636,000 in 2019/20).

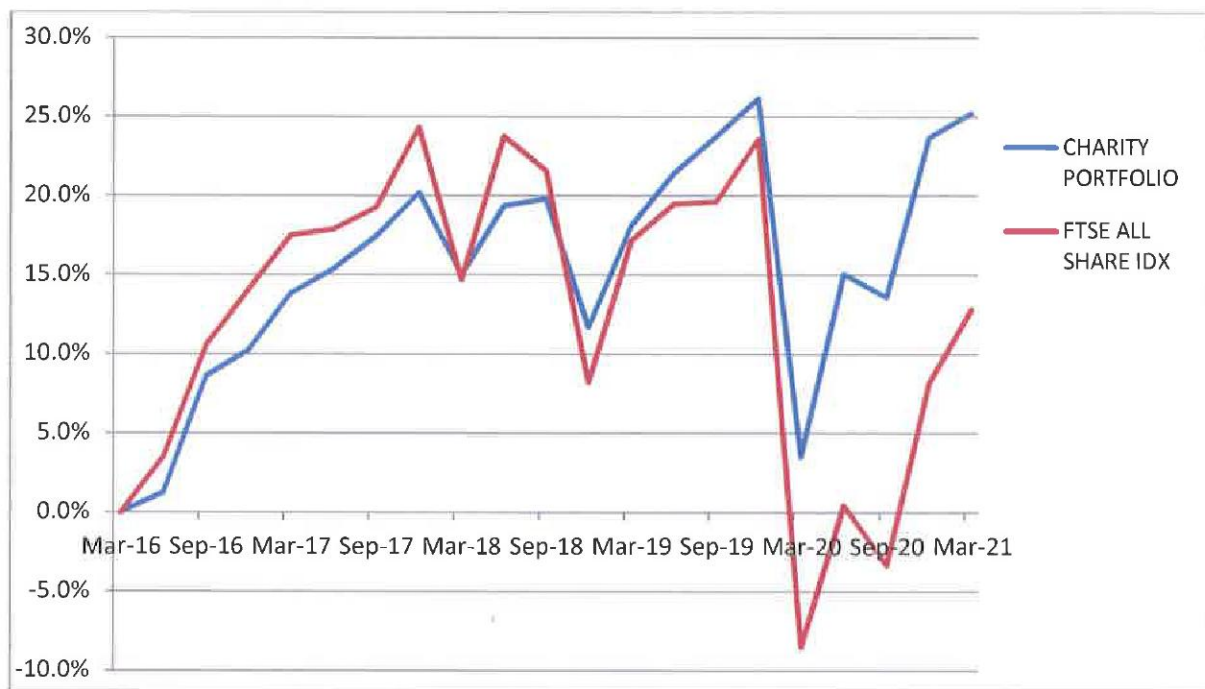
#### **Gains/(losses) on Investment Assets**

At the start of the 2020/21 financial year (1<sup>st</sup> April 2020), the market value of the investment portfolio stood at £7,785,000. Investment holdings totalling £3,229,000 were acquired during the year while investment holdings with a carrying value of £3,737,000 were disposed of during the year. The portfolio saw a significant rise in valuation during 2020/21, with an overall investment increase of £1,713,000 in the financial year following a fall of £1,151,000 in the previous year as a result of the global impact of the covid-19 pandemic. This rise during 2020/21 equates to a +22% increase in the value of the portfolio, this is a good performance when compared to the markets – for comparison, the FTSE All-SHARE rose 23.3% over the same 12 month period and the FTSE-100 rose +18.36%. The financial year ended with a closing balance as at 31<sup>st</sup> March 2021 of £8,990,000 for the portfolio.

Realised profits/(losses) on sales; unrealised market revaluations and earned income on investments were apportioned to individual funds on a quarterly basis throughout the year.

Below is a graphical representation highlighting the rise and fall of the portfolio over the last five years against the FTSE-All Share index, from the end of 2015/16 (31<sup>st</sup> March 2016) to the end of 2021/22 (31<sup>st</sup> March 2021):

Table 1: Five year Investment performance of Charity portfolio vs FTSE-All Share index



The portfolio has increased by 25.2% since 31<sup>st</sup> March 2016, with a strong rebound in 2020/21 following the collapse in world markets in late 2019/20, as a result of the covid-19 pandemic. This growth also equates to a significant over performance against the FTSE-All Share index, which has risen just 12.8% over the same five year period.

The investment portfolio also generated dividend returns of £246,700 in 2020/21 (£280,700 in 2019/20). Again, this drop can be linked to the economic impact of the covid-19 pandemic.

The investment guidelines operated by the Charitable Funds Investment Committee are shown in Appendix C.

Individual fund investment as part of the Investment Pool is reassessed each quarter end. The aim is to maximise the potential for investment returns taking into account the short-term spending patterns of each fund. The Charitable Funds Investment Committee measure the performance of the investment managers on a total return basis against certain benchmarks, including one comprising the UK FTSE-ALL SHARE (80%) and FTSE UK GILTS (20%).

### **Balance Sheet**

The total net assets of the Trust's Charitable Funds as at 31<sup>st</sup> March 2021 were £8,328,000, an increase of £1,863,000 on the previous year's balance of £6,465,000. Overall resources expended through charitable grants and administration were £150,000 less than income received, together with the rise in investments of £1,713,000, contributed to the overall surplus in 2020/21.

The charity's total net assets comprised:-

- a) total fixed assets of £8,990,000 solely representing the value of the investment portfolio as at 31<sup>st</sup> March 2021.
- b) total current assets of £1,554,000; including:
  - i) stocks of £5,000 in respect of fundraising activities, which have been valued at cost;
  - ii) debtors of £153,000, including £87,000 for notified legacies, not yet received.
  - iii) cash balances of £1,396,000 being held to provide cash reserves to each of our registered charities to meet commitments as they arise.
- c) creditors falling due within one year of £1,335,000;
- d) creditors falling due after more than one year of £881,000 (including £430,000 for new Ophthalmic equipment for the new Hospital development which is not anticipated to be spent during 2021/22).

### **Risk Management**

The Trustee has drawn up a Risk Management Policy for the Trust as a whole and the Charitable Funds Committee have adopted this policy. The policy details the process to be used in identifying risk and controls, assessing risks and evaluating the actions required.

The major risks to which the charity is exposed have been identified and considered. They have been reviewed and systems established to mitigate those risks.

The most significant risk identified was possible losses from a fall in the value of the investments and the level of reserves available to mitigate the impact of such losses. This has been carefully considered and there are procedures in place to review the investment policy and ensure that both spending and firm financial commitments remain in line with income. The Investment Pool guidelines adopted by the Charitable Funds Committee are shown in Appendix D.

### **Reserves**

Fund balances as at 31<sup>st</sup> March 2021 total £8,328,000; of which £79,000 is held as capital in perpetuity and as such cannot be freely expended.

There is a further £158,000 of funds held in the form of current assets (stocks £5,000 and debtors £153,000) and as such these resources are not immediately available for expenditure.

This leaves a balance of resources of £8,091,000. These resources are currently available to be applied in the furtherance of their charitable objectives. Based upon recent levels of income (the last three years), this represents over 4 years of funds, which is over the 3-year

parameter target set out in the Charity's reserves policy which is shown in Appendix E. The Trustee accept that fund balances are too high, but it should be noted that reserves at the end of 2014-15 represented 8 years of funds, so progress has been made recently.

### **Grant Making Policy**

Bids for charitable grants are considered on their individual merits. All grant requests relating to restricted funds under direct control of the Charitable Funds Committee (General purpose funds), require the completion and submission of a charitable funds application.

Grant requests relating to restricted funds with delegated fundholders (Special funds only) will require the completion and submission of a charitable funds application if the grant requested is over £5,000. All such applications have to then be approved by the committee. A delegated fund-holder is able to authorise bids against their special purpose fund without the need for an application if the grant requested is under £5,000. When considering special purpose fund bids, the committee will determine whether the bid meets all the criteria of the objects of the fund and also supports the development of the particular directorate/department concerned. With regards to general purpose bids, the committee has agreed guidelines to follow. The guidelines are shown in Appendix F.

### **Public Benefit**

The Trustee ensure that all grants and spending plans contain identifiable public benefits, which are clear, understandable and meet the objects of the particular charity concerned (under the Royal Liverpool & Broadgreen University Hospital NHS Trust Charitable funds umbrella).

Section 17 of the Charities Act 2011 explains the duty of Trustee to have due regard to the public benefit in the management and decision making of the Charity. The Trustee has ensured that the public benefit requirement is strongly embedded within the procedures and controls the Charity has in place, through all stages of the grant approval process and also the monitoring of grant expenditure after approval has been given (all grant expenditure is verified before payment that the spend relates to activity set out and approved in the grant application).

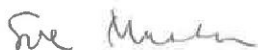
### **Future Plans**

As has continually been the case year after year, a major proportion of Charitable funds expended will be allocated to provide significant support, throughout the Trust, for high quality research work amongst our clinicians. The charity will continue to support patient amenity and staff welfare, and also look to assist in the development of new initiatives and also assist in supporting equipment purchases for the new Royal Hospital when it opens in 2022.

## Conclusion

2020/21 has been another strong year for the charity, with the charity being able to commit further significant resources to support the Hospital Trust in improving the patient experience through investment in research, equipment, staff training & wellbeing and service developments, despite all the challenges faced by the covid-19 pandemic.

It must be recognised that none of our achievements would be possible without the hard work and generous support of volunteers; individual, corporate and trust donors, and sponsors and patrons alike. A very warm and heartfelt thanks goes out to all, for their dedication and continued support of the Trust's charities.



Sue Musson  
Chair

2<sup>nd</sup> February 2022

*Royal Liverpool & Broadgreen University Hospitals (NHS) Trust*  
**CHARITABLE FUNDS**

**SCHEDULE OF CHARITABLE FUNDS**

**Main Charity**

Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds.

**Special Trusts**

1. Royal Liverpool and Broadgreen University Hospitals NHS Trust General Purpose Funds.
2. Broadgreen Hospital General Purpose Fund.
3. Liverpool Dental Hospital General Purpose Fund.
4. Royal Liverpool University Hospital Ophthalmology Unit General Purpose Fund.
5. Royal Liverpool University Hospital General Purpose Fund.
6. Broadgreen Hospital Staff Welfare Fund.
7. Liverpool University Dental Hospital Staff Welfare Fund.
8. Royal Liverpool University Hospital St Paul's Eye Unit Staff Welfare Fund.
9. Royal Liverpool University Hospital Staff Welfare Fund.
10. Broadgreen Hospital Patients Welfare Fund.
11. Liverpool University Dental Hospital Patients Welfare Fund.
12. Royal Liverpool University Hospital St Paul's Eye Unit Patients Welfare Fund.
13. Royal Liverpool University Hospital Patients Welfare Fund.
14. Broadgreen Hospital Anaesthetics Directorate Fund.
15. Broadgreen Hospital Activities and Rehabilitation Unit Fund.
16. Royal Liverpool University Hospital Virology Fund.
17. Royal Liverpool University Hospital Urology Fund.
18. Royal Liverpool University Hospital St Paul's Eye Unit Sight Saver Fund.
19. Royal Liverpool University Hospital Rheumatology Fund.
20. Royal Liverpool University Hospital Ophthalmology Unit Junior Doctor Education Fund.
21. Royal Liverpool University Hospital Respiratory Research Fund.
22. Royal Liverpool University Hospital St Paul's Eye Unit Research into Disease of the Eye Fund.
23. Royal Liverpool University Hospital Renal Transplant Fund.
24. Royal Liverpool University Hospital Renal Units Amenity Fund.
25. Royal Liverpool University Hospital Radiopharmacy Fund.
26. Royal Liverpool University Hospital Radiology Fund.
27. Royal Liverpool University Hospital Parenteral and Enteral Nutrition Fund.
28. Royal Liverpool University Hospital Pain Research Fund.
29. Royal Liverpool University Hospital St Paul's Eye Unit Pace Diabetic Fund.
30. Royal Liverpool University Hospital St Paul's Eye Unit Optic Nerve Research Fund.
31. Royal Liverpool University Hospital Nutrition Research Fund.
32. Royal Liverpool University Hospital Nursing Professional Development Fund.
33. Royal Liverpool University Hospital St Paul's Eye Unit Nurse Training Fund.
34. Royal Liverpool University Hospital Nuclear Medicine Fund.
35. Royal Liverpool University Hospital Movement Disorders in the Elderly Fund.
36. Royal Liverpool University Hospital Department of Psychiatry Fund.
37. Bequest by Dr Jack Bernstein.
38. Royal Liverpool University Hospital Continuing Care Fund.
39. Royal Liverpool University Hospital Colorectal Cancer Fund.
40. Sir John Joseph Shute Charity.

41. Royal Liverpool University Hospital Chemical Pathology Fund.
42. Royal Liverpool University Hospital Chapel Fund.
43. Royal Liverpool University Hospital Cardiac Fund.
44. Royal Liverpool University Hospital Cancer Research Fund.
45. Royal Liverpool University Hospital Breast Cancer Fund.
46. Royal Liverpool University Hospital Bacteriology Fund.
47. Broadgreen Hospital Training Unit Fund.
48. Liverpool University Dental Hospital Dental Surgery Assistants School Fund.
49. Liverpool University Dental Hospital Smile Fund.
50. Broadgreen Hospital Surgical Directorate Fund.
51. Broadgreen Hospital Radiology Fund.
52. Broadgreen Hospital Postgraduate Medical Centre Fund.
53. Broadgreen Hospital Physiotherapy Education Fund.
54. Broadgreen Hospital Pharmacy Fund.
55. Broadgreen Hospital Pain Relief Fund.
56. Broadgreen Hospital Nurses Recreation Fund.
57. Broadgreen Hospital Minimal Invasive Therapy Fund.
58. Broadgreen Hospital Medicine for the Elderly Fund.
59. Broadgreen Hospital Medical Unit Fund.
60. Broadgreen Hospital Hypertension Fund.
61. Broadgreen Hospital Haematology Fund.
62. Broadgreen Hospital Gastroenterology Fund.
63. Broadgreen Hospital Manx Patient Fund.
64. Broadgreen Hospital Broadgreen Dieticians Fund.
65. Broadgreen Hospital Diabetic Clinical Research Fund.
66. Broadgreen Hospital Continuing Care Fund.
67. Broadgreen Hospital Chapel Fund.
68. Broadgreen Hospital Cancer Research Fund.
69. Broadgreen Hospital Biochemistry Fund.
70. Royal Liverpool University Hospital Self-Dialysis Unit Fund.
71. Royal Liverpool University Hospital Minimal Invasive Therapy Fund.
72. Royal Liverpool University Hospital Microbiology Fund.
73. Royal Liverpool University Hospital Metabolic Unit Fund.
74. Liverpool Regional Dialysis Unit Fund.
75. Royal Liverpool University Hospital Leukaemia Fund.
76. Royal Liverpool University Hospital Intensive Therapy Unit Fund.
77. John Henry Hampson Deceased.
78. Royal Liverpool University Hospital St Paul's Eye Unit Glaucoma Research Fund.
79. Royal Liverpool University Hospital Genito-urinary Fund.
80. Royal Liverpool University Hospital Genital Medicine Fund.
81. Royal Liverpool University Hospital Gastroenterology Fund.
82. Royal Liverpool University Hospital Foundation for Genito-urinary Cancer.
83. Royal Liverpool University Hospital Eye Tumour Research Fund.
84. Royal Liverpool University Hospital Ear Nose and Throat Department Fund.
85. Royal Liverpool University Hospital Endocrinology Fund.
86. Royal Liverpool University Hospital Dialysis Patients Welfare Fund.
87. Royal Liverpool University Hospital St Paul's Eye Unit Diabetic Eye Research Fund.
88. Royal Liverpool University Hospital Diabetic Fund.
89. Royal Liverpool University Hospital Diabetes and Metabolism Fund.
90. Royal Liverpool University Hospital Dermatology Fund.
91. Royal Liverpool University Hospital Department of Surgery Fund.
92. Royal Liverpool University Hospital Arthritis and Rheumatism Fund.
93. Royal Liverpool University Hospital St Paul's Eye Unit Anterior Segment Fund.
94. Royal Liverpool University Hospital Andria Butler Fund.
95. Royal Liverpool University Hospital Anaesthetic Fund.

96. Royal Liverpool University Hospital Anaesthetic and Intensive Care Research and Education Fund.
97. Royal Liverpool University Hospital Accident and Emergency Fund.
98. Royal Liverpool and Broadgreen University Hospitals NHS Trust Clinical Engineering Fund.
99. Royal Liverpool and Broadgreen University Hospitals Postgraduate Education Fund.
100. Royal Liverpool and Broadgreen University Hospitals Histopathology Fund.
101. Royal Liverpool and Broadgreen University Hospitals NHS Trust Advance Trauma Life Support Fund.
102. Royal Liverpool University Hospital Audiology Fund.
103. Royal Liverpool University Hospital Stoma Nurse Training Fund.
104. Broadgreen Hospital Cardiac Rehabilitation Fund.
105. Liverpool University Dental Hospital School of Dental Hygiene Fund.
106. Royal Liverpool and Broadgreen University Hospitals NHS Trust Prize Fund.
107. Royal Liverpool and Broadgreen University Hospitals Elderly Fund
108. Royal Liverpool University Hospital Forget Me Not Cancer Appeal.
109. Royal Liverpool & Broadgreen University Hospital Trust Common Investment Fund.
110. Royal Liverpool University Hospital Foundation for the Prevention of Blindness Fund.
111. Royal Liverpool & Broadgreen University Hospital Infectious Disease Unit
112. Royal Liverpool & Broadgreen University Hospital Norman Gibbon Urology Travel Scholarship Fund.

## ***DONATED INCOME POLICY - GUIDELINES TO STAFF***

In recognition of the first rate care given by our medics, nurses and other front line staff, patients and their family and friends often wish to make a financial donation to the Hospital to help improve facilities and services. The following guidelines are intended to assist staff in advising potential donors on how to go about making a donation to the Hospital's charitable funds:

1. Due to there being no mechanism in place to receipt income at ward/ departmental levels, it is not safe for staff to receive cash/cheques in person on the wards.
2. If staff are unsure how to advise potential donors how hospital donations can be made, please refer to the Fundraising Dept for further assistance and advice (tel. x3153).
3. Any potential donors should be advised that there are two possible options in making a donation whilst on hospital premises: -
  - i) **During Office Hours:**

All donations at the Royal Liverpool University Hospital (RLUH) site should be made/brought to the Fundraising Office located in the Main Reception area of the Hospital wherever possible. Only when the Fundraising Office is unmanned should the alternative option of donations being taken to the RLUH General Office be used.

For the Broadgreen Hospital site, the General Office located in the Surgical Corridor should continue to be used to make donations during Office hours.
  - ii) **Out of Hours only:**

Using an official donation envelope, obtainable from the ward and other locations throughout the Trust, and completing the details on the envelope and depositing the envelope in one of the Trust's donation boxes located throughout the Trust.
4. Alternatively, donors can make postal donations. Staff should advise all potential donors wishing to send in a donation to address the envelope directly to the Fundraising Department at the Royal Liverpool University Hospital.
5. Staff should also advise potential donors that cheques should be made payable to Royal Liverpool and Broadgreen University Hospitals Trust Funds or to the abbreviation RL&BUH Trust Funds. The particular charitable fund name can also be shown after the Trust name if preferred - e.g. RL&BUH Trust Funds (Leukaemia Fund).
6. Once the initial stocks of envelopes have been used, wards/departments can obtain new stocks of the official donation envelopes from either the RLUH or Broadgreen Hospital General Office.
7. Any other staff enquiries with regard to the Trust's charitable funds can be made to the Charitable Funds Section, 2nd Floor, Derwent House, RLUH (extension 2833 or 2885).
8. With these safeguards in place for dealing with cash, this policy protects members of staff from undue risk in handling and taking responsibility for donations. Staff are required to strictly adhere to the guidelines.

## RL&BUHT CHARITABLE INVESTMENT GUIDELINES

### INVESTMENT OBJECTIVES

At the outset, to maximise total return through a diversified portfolio of equity, fixed interest and cash investments, in compliance with the Trust's investment powers as interpreted by the Trustee and in accordance with the strategy agreed with the Trustee from time to time. In due course, the Trustee may amend the objectives and strategy.

### INVESTMENTS

Limits or restrictions on powers and discretions that apply to the Portfolio and in relation to transactions for the Portfolio ('NONE' stated if that applies) and the circumstances (if any) in which the limits may be exceeded:

- a) Types of investment (equities, bonds etc):

#### Restrictions

**As defined by the Trust's investment powers. No investments to be made in companies which derive most of their earnings from tobacco.**

- b) Markets or Areas:

**None subject to the Trust's investment powers.**

- c) Currencies:

**None.**

- d) Size of individual investment and proportion of the Portfolio:

**10% except for Government securities or pooled vehicles.**

- e) Size of investment category and proportion of the Portfolio:

Base Guidelines as follows-

A minimum level for fixed interest/cash investments within the portfolio of £300,000.

A maximum of 25% of the portfolio is allowed for Overseas Equities.

Structured products up to a maximum of £100,000 of the portfolio.

- f) Units in Collective Investment Schemes including schemes operated by us or Associates:

**None**

- g) Units in Collective Investment Schemes which are not regulated Collective Investment Schemes including Schemes operated by us or Associates:

**Not authorised.**

- h) Securities where their issue was underwritten, managed or arranged by us or Associates in the preceding 12 months:

**REQUIRE PRIOR PERMISSION**

- i) Sub-underwriting issues of securities whether or not underwritten, managed or arranged by us or Associates:

**None**

- j) Commitments necessitating you to supplement the funds in the portfolio either by borrowing on your behalf or committing you to a contract the performance of which requires you to supplement the funds:

**You are only authorised to incur short term overdrafts in the routine investment process.**

- k) Investments not readily realisable:

**REQUIRE PRIOR PERMISSION**

- l) (i) Futures, options and contracts for differences, including Contingent Liability Transactions, used for hedging against currency risks, whether or not traded on and under the rules of a recognised or designated investment exchange.

**Not authorised.**

- l) (ii) Futures, options and contracts for differences, including Contingent Liability Transactions other than those used for hedging against currency risks, only traded on and under the rules of a recognised or designated investment exchange.

**Not authorised.**

- m) Warrants, including warrants not traded on an exchange.

**None**

- n) Securities which have been subject to Stabilisation:

**REQUIRE PRIOR PERMISSION**

- o) Other:

(Risk Warnings in respect of (k) to (n) above are included at the end of the Agreement and must be signed).

## **STOCK BORROWING/LENDING**

Any such activity must be authorised specifically (and detailed terms set out) in these investment guidelines:

**Not authorised.**

## **TAX PROFILE:**

**Fully exempt from UK Taxation.**

## **MEASURE OF PERFORMANCE FOR PERIODIC STATEMENTS:**

The benchmarks for performance measurement will be composed as follows:

- a) 80% FTSE All-Share Index and 20% FTSE UK Gilts over 15 Years Index (total return in each case)
- b) WM Charity Universe Return.

**RL&BUHT Charitable Funds**

**Invested Pool Guidelines for Restricted Funds**

1. A threshold limit of 80% is proposed for each special purpose fund. If, when compared against the funds total balance, the proportion of the outstanding commitments remain under this threshold, the current policy of investing as much as possible over the short-term is continued. The 20% buffer of uncommitted balances should ensure that a significant fall in investments would still allow the fund to meet its future obligations.
2. A funds committed balance can move above the threshold of 80% through the following:-
  - a) An application is approved which increases committed expenditure and takes the proportion of commitments over the 80% threshold.
  - b) A fall in the investment pool reduces the total value of the fund and the proportion of committed expenditure, although the amount remains constant consequently rises over the 80% threshold.

In either case, once the threshold is passed, a transfer of funds from out of the invested pool must takes place at the next quarter end to realise sufficient cash reserves to cover the outstanding commitment in its entirety.

3. Alternatively, an increase in invested funds could result in a funds committed balance falling below the threshold and allow for a proportion of the fund to be invested.

## **RL&BUHT CHARITABLE FUNDS - RESERVES POLICY**

It is the Trustees' determination to demonstrate prudent stewardship of the charity and to ensure that the level of reserves is appropriate to the charity's circumstances.

In producing this statement, the Trustees have taken into consideration the Charity Commission guidance "Charities Reserves" (CC19).

1. Trustees are under a legal duty to apply charity funds within a reasonable time of receiving them. Reserves held without positive justification could give rise to a breach of this trust.
2. The Trustees of the charity are permitted to establish and maintain reserves where this is in the best interest of the charity.
3. The Trustees may establish and maintain reserves:
  - a) to meet current and anticipated expenses properly payable out of income,
  - b) for clearly defined major projects,
  - c) to avoid fluctuations in the amount of income distributed, and
  - d) to secure the charity's viability beyond the immediate future.
4. The Trustees would normally expect to spend at the same level as income is received taking one year with another.
5. Unrealised gains on investments will be included in the income in (4) above; however caution will be exercised over the application of the monies until such time as the gains are realised.
6. The charity will not undertake any major fundraising appeals unless a specific need/cause is clearly identified and approved by the Trustees.
7. Where it is anticipated that reserves which are freely available to be applied, will rise above a level equivalent to 36 months planned expenditure, action will be taken to expend, in accordance with charity objectives down to a level below this threshold.
8. Reserves will not be allowed to fall below a level equivalent to 12 months expected expenditure.
9. The charity Annual Report will include a brief statement on the current level of reserves and why they are held.
10. Reserves will be systematically monitored in light of forecast levels of future income, expenditure and assessment of future needs.
11. The Trustees will formally review this policy statement at least every 2 years.

## RL&BUHT Charitable Funds

### General Purpose Guidelines

1. An important consideration for the committee is to assess whether or not sufficient consideration has been given to identify other sources of financing. Requests for general purpose funding should not be made lightly, it is expected by the committee that each applicant make an effort to secure funding from other sources before applying to general purpose funds and written evidence to support this should be provided with the application itself. These other sources may include special purpose charitable funds.

The committee will therefore not normally consider any general purpose fund bids from directorates or departments that have adequate special purpose funds at their disposal.

2. General Purpose funds cannot normally be used as a substitute for routine revenue expenditure.
3. Consideration will be given to the purchase of medical equipment. However, the committee's priority will be to provide funding of equipment that develops clinical services and/or improves the treatment and care of patients rather than merely the replacement of existing equipment.
4. Capital schemes for the improvement of patient areas and the general environment of the Trusts hospitals will be considered by the committee.
5. General purpose funding to "kick-start" service developments involving staff appointments will only be considered by the committee after a full evaluation by the executive group. The evaluation must result in a commitment from the Trust to provide recurrent funding, if the trial is successful, after the charitable funding period. The trial period to evaluate the scheme should be kept to a minimum and can last no longer than twelve months.
6. The advancement of education is a charitable purpose and includes funds for medical research and the development of such. If medical research is being financed by charitable funds then the useful results of the research must be published in such a way that the public will benefit from the advancement of medical science to which the research has contributed. The support by a charity of private commercial research is not permitted. A large proportion of special purpose charitable funding is spent on individual research projects and the charitable funds committee has also awarded considerable recurring funds from general purposes towards the Research and Development (R & D) Support fund. Researchers without their own funding sources should apply for R & D Support funds through the annual bidding cycle and not general purposes directly. However, in exceptional circumstances the committee may consider the use of general purpose funds.
7. Bids for study and travel expenses relevant to the development or services of the Trust will be considered from general purpose charitable funding by the committee upon submission of an application.

**FINANCIAL  
STATEMENTS  
2020/2021**

## Statement of Financial Activities for the year ended 31 MARCH 2021

	Note	2020-21 Unrestricted Funds £000	2020-21 Restricted Funds £000	2020-21 Endowment Funds £000	2020-21 Total Funds £000	2019-20 Unrestricted Funds £000	2019-20 Restricted Funds £000	2019-20 Endowment Funds £000	2019-20 Total Funds £000
<b>Income and Endowments from:</b>									
Donations & Legacies	2.1	0	1,446	0	1,446	0	2,440	0	2,440
Other Trading activities	2.2	0	0	0	0	0	4	0	4
Investments	2.3	0	247	0	247	0	290	0	290
<b>Total Income &amp; Endowments</b>		<b>0</b>	<b>1,693</b>	<b>0</b>	<b>1,693</b>	<b>0</b>	<b>2,734</b>	<b>0</b>	<b>2,734</b>
<b>Expenditure on:</b>									
Raising funds	3	0	357	0	357	0	403	0	403
Charitable activities	4	0	1,134	0	1,134	0	3,187	0	3,187
Governance	5	0	52	0	52	0	46	0	46
<b>Total Expenditure</b>		<b>0</b>	<b>1,543</b>	<b>0</b>	<b>1,543</b>	<b>0</b>	<b>3,636</b>	<b>0</b>	<b>3,636</b>
Net Gains / (Losses) on Investments	8	0	1,714	(1)	1,713	0	(1,150)	(1)	(1,151)
<b>Net Income / (Expenditure)</b>		<b>0</b>	<b>1,864</b>	<b>(1)</b>	<b>1,863</b>	<b>0</b>	<b>(2,052)</b>	<b>(1)</b>	<b>(2,053)</b>
Transfers between funds		0	0	0	0	0	0	0	0
<b>Net movement in funds</b>	6	<b>0</b>	<b>1,864</b>	<b>(1)</b>	<b>1,863</b>	<b>0</b>	<b>(2,052)</b>	<b>(1)</b>	<b>(2,053)</b>
<b>Reconciliation of funds:</b>									
Fund balances carried forward at 31 MARCH 2020		0	6,385	80	6,465	0	8,437	81	8,518
<b>Fund balances carried forward at 31 MARCH 2021</b>		<b>0</b>	<b>8,249</b>	<b>79</b>	<b>8,328</b>	<b>0</b>	<b>6,385</b>	<b>80</b>	<b>6,465</b>

The notes at pages 29 to 42 form part of these financial statements.

**Balance Sheet as at 31 March 2021**

	Notes	Unrestricted Funds 31.03.21 £000	Restricted Funds 31.03.21 £000	Endowment Funds 31.03.21 £000	Total at 31 March 2021 £000	Unrestricted Funds 31.03.20 £000	Restricted Funds 31.03.20 £000	Endowment Funds 31.03.20 £000	Total at 31 March 2020 £000
<b>Fixed assets:</b>									
Investments	8	0	8,911	79	<b>8,990</b>	0	7,705	80	7,785
<b>Total Fixed Assets</b>		<b>0</b>	<b>8,911</b>	<b>79</b>	<b>8,990</b>	<b>0</b>	<b>7,705</b>	<b>80</b>	<b>7,785</b>
<b>Current assets:</b>									
Stocks		0	5	0	<b>5</b>	0	6	0	6
Debtors	10	0	153	0	<b>153</b>	0	178	0	178
Cash at bank and in hand		0	1,396	0	<b>1,396</b>	0	1,539	0	1,539
<b>Total Current Assets</b>		<b>0</b>	<b>1,554</b>	<b>0</b>	<b>1,554</b>	<b>0</b>	<b>1,723</b>	<b>0</b>	<b>1,723</b>
Creditors: Amounts falling due within one year	11.1	0	1,335	0	<b>1,335</b>	0	2,237	0	2,237
<b>Net Current Assets / (Liabilities)</b>		<b>0</b>	<b>219</b>	<b>0</b>	<b>219</b>	<b>0</b>	<b>(514)</b>	<b>0</b>	<b>(514)</b>
<b>Total Assets less Current Liabilities</b>		<b>0</b>	<b>9,130</b>	<b>79</b>	<b>9,209</b>	<b>0</b>	<b>7,191</b>	<b>80</b>	<b>7,271</b>
Creditors: Amounts falling due after more than one year	11.2	0	881	0	<b>881</b>	0	806	0	806
<b>Total Net Assets</b>		<b>0</b>	<b>8,249</b>	<b>79</b>	<b>8,328</b>	<b>0</b>	<b>6,385</b>	<b>80</b>	<b>6,465</b>
<b>Funds of the Charity</b>									
<b>Capital Funds:</b>									
Endowment funds	12.1	0	0	79	<b>79</b>	0	0	80	80
<b>Income Funds:</b>									
Restricted income funds	12.5	0	8,249	0	<b>8,249</b>	0	6,385	0	6,385
Unrestricted funds		0	0	0	<b>0</b>	0	0	0	0
<b>Total charity funds</b>		<b>0</b>	<b>8,249</b>	<b>79</b>	<b>8,328</b>	<b>0</b>	<b>6,385</b>	<b>80</b>	<b>6,465</b>

The notes at pages 29 to 42 form part of these financial statements.

Signed:



Date: 2nd February 2022

**Statement of Cash Flows for the year ended 31 MARCH 2021**

	<b>Total 2020/21 £000</b>	<b>Total 2019/20 £000</b>
<b>Cash flows from Operating Activities:</b>		
Net Cash provided by (used in) operating activities	<u>(898)</u>	<u>(238)</u>
<b>Cash flows from investing activities:</b>		
Returns on Investments	247	290
Proceeds from sale of investments	3,737	4,568
Purchase of Investments	<u>(3,229)</u>	<u>(4,317)</u>
<b>Net cash provided by (used in) investing activities</b>	<b>755</b>	<b>541</b>
<b>Change in cash and cash equivalents</b>	<u><b>(143)</b></u>	<u><b>303</b></u>
<b>Cash and Cash equivalents at the start of the year</b>	<b>1,539</b>	<b>1,236</b>
<b>Cash and Cash equivalents at the end of the year</b>	<u><b>1,396</b></u>	<u><b>1,539</b></u>
<b>Reconciliation of net income / (expenditure) to net cash flow from Operating activities</b>		
Net income / (expenditure) as per the SOFA	1,863	(2,053)
Dividends and Interest from Investments	(247)	(290)
(Increase) / decrease in Stocks	1	0
(Increase) / decrease in Debtors	25	(51)
Increase / (decrease) in Creditors	(827)	1,005
(Increase) / decrease in Investment Gains / Losses	(1,713)	1,151
<b>Net cash (outflow) / inflow from operating activities</b>	<u><b>(898)</b></u>	<u><b>(238)</b></u>

**ROYAL LIVERPOOL AND BROADGREEN UNIVERSITY  
HOSPITALS NHS CHARITABLE FUNDS**

**NOTES TO THE ACCOUNTS**

**ACCOUNTING POLICIES**

**1.1 Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019 – (Charities SORP (FRS 102)), the Financial Reporting Standards applicable in the UK and the Republic of Ireland and the Charities Act 2011.

Royal Liverpool & Broadgreen University Hospitals Charitable Funds meets the definition of a public benefit entity under FRS 102.

**(a) Going Concern**

The Trustees have carried out an assessment and are of the view that , given the high levels of cash and investments, the charity is a going concern, with no material uncertainties about the charity's ability to continue.

**(b) Critical Accounting Judgements and Estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the charities accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the current circumstances. Key judgements concern the timing of recognition of legacy income and the recognition of awards granted to the Trust.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**1.2 Income**

The policies followed, which deal with income, voluntary assistance and donations, are:

**(a)** All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- i) Entitlement - arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- ii) Certainty – when there is reasonable certainty that the incoming resource will be received;

- iii) Measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

**(b) Gifts in kind**

- i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.

- ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.

- iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.

In all cases the amount at which gifts in kind are brought into the account is either a reasonable estimate of their value to the charity or the amount actually realised. The basis of the valuation will be disclosed in the annual report if any gifts in kind are received during the year.

**(c) Intangible Income including donated services and facilities**

Intangible income (e.g. the provision of free accommodation) is included in the accounts with an equivalent amount in outgoing resources, if there is a financial cost borne by another party. The value placed on such income is the financial cost of the third party providing the resources. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised as income or expenditure.

**(d) Legacies**

Legacies are accounted for as incoming resources once the receipt of the legacy becomes probable. This will be once confirmation has been received from the representatives of the estate that payment of the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

**(e) Interest receivable and dividend income**

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

**1.3 Expenditure**

The funds held on trust accounts are prepared in accordance with the accruals concept. Expenditure is recognised when a liability is incurred and there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Grant commitments are recognised once there is a legal or constructive obligation to make a payment to a third party.

**(a) Cost of generating funds**

The cost of generating funds are the costs associated with generating income for the funds held on trust. This will include the costs associated with the Forget-me-Not Appeal and the Foundation for the Prevention of Blindness funds. It will also include Investment management costs which consist of direct fees and a proportion of support costs (see note 5).

**(b) Grants payable**

Grants payable are payments, made to third parties (including NHS bodies) in the furtherance of the funds held on trust's charitable objectives. They are accounted for on an accruals basis where the conditions for their payment have been met or where a third party has a reasonable expectation that they will receive the grant. This includes grants paid to NHS bodies.

**(c) Allocation of Overhead and Support costs**

These are accounted for on an accruals basis and have been allocated on an appropriate basis (see note 5) between Charitable Activities and Governance Costs. Once allocation and/or apportionment of overhead and support costs has been made between Charitable Activities and Governance costs, the cost attributable to Charitable Activities is apportioned across those activities in proportion to total spend. An estimation of the time allocated by the Senior Financial Accountant to manage the charitable funds section has been made.

**(d) Governance Costs**

Governance costs comprise all costs incurred in the governance of the charity. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

**(e) Irrecoverable VAT**

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1.4 Structure of funds**

Where there is a legal restriction on the purpose to which a fund may be used, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustee has chosen to earmark for set purposes are designated funds. The major funds held within these categories are disclosed in note 12.

**1.5 Tangible Fixed Assets**

The charity has no tangible fixed assets.

**Investment Fixed Assets**

Investment fixed assets (excluding cash) are shown at fair value, which is determined by their market value.

- i) Quoted stocks and shares are included in the balance sheet at mid-market price, ex-div.
- ii) Other investment fixed assets are included at Trustee's best estimate market value.

**1.7 Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and 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).

**1.8 Intangible Fixed Assets**

The charity has no intangible fixed assets.

**1.9 Stock**

Stock is included at the lower of cost or net realisable value.

**1.1 Debtors**

Trade and other debtors are recognised at cost, being the settlement amount due. Prepayments are valued at the amount prepaid net.

**1.11 Cash at bank and in hand**

Cash at bank and in hand includes cash held in the Royal Liverpool and Broadgreen University Hospitals NHS Charitable Funds account and the amounts held in the 'income' accounts within the Charity's investment portfolios.

**1.12 Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**1.13 Change in the Basis of Accounting**

There has been no change in the basis of accounting.

## Prior Year Adjustments

There has been no change to the accounts of prior years.

### 1.15 Pooling Scheme

An official pooling scheme is operated for investments covering all funds registered under the umbrella agreement. The scheme was registered with the Charity Commission on 26<sup>th</sup> March 2002.

### 1.16 Related Party Transactions

During the year none of the Trust Board or members of the key management staff or parties related to them has undertaken any material transactions with the Liverpool University Hospitals NHS Foundation Trust (formerly Royal Liverpool and Broadgreen University Hospitals Charitable Trust to 30th September 2019).

The charitable trust has made revenue and capital payments to the Liverpool University Hospitals NHS Foundation Trust (formerly Royal Liverpool and Broadgreen University Hospitals NHS Trust to 30th September 2019), whose Trust Board members (whose names are listed below) also represent the Corporate Trustee.

**Further details of related part transactions can be found in note 18.**

#### Trust Board Members

S Musson	Chair
M Eastwood	Non Executive Director
D Fillingham	Non Executive Director (to 30th July 2020)
I Ismail	Non Executive Director (from 1st September 2021)
T Johnston	Non Executive Director
Prof L Kenny	Non Executive Director (to 30th June 2021)
A Phillips	Non Executive Director (to 30th September 2020)
S Samuels	Non Executive Director (from 1st September 2020)
E de Sousa	Non Executive Director (from 1st September 2020)
Prof T Walley	Non Executive Director (from 1st July 2021)
M Wearne	Non Executive Director (to 31st August 2021)
N Willcox	Non Executive Director
S Warbuton	Chief Executive Officer (to 5th September 2021)
D Dalton	Interim Chief Executive Officer (from 6th September 2021)
D Brown	Chief Nurse (to 3rd October 2021)
E Inglesby-Burke	Interim Chief Nurse (from 4th October 2021)
T Cope	Medical Director (to 17th October 2021)
J Brennan	Interim Medical Director (from 18th October 2021)
R Forster	Deputy Chief Executive Officer & Chief Finance Officer
D Herring	Chief People Officer
B Weston	Chief Operating Officer

**Donations & Legacies**

2.1

	Unrestricted 2020-21 Funds £000	Restricted 2020-21 Funds £000	Endowment 2020-21 Funds £000	Total 2020-21 Funds £000	Total 2019-20 Funds £000
Donations	0	1,313	0	1,313	1,897
Legacies	0	133	0	133	543
<b>Total</b>	<b>0</b>	<b>1,446</b>	<b>0</b>	<b>1,446</b>	<b>2,440</b>

**Trading Activities**

2.2

	Unrestricted 2020-21 Funds £000	Restricted 2020-21 Funds £000	Endowment 2020-21 Funds £000	Total 2020-21 Funds £000	Total 2019-20 Funds £000
Fundraising	0	0	0	0	4
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

**Investment Income**

2.3

	Unrestricted 2020-21 Funds £000	Restricted 2020-21 Funds £000	Endowment 2020-21 Funds £000	Total 2020-21 Funds £000	Total 2019-20 Funds £000
Dividends and investment Interest	0	247	0	247	281
Bank Interest	0	0	0	0	9
<b>Total</b>	<b>0</b>	<b>247</b>	<b>0</b>	<b>247</b>	<b>290</b>

**Expenditure on Raising funds**

3

	Unrestricted 2020-21 Funds £000	Restricted 2020-21 Funds £000	Endowment 2020-21 Funds £000	Total 2020-21 Funds £000	Total 2019-20 Funds £000
Fundraising Costs	0	305	0	305	348
Investment Management	0	52	0	52	55
<b>Total</b>	<b>0</b>	<b>357</b>	<b>0</b>	<b>357</b>	<b>403</b>

**Expenditure on Charitable Activities**

4

	Unrestricted 2020-21 Funds £000	Restricted 2020-21 Funds £000	Endowment 2020-21 Funds £000	Total 2020-21 Funds £000	Total 2019-20 Funds £000
Patients Welfare & amenities	0	77	0	77	447
Staff Welfare & amenities	0	733	0	733	390
Research & Education	0	249	0	249	733
Contributions to NHS Capital	0	75	0	75	1,617
<b>Total</b>	<b>0</b>	<b>1,134</b>	<b>0</b>	<b>1,134</b>	<b>3,187</b>

**Expenditure  
Other**

5

	Unrestricted 2020-21 Funds £000	Restricted 2020-21 Funds £000	Endowment 2020-21 Funds £000	Total 2020-21 Funds £000	Total 2019-20 Funds £000
Governance	0	52	0	52	46
<b>Total</b>	<b>0</b>	<b>52</b>	<b>0</b>	<b>52</b>	<b>46</b>

**Allocation and  
Apportion to  
Governance  
Costs**

5.1

	Basis of Allocation	Allocated to Governance £000	Residual for Apportion £000	Total 2020-21 Funds £000	Total 2019-20 Funds £000
Salaries	Time Spent	28	63	91	99
Establishment Costs	Governance	4	0	4	4
Audit Fee	Governance	8	0	8	10
Miscellaneous	Governance	12	1	13	3
<b>Total</b>		<b>52</b>	<b>64</b>	<b>116</b>	<b>116</b>

It should be noted that charity does not employ any staff directly. Rather, the salary costs above are for charity administration staff employed by the Hospital Trust and then the costs are recharged to the Charity

**Apportion of  
Support Costs**

5.2

	Direct Costs £000	Support Costs £000	Total costs 2020-21 £000	Total costs 2019-20 £000
Expenditure on raising Funds:				
Fundraising	291	14	305	348
Investment Management	39	13	52	55
<b>Sub - Total</b>	<b>330</b>	<b>27</b>	<b>357</b>	<b>403</b>
Expenditure on Charitable Activities:				
Patients Welfare & amenities	74	3	77	447
Staff Welfare & amenities	709	24	733	390
Research	241	8	249	733
Contributions to NHS Capital	73	2	75	1,617
<b>Sub - Total</b>	<b>1,097</b>	<b>37</b>	<b>1,134</b>	<b>3,187</b>
Governance	0	52	52	46
<b>Total Expenditure</b>	<b>1,427</b>	<b>116</b>	<b>1,543</b>	<b>3,636</b>

It should be noted that charity does not employ any staff directly. Rather, the salary costs of fundraising staff (included in the cost of fundraising above) are employed by the Hospital Trust and then the costs are recharged to the Charity.

Charity Activities by Type	5.3	Grants to Institutions	Grants to Individuals	Support Costs 2020-21	Total 2020-21	Total 2019-20
		2020-21	2020-21	21	2020-21	2019-20
		£000	£000	£000	£000	£000
Patients Welfare & amenities		74	0	3	77	447
Staff Welfare & amenities		450	259	24	733	390
Research		241	0	8	249	733
Contributions to NHS Capital		73	0	2	75	1,617
<b>Total</b>		<b>838</b>	<b>259</b>	<b>37</b>	<b>1,134</b>	<b>3,187</b>

Grants awarded to institutions	5.4	Total 2020-21	Total 2019-20
		£000	£000
Liverpool University Hospital NHS FT / Royal Liverpool & Broadgreen University Hospitals NHS Trust		794	2,941
University of Liverpool		44	185
		<b>838</b>	<b>3,126</b>

Changes in Resources Available for Charity Use	6	Unrestricted	Restricted	Endowment	Total	Total
		2020-21 Funds	2020-21 Funds	2020-21 Funds	2020-21 Funds	2019-20 Funds
		£000	£000	£000	£000	£000
Net movement in funds for the year		0	1,864	(1)	1,863	(2,053)
Net movement in tangible fixed assets		0	0	0	0	0
Net movement in funds available		0	0	0	0	0
		<b>0</b>	<b>1,864</b>	<b>(1)</b>	<b>1,863</b>	<b>(2,053)</b>

**Tangible Fixed Assets**      7    There are no fixed assets of the charity

**Analysis of  
Fixed Asset  
Investments**

<b>8</b>			<b>2020-21</b>	2019-20
	<b>8.1</b>	Fixed Asset Investments:	<b>£000</b>	£000
		Market value at 31 March 2020	<b>7,785</b>	9,187
		Less: Disposals at carrying value	<b>(3,737)</b>	(4,568)
		Add: Acquisitions at cost	<b>3,229</b>	4,317
		Net gain on revaluation	<b>1,713</b>	(1,151)
		Market value at 31 March 2021	<b>8,990</b>	7,785
		Historic cost at 31 March 2021	<b>7,898</b>	8,407

	<b>8.2</b>	Market value at 31 March:	Held in UK £000	Held outside UK £000	<b>2020-21 Total £000</b>	2019-20 Total £000
		Investments listed on the Stock Exchange	8,878		<b>8,878</b>	7,505
		Cash held as part of the investment portfolio	112		<b>112</b>	280
			<b>8,990</b>		<b>8,990</b>	7,785

**Post Balance  
events**

**9**

There are no post balance sheet events

<b>Analysis of Debtors</b>	<b>10</b>	<b>Total as at 31 MARCH 2021 £000</b>	<b>Total as at 31 MARCH 2020 £000</b>
	<b>10.1</b>	Amounts falling due within one year:	
		Prepayments	0
		Accrued income	178
		<b>Total debtors falling due within one year</b>	<b>178</b>
	<b>10.2</b>	Amounts falling due over one year:	
		<b>Total debtors falling due after more than one year</b>	<b>0</b>
		<b>Total debtors</b>	<b>178</b>
<hr/>			
<b>Analysis of Creditors</b>	<b>11</b>	<b>Total as at 31 MARCH 2021 £000</b>	<b>Total as at 31 MARCH 2020 £000</b>
	<b>11.1</b>	Amounts falling due within one year:	
		Other creditors	302
		Accruals	1,935
		Deferred income	0
		<b>Total creditors falling due within one year</b>	<b>2,237</b>
	<b>11.2</b>	Amounts falling due after more than one year:	
		Accruals	806
		<b>Total creditors falling after more than one year</b>	<b>806</b>
		<b>Total creditors</b>	<b>3,043</b>

## Analysis of Funds

12		Balance 31 March 2020	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2021
12.1 Endowment Funds 31.03.21		£000	£000	£000	£000	£000	£000
(list individually)							
A	M A Davies	20	0	0	0	(1)	19
B	S I V Cooke	16	0	0	0	(1)	15
C	Dr J Bernstein	3	0	0	0	0	3
D	Mr N Gibbon	41	0	0	0	1	42
	Others (1)	0	0	0	0	0	0
	Total	80	0	0	0	(1)	79

## Details of material funds - Endowment Funds 31.03.21

12.2	Name of fund	Description of the nature and purpose of each fund
A	M A Davies	Bed endowment fund for Patients Welfare
B	S I V Cooke	Holiday fund for Nurses
C	Dr J Bernstein	RLUH Convalescence and recreation fund
D	Mr N Gibbon	Annual Urology Scholarship

12.3 Endowment Funds 31.03.20		Balance 31 March 2019	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2020
(list individually)		£000	£000	£000	£000	£000	£000
A	M A Davies	20	0	0	0	0	20
B	S I V Cooke	16	0	0	0	0	16
C	Dr J Bernstein	3	0	0	0	0	3
D	Mr N Gibbon	42	0	0	0	(1)	41
	Others (1)	0	0	0	0	0	0
	Total	81	0	0	0	(1)	80

## Details of material funds - Endowment Funds 31.03.20

12.4	Name of fund	Description of the nature and purpose of each fund
A	M A Davies	Bed endowment fund for Patients Welfare
B	S I V Cooke	Holiday fund for Nurses
C	Dr J Bernstein	RLUH Convalescence and recreation fund
D	Mr N Gibbon	Annual Urology Scholarship

Analysis of Funds

12 cont'd

12.5 Restricted Funds 31.03.21	Balance 31 March 2020	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2021
	£000	£000	£000	£000	£000	£000
<b>Material funds</b> (list individually)						
A Endocrinology Fund	703	23	(17)	0	156	865
B RLUH General Purpose	511	286	(241)	0	252	808
C L'pool Reg Dialysis Fund	662	24	(102)	0	163	747
D RLBUHT General Purpose	231	1,020	(723)	0	54	582
E RLUH Patient Welfare Fund	399	35	(3)	0	59	490
F Forget Me Not Fund	475	24	(124)	0	100	475
G BGH Haematology Fund	346	13	(8)	0	76	427
H RLUH Renal Transplant Fund	266	9	(6)	0	59	328
Others (98)	2,792	259	(319)	0	795	3,527
<b>Total</b>	<b>6,385</b>	<b>1,693</b>	<b>(1,543)</b>	<b>0</b>	<b>1,714</b>	<b>8,249</b>

Details of material funds - Restricted Funds 31.03.21

12.6	Name of fund	Description of the nature and purpose of each fund
A	Endocrinology Fund	Any charitable purpose relating to disease of the gland
B	RLUH General Purpose	Any charitable purpose relating to Royal Liverpool University Hospital
C	L'pool Reg Dialysis Fund	Any charitable purpose relating to Dialysis services
D	RLBUHT General Purpose	Any charitable purpose relating to Royal Liverpool & Broadgreen University Hospitals
E	RLUH Patients Welfare Fund	For the relief of RLUH patients suffering from sickness and disease or its effects
F	Forget Me Not Fund	Any charitable purpose relating to cancer services
G	BGH Haematology Fund	Any charitable purposes relating to Haematology Unit
H	RLUH Renal Transplant Fund	Any charitable purpose relating to Renal Transplant Unit

12.7 Restricted Funds 31.03.20	Balance 31 March 2019	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2020
	£000	£000	£000	£000	£000	£000
<b>Material funds</b> (list individually)						
A Endocrinology Fund	1,272	35	(20)	(500)	(84)	703
B RLUH General Purpose	583	466	(848)	500	(190)	511
C L'pool Reg Dialysis Fund	875	30	(121)	0	(122)	662
D RLBUHT General Purpose	19	261	(2)	0	(47)	231
E RLUH Patient Welfare Fund	413	5	(19)	0	0	399
F Forget Me Not Fund	670	1,386	(1,540)	0	(41)	475
G BGH Haematology Fund	392	13	(7)	0	(52)	346
H RLUH Renal Transplant Fund	303	9	(6)	0	(40)	266
Others (98)	3,910	529	(1,073)	0	(574)	2,792
<b>Total</b>	<b>8,437</b>	<b>2,734</b>	<b>(3,636)</b>	<b>0</b>	<b>(1,150)</b>	<b>6,385</b>

Details of material funds - Restricted Funds 31.03.20

12.8	Name of fund	Description of the nature and purpose of each fund
A	Endocrinology Fund	Any charitable purpose relating to disease of the gland
B	RLUH General Purpose	Any charitable purpose relating to Royal Liverpool University Hospital
C	L'pool Reg Dialysis Fund	Any charitable purpose relating to Dialysis services
D	RLBUHT General Purpose	Any charitable purpose relating to Royal Liverpool & Broadgreen University Hospitals
E	RLUH Patients Welfare Fund	For the relief of RLUH patients suffering from sickness and disease or its effects
F	Forget Me Not Fund	Any charitable purpose relating to cancer services
G	BGH Haematology Fund	Any charitable purposes relating to Haematology Unit
H	RLUH Renal Transplant Fund	Any charitable purpose relating to Renal Transplant Unit

12.9 No material designated funds

**Contingencies** 13 There were no contingent assets or liabilities for the charity included in the accounts:

**Commitments, Liabilities and Provisions** 14.1 The Charity has no commitments, liabilities or provisions.

14.2 The Trustee recognise liabilities in the accounts once they have incurred either a legal or constructive obligation to expend funds.

**Trustee and Connected Persons Transactions** 15

15.1	Trustee expenses reimbursed	2020-21	2019-20
		£	£
	Travel and subsistence	0	0
	Entertainment	0	0
	Other (please describe)	0	0
		<u>0</u>	<u>0</u>
	Total number of Trust Board Members representing the Trustee	<u>11</u>	<u>11</u>

15.2 There was no Trustee remuneration

15.3 There were no transactions with a Trustee or connected persons in any personal capacity

15.4 **Trustee Indemnity Insurance**  
Cover provided under Liverpool University Hospitals NHS Foundation Trust's Litigation Authority Non-clinical risk scheme.

**Loans or Guarantees Secured against assets of the charity** 16 None

**Connected Organisations**

17

Name, nature of connection, description of activities undertaken and details of any qualifications expressed by their auditors	2020-21		2019-20	
	Turnover of Connected Organisation	Net Profit/ (Loss) for the Connected Organisation	Turnover of Connected Organisation	Net Profit/ Loss for the Connected Organisation
	£	£	£	£
Liverpool University Hospitals NHS FT (formerly Royal Liverpool & Broadgreen University Hospitals NHS Trust)	1,109,384,000	1,410,000	693,482,000	283,159,000

**Related party Transactions**

**18 Related party transactions**

During the year none of the Trust Board or members of the key management staff or parties related to them has undertaken any material transactions with the Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds.

Professor Louise Kenny, Non-Executive member of the Trust Board during 2020/21, is also an employee of the University of Liverpool. The Charity is involved in numerous transactions with the University of Liverpool, involving staff recharges and other research related costs. The Charity accounted for grant activity relating to the University of Liverpool of £44,198 (2019/20: £289,331). Total outstanding owed to the University of Liverpool at 31st March 2021 stood at £615,457 (2019/20: £925,541), although these figures do contain planned future grant spend of £406,668 (2019/20 £596,211) that hasn't been incurred yet. Prof Kenny has no part in these transactions.

# **Independent auditors' report to the trustees of Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds**

## **Opinion**

We have audited the financial statements of Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

We have been appointed as auditor under section 149 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions related to going concern**

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

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

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

## **Independent auditors' report to the trustees of Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds (continued)**

### **Other Information**

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the Annual Report, other than the financial statements and our Independent Auditors' 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 inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

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

We have nothing to report in respect of the following matters where the Charities (Accounts & Reports) Regulations 2008 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

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

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

## **Independent auditors' report to the trustees of Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds (continued)**

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under Section 149 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of operations. Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the rationale for significant transactions outside the normal course of operations;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- Review of trustee meeting minutes.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **Independent auditors' report to the trustees of Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds (continued)**

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and for no other purpose. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Jason Leach FCA (Senior Statutory Auditor)**

Bennett Brooks & Co Limited

Chartered Accountants and Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

St George's Court

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Cheshire

CW8 4EE

*2 February 2022*