



**Liverpool University Hospitals NHS
Charitable Fund
(formerly Royal Liverpool and Broadgreen
University Hospitals NHS Trust Charitable
Funds)**

Registered Charity Number 1047988

**ANNUAL REPORT
&
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2022

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

Liverpool University Hospital NHS Charitable Fund
(formerly Royal Liverpool & Broadgreen University Hospitals NHS Trust Charitable Funds)

**ANNUAL REPORT
& FINANCIAL STATEMENTS 2021/2022**

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**LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND
(FORMERLY ROYAL LIVERPOOL & BROADGREEN UNIVERSITY HOSPITALS
NHS TRUST CHARITABLE FUNDS)**

Registered Charity No 1047988

ANNUAL ACCOUNTS 2021-22

The accounts of the funds held on trust by the Liverpool University Hospitals NHS Foundation Trust.

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 30th September 2019, joining with Aintree University Hospital NHS Foundation Trust to become a combined organisation named Liverpool University Hospitals NHS Foundation Trust from 1st 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

**LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND
(FORMERLY 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 2021/22 Annual Report & Accounts have been approved by the Trust Board, at a meeting held on 10th November 2022.

By Order of the Trustee

Signed :

Chair *Sue Kluska*

Dated ..10/11/2022

Financial Trustee *[Signature]*

Dated ..10/11/2022

CHARITABLE FUNDS

TRUSTEE REPORT

Introduction

It is with pleasure that the Trust presents the twenty-sixth annual report for the Charitable Funds of the Liverpool University Hospitals NHS Charitable Fund (formerly 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 Liverpool University Hospitals NHS Charitable Fund (formerly 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 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 corporate trustee of Liverpool University Hospitals NHS Foundation Trust also oversees a second NHS charity, The Aintree University Hospital Charitable Fund (charity registration number 1050542). The Charity Commission has approved an order for the assets and liabilities of the Aintree Charity to be transferred over to the RL&BUHT charity, and this will be acted upon during 2022/23 financial year. The R&LBUHT Charity will also amend it's name to reflect this change, and will in future be known as Liverpool University Hospitals NHS Trust Charitable Fund. The name change was agreed by the Charity Commission on 22nd September 2022.

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 2021/22 the Charitable Funds Committee comprised of:

Ms Mandy Wearne	Non-Executive Director (Committee Chair) until 31/08/2021
Mr Ibrahim Ismail	Non-Executive Director (Committee Chair) from 01/09/2021)
Mr Robert Forster	Deputy Chief Executive & Chief Finance Officer
Ms Dianne Browne	Chief Nurse until 03/10/2021
Ms Elaine Inglesby-Burke	Interim Chief Nurse from 04/10/2021
Mr Tristan Cope	Medical Director to 17/10/2021
Mr John Brennan	Interim Medical Director from 18/10/2021

The Trust's charitable funds are held distinct from the exchequer funds of the Liverpool University Hospitals NHS Foundation Trust. The charity's bank accounts are held at:

Natwest 2 nd Floor 280 Bishopsgate London EC2M 4RB	and	Barclays Bank plc 48B/50 Lord Street Liverpool L2 1TD
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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	UBS AG 5 Broadgate London EC2M 2AN
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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;

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 in September 2022.

Annual Report and Accounts

Incoming resources to the Trust's charitable funds totalled £1,287,000 for the year ended 31 March 2022, a fall of £406,000 on the previous twelve months total of £1,683,000. The drop in income from last year was due to donations decreasing by £744,000 to £569,000, a consequence of much less covid related donations being received in 2021/22 compared with 2020/21. However, legacy income did increase significantly in 2021/22, rising from £133,000 in 2020/21 to £489,000.

Included within these figure are :-

- a) Corporate donations of £284,000 of which £200,000 was received through direct fundraising (including £187,000 to our New Royal Hospital Appeal and £13,000 for the Foundation for the Prevention of Blindness fund). The largest corporate donations received included:
 - i) £100,000 from six donations made by Norton Responsible Recycling for the New Royal Hospital Appeal.
 - ii) £67,500 from the Veolia Environmental Trust (second phase) contribution to complete a garden space development on the Broadgreen Hospital site.
 - iii) £15,500 from HSBC to contribute towards refurbishing a learning facility on the Broadgreen Hospital site.
- b) Donations from individuals of £285,000, including £253,000 through fundraising (£5,000 for the Covid Appeals; £76,000 for the Foundation for the Prevention of Blindness fund; £2,000 for the FMN Cancer Appeal fund; £155,000 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 £11,000. A further five legacies totalling £478,000 were also notified and accounted for in the year ended 31st March 2022. The largest single bequests being:

- i) £350,000 from the estate of Mrs Mavis Martland (deceased).
- ii) £120,000 from the estate of Julie Partington (deceased).
- iii) £10,000 was received from the estate of Alan Shawcross (deceased).

The total legacies accounted for during 2021/22 amounted to £489,000, up £356,000 on the previous year's figure of £133,000.

Investment income totalling £228,500 was earned during the year, a fall of £18,200 on the previous year's figure of £246,700. Dividends from equity stocks and gilts provided £226,800, and £1,700 was earned from interest on cash balances held (£0 in 2020/21).

Fundraising

We raise money for the many charitable funds across the Trust. The focus in 2021/22 returned to supporting various initiatives throughout the organisation, following the focus of the team on our Covid appeal during much of 2020/21.

The Charity makes use of fundraisers employed by the Liverpool University Hospitals NHS Foundation Trust, and subject to control and supervision by the Hospital Trust. There were no complaints received about the fundraising activity undertaken during 2021/22.

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

The charity also continues to support fundraising for the Foundation for the Prevention of Blindness Fund research charity. In 2021/22 over £439,000 was raised for the Foundation, including £351,000 of legacies.

Fundraising for the charity as a whole (excluding legacies and investment returns) raised £453,000, a fall of £804,000 on the previous twelve months figure of £1,257,000. This fall is disappointing but somewhat understandable, as 2020/21 was a unique year following the covid pandemic and the show of public support for the work of the NHS. Our Covid appeal, which brought in over £1,000,000 in 2020/21, raised only £5,000 during the 2021/22 financial year. The costs of operating the fundraising teams totalled £429,000, including staff costs of £272,000. In comparison, fundraising costs totalled £291,000 in 2020/21, including staff costs of £261,000. Non-pay fundraising costs rose from £30,400 in 2020/21 to £157,000, primarily as a result of incurring fees of £77,000 on external consultancy reviews and also £38,000 on the resumption of fundraising events.

Expenditure

Direct charitable expenditure for the year was £1,215,000, an increase of £118,000 on 2020/21 spend of £1,097,000. Expenditure accounted for in 2021/22 included contributions to Staff Welfare and Amenities of £270,000; Research and Education grants totalling £318,000; Patient Welfare & Amenities totalling £61,000 and grants of £566,000 were provided for NHS Capital projects.

Support costs attributable to the grants of £26,000 brought the total grants figure to £1,241,000. A further £501,000 (including £30,000 support costs) was incurred in the costs of generating funds for the charity, comprising £442,000 spent on generating voluntary income and £59,000 on investment management costs.

Major grants awarded during 2021/22 included:-

- a) £196,100 from the Foundation for the Prevention of Blindness fund to support a three year Ophthalmic academic in partnership with the University of Liverpool's Department of Eye and Vision Science.
- b) £149,300 from the Haematology fund to help support the provision of an outdoor garden for the new Clatterbridge Cancer Centre facility on the Royal Liverpool Hospital site.
- c) £116,800 from the Foundation for the Prevention of Blindness fund and Glaucoma Research fund to provide 50% support for a Senior Lecturer in Glaucoma post for two years.
- d) £103,900 from the Covid Appeal fund to provide a BTE workstation for our Occupational Health team.

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 £42,000. This included salary costs of £25,200; Audit fees of £7,800 and establishment/other expenses of £9,000. This was an overall fall of £10,400 on last year's governance costs of £52,400, primarily due to 2020/21 figures including the cost of an external governance review that was undertaken that year.

The overall charity spend in 2021/22 was consequently £1,784,000 in total (£1,543,000 in 2020/21).

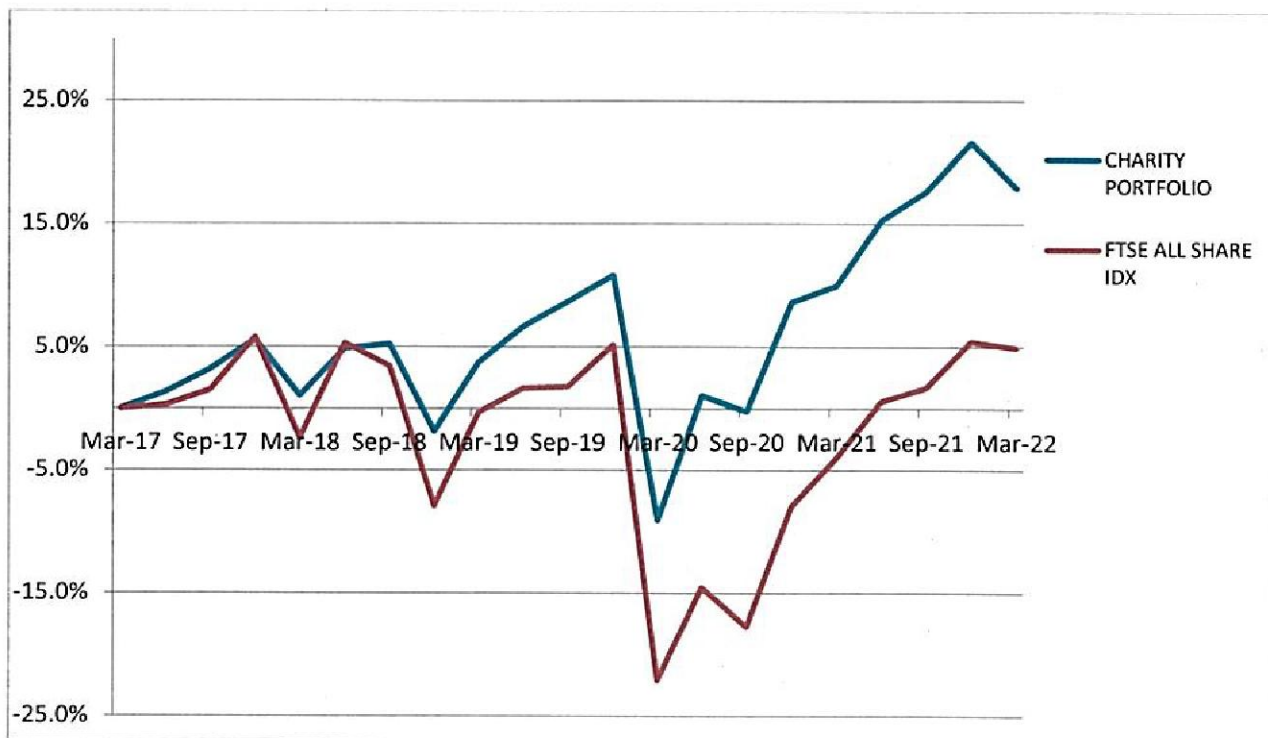
Gains/(losses) on Investment Assets

At the start of the 2021/22 financial year (1st April 2021), the market value of the investment portfolio stood at £8,990,000. Investment holdings totalling £2,119,000 were acquired during the year while investment holdings with a carrying value of £2,579,000 were disposed of during the year. The portfolio saw another rise in valuation during 2021/22, with an overall investment increase of £710,000 in the financial year following a gain of £1,713,000 in 2020/21 (after recovering from the significant global investment falls that occurred at the end of 2019/20 due to the covid-19 pandemic). This rise during 2021/22 equates to a +7.9% increase in the value of the portfolio, this is a solid performance, but it should be noted that in comparison, the investment markets performed slightly better with the FTSE All-SHARE up +9.3% over the same 12 month period, and the FTSE-100 up +12.0%. The financial year ended with a closing balance as at 31st March 2022 of £9,700,000 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 2016/17 (31st March 2017) to the end of 2021/22 (31st March 2022):

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



The portfolio has increased by 17.9% since 31st March 2017, with the strong rebound in 2020/21 continuing into 2021/22 (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 5.0% over the same five year period.

The investment portfolio also generated dividend returns of £226,800 in 2021/22 (£246,700 in 2020/21).

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 31st March 2022 were £8,541,000, an increase of £213,000 on the previous year's balance of £8,328,000. Although overall resources expended through charitable grants and administration were £497,000 higher than income received, the rise in investments of £710,000 resulted in an overall surplus being achieved in 2021/22.

The charity's total net assets comprised:-

- a) total fixed assets of £9,700,000 solely representing the value of the investment portfolio as at 31st March 2022.
- b) total current assets of £1,663,000; including:
 - i) stocks of £5,000 in respect of fundraising activities, which have been valued at cost;
 - ii) debtors of £634,000, including £505,000 for notified legacies, not yet received.
 - iii) cash balances of £1,024,000 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 £2,429,000;
- d) creditors falling due after more than one year of £393,000

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 31st March 2022 total £8,541,000; of which £77,000 is held as capital in perpetuity and as such cannot be freely expended.

There is a further £639,000 of funds held in the form of current assets (stocks £5,000 and debtors £634,000) and as such these resources are not immediately available for expenditure.

This leaves a balance of resources of £7,825,000. 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 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, and 6 years of funds at the end of 2018/19, so progress continues to be made.

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 ensures 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 Liverpool University Hospitals NHS Charitable Fund umbrella – formerly Royal Liverpool & Broadgreen University Hospital NHS Trust Charitable Funds).

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 the Autumn of 2022.

Conclusion

2021/22 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 continued disruption of 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

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10 / 11 / 2022

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Sue Musson
Chair

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 Pacc 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.

CHARITABLE INVESTMENT MANAGEMENT GUIDELINES

1.1 INVESTMENT OBJECTIVES

- 1.1 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.

1.2 INVESTMENT PORTFOLIO

- 1.2.1 The Charity's investment portfolio is administered by a professional Investment Management firm on a discretionary basis and the management of the portfolio is delegated to the Charitable Funds Committee. The administration of the portfolio is put out to tender every 5 years.
- 1.2.2 The Trustee has determined that the objective of holding the investment portfolio is to secure a total return on investments.
- 1.2.3 In order to discharge its duties appropriately, the Trustee has approved the following Statement of Policy which the contracted Investment Management firm must adhere to.

1.3 STATEMENT OF POLICY

- a) The prime investment objective will be to maximise financial returns within the context of achieving a maximum total growth between "Income Yield" and "Capital Growth".
- b) Investments will either be quoted equities (categorised as "wide range") or fixed interest government gilts, corporate bonds, infrastructure funds and similar alternative less "risky" investments (categorised as "narrow range"). It is expected that the proportionate split between the two ranges will sit between 70:30 and 60:40 in favour of wide range investments to encourage capital growth in addition to income yield.
- c) The Trustee has defined the overall level of risk in the portfolio as moderate. This means that while individual investments may carry higher or lower levels of risk, a balanced approach to risk is required.
- d) The value of investing overseas should be assessed quarterly. It is expected that where overseas markets are performing well overseas investments will be maximised, however it is intended that no more than 30% of the portfolio will be invested overseas.
- e) It is intended that the maximum value of one equity holding will not materially exceed 10% of the total equity value within the portfolio.
- f) It is intended that the portfolio weighting of one sector will not be significantly higher than the equivalent market weighting.

- g) Speculative or hazardous investments will not be made. These include futures, options and contracts for differences; including Contingent Liability Transactions, as these investments carry excessive risk.
- h) The following trading arrangements will not be entered into:
 - a. Trading “adventures”.
 - b. Collective Investment Schemes which are not regulated Collective Investment Schemes including Schemes operated by us or Associates
- i) Careful consideration will be given to any ethical, health and sustainability issues arising in respect of investments. Where it is felt that an investment is in conflict with the Charity’s objectives and/or Government policies, no investment will be made
- j) As a minimum requirement, portfolio valuations will be presented to Charitable Funds Committee meeting’s twice a year. (The Committee is able to informally access ad-hoc on-line valuations basis based upon the previous working day’s closing position, and also receive quarterly valuation reports.)
- k) Any investment which is not immediately realisable (within 10 days) requires approval from the Charitable Funds Committee. These should be minimised and only approved where there are significant benefits and minimal risk of requiring these funds prior to realisation

1.4 PERFORMANCE AND STRATEGY REVIEW

- 1.4.1 The Charitable Funds Committee will review the portfolio at each Committee meeting and receive a performance presentation from the Investment Management firm on an annual basis, as a minimum.
- 1.4.2 The performance of the portfolio will be evaluated against a suitable benchmark measure approved by the Trustee. This benchmark will take into consideration the composition of the portfolio and should include the following:
 - a. UK Equity markets including FTSE 100
 - b. Overseas Equity markets including DOW, NASDAQ & DAX,
 - c. UK Gilts over 15 years index
- 1.4.3 On an annual basis, the Charitable Funds Committee will review a three year income and expenditure plan in order that short, medium and long-term investment objectives can be determined.
- 1.4.4 Charity investment objectives and portfolio strategy will be reviewed annually and at any time that the Charitable Funds Committee deem it appropriate. However, amendments to the investment strategy must be approved the Board of Directors, as the Corporate Trustee.
- 1.4.5 Where it is considered that funds are likely to be spent within the next six months, they should not be made available for investment within the portfolio.

1.4.6 The issues on which the Chief Finance Officer shall be required to provide advice to the Charitable Funds Committee shall include:

- the formulation of investment policy which meets statutory requirements and Department of Health guidance with regard to income generation and the enhancement of capital value; and which complies with any restrictions on investment choice contained within any relevant charitable deeds;
- the appointment of advisers, brokers and, where appropriate, investment fund managers and: -
- the Chief Finance Officer shall recommend the terms of such appointments; and for which written agreements shall be signed by the Chief Executive;
- pooling of investment resources and the preparation of a submission to the Charity Commission for them to make a scheme;
- the participation by the Trust in common investment funds and the agreement of terms of entry.

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.

Liverpool University Hospitals NHS Charitable Fund
(formerly Royal Liverpool and Broadgreen University Hospitals NHS Trust Charitable Funds)

FINANCIAL

STATEMENTS

2021/2022

Statement of Financial Activities for the year ended 31 MARCH 2022

	Note	2021/22 Unrestricted Funds £000	2021/22 Restricted Funds £000	2021/22 Endowment Funds £000	2021/22 Total Funds £000	2020-21 Unrestricted Funds £000	2020-21 Restricted Funds £000	2020-21 Endowment Funds £000	2020-21 Total Funds £000
Income and Endowments from:									
Donations & Legacies	2.1	0	1,058	0	1,058	0	1,446	0	1,446
Other Trading activities	2.2	0	0	0	0	0	0	0	0
Investments	2.3	0	229	0	229	0	247	0	247
Total Income & Endowments		0	1,287	0	1,287	0	1,693	0	1,693
Expenditure on:									
Raising funds	3	0	501	0	501	0	357	0	357
Charitable activities	4	0	1,241	0	1,241	0	1,134	0	1,134
Governance	5	0	42	0	42	0	52	0	52
Total Expenditure		0	1,784	0	1,784	0	1,543	0	1,543
Net Gains / (Losses) on Investments	8	0	712	(2)	710	0	1,714	(1)	1,713
Net Income / (Expenditure)		0	215	(2)	213	0	1,864	(1)	1,863
Transfers between funds		0	0	0	0	0	0	0	0
Net movement in funds	6	0	215	(2)	213	0	1,864	(1)	1,863
Reconciliation of funds:									
Fund balances carried forward at 31 MARCH 2021		0	8,249	79	8,328	0	6,385	80	6,465
Fund balances carried forward at 31 MARCH 2022		0	8,464	77	8,541	0	8,249	79	8,328

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

Balance Sheet as at 31 March 2022

	Notes	Unrestricted Funds 31.03.22	Restricted Funds 31.03.22	Endowment Funds 31.03.22	Total at 31 March 2022	Unrestricted Funds 31.03.21	Restricted Funds 31.03.21	Endowment Funds 31.03.21	Total at 31 March 2021
		£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets:									
Investments	8	0	9,623	77	9,700	0	8,911	79	8,990
Total Fixed Assets		0	9,623	77	9,700	0	8,911	79	8,990
Current assets:									
Stocks		0	5	0	5	0	5	0	5
Debtors	10	0	634	0	634	0	153	0	153
Cash at bank and in hand		0	1,024	0	1,024	0	1,396	0	1,396
Total Current Assets		0	1,663	0	1,663	0	1,554	0	1,554
Creditors: Amounts falling due within one year	11.1	0	2,429	0	2,429	0	1,335	0	1,335
Net Current Assets / (Liabilities)		0	(766)	0	(766)	0	219	0	219
Total Assets less Current Liabilities		0	8,857	77	8,934	0	9,130	79	9,209
Creditors: Amounts falling due after more than one year	11.2	0	393	0	393	0	881	0	881
Total Net Assets		0	8,464	77	8,541	0	8,249	79	8,328
Funds of the Charity									
Capital Funds:									
Endowment funds	12.1	0	0	77	77	0	0	79	79
Income Funds:									
Restricted income funds	12.5	0	8,464	0	8,464	0	8,249	0	8,249
Unrestricted funds		0	0	0	0	0	0	0	0
Total charity funds		0	8,464	77	8,541	0	8,249	79	8,328

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

Signed:

Date:

10/11/22

Statement of Cash Flows for the year ended 31 MARCH 2022

	Total 2021/22 £000	Total 2020/21 £000
Cash flows from Operating Activities:		
Net Cash provided by (used in) operating activities	<u>(601)</u>	<u>(898)</u>
Cash flows from investing activities:		
Returns on Investments	229	247
Proceeds from sale of investments	2,119	3,737
Purchase of Investments	<u>(2,119)</u>	<u>(3,229)</u>
Net cash provided by (used in) investing activities	229	755
Change in cash and cash equivalents	<u>(372)</u>	<u>(143)</u>
Cash and Cash equivalents at the start of the year	1,396	1,539
Cash and Cash equivalents at the end of the year	<u>1,024</u>	<u>1,396</u>
 Reconciliation of net income / (expenditure) to net cash flow from Operating activities		
Net income / (expenditure) as per the SOFA	213	1,863
Dividends and Interest from Investments	(229)	(247)
(Increase) / decrease in Stocks	0	1
(Increase) / decrease in Debtors	(481)	25
Increase / (decrease) in Creditors	606	(827)
(Increase) / decrease in Investment Gains / Losses	(710)	(1,713)
Net cash (outflow) / inflow from operating activities	<u>(601)</u>	<u>(898)</u>

**LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND
(FORMERLY 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 26th 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
T Johnston	Non Executive Director
S Samuels	Non Executive Director
E de Sousa	Non Executive Director
N Willcox	Non Executive Director
M Wearne	Non Executive Director (to August 2021)
I Ismail	Non Executive Director (from September 2021)
Prof L Kenny	Non Executive Director (to June 2021)
Prof T Walley	Non Executive Director (from July 2021)
S Warbuton	Chief Executive Officer (to September 2021)
D Dalton	Interim Chief Executive Officer (from September 2021 to May 2022)
J Sumnar	Chief Executive Officer (from May 2022)
D Brown	Chief Nurse (to October 2021)
E Inglesby-Burke	Interim Chief Nurse (from October 2021 to June 2022)
D Melia	Chief Nurse (from July 2022)
T Cope	Medical Director (to October 2021)
J Brennan	Interim Medical Director (from October 2021 to June 2022)
J Gardner	Executive Medical Director (from July 2022)
R Forster	Deputy Chief Executive Officer & Chief Finance Officer
D Herring	Chief People Officer (to June 2022)
B Weston	Chief Operating Officer

LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND - FINANCIAL STATEMENTS 2021/22
(FORMERLY ROYAL LIVERPOOL & BROADGREEN UNIVERSITY HOSPITALS NHS CHARITABLE FUNDS)

**Donations &
Legacies**

2.1

	Unrestricted 2021-22 Funds £000	Restricted 2021-22 Funds £000	Endowment 2021-22 Funds £000	Total 2021-22 Funds £000	Total 2020-21 Funds £000
Donations	0	569	0	569	1,313
Legacies	0	489	0	489	133
Total	0	1,058	0	1,058	1,446

**Trading
Activities**

2.2

	Unrestricted 2021-22 Funds £000	Restricted 2021-22 Funds £000	Endowment 2021-22 Funds £000	Total 2021-22 Funds £000	Total 2020-21 Funds £000
Fundraising	0	0	0	0	0
Total	0	0	0	0	0

**Investment
Income**

2.3

	Unrestricted 2021-22 Funds £000	Restricted 2021-22 Funds £000	Endowment 2021-22 Funds £000	Total 2021-22 Funds £000	Total 2020-21 Funds £000
Dividends and investment Interest	0	227	0	227	247
Bank Interest	0	2	0	2	0
Total	0	229	0	229	247

**Expenditure on
Raising funds**

3

	Unrestricted 2021-22 Funds £000	Restricted 2021-22 Funds £000	Endowment 2021-22 Funds £000	Total 2021-22 Funds £000	Total 2020-21 Funds £000
Fundraising Costs	0	442	0	442	305
Investment Management	0	59	0	59	52
Total	0	501	0	501	357

**Expenditure on
Charitable
Activities**

4

	Unrestricted 2021-22 Funds £000	Restricted 2021-22 Funds £000	Endowment 2021-22 Funds £000	Total 2021-22 Funds £000	Total 2020-21 Funds £000
Patients Welfare & amenities	0	62	0	62	77
Staff Welfare & amenities	0	276	0	276	733
Research & Education	0	325	0	325	249
Contributions to NHS Capital	0	578	0	578	75
Total	0	1,241	0	1,241	1,134

**Expenditure
Other**

5

	Unrestricted 2021-22 Funds £000	Restricted 2021-22 Funds £000	Endowment 2021-22 Funds £000	Total 2021-22 Funds £000	Total 2020-21 Funds £000
Governance	0	42	0	42	52
Total	0	42	0	42	52

**Allocation and
Apportion to
Governance
Costs**

5.1

	Basis of Allocation	Allocated to Governance £000	Residual for Apportion £000	Total 2021-22 Funds £000	Total 2020-21 Funds £000
Salaries	Time Spent	25	55	80	91
Establishment Costs	Governance	5	0	5	4
Audit Fee	Governance	8	0	8	8
Miscellaneous	Governance	4	1	5	13
Total		42	56	98	116

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 2021-22 £000	Total costs 2020-21 £000
Expenditure on raising Funds:				
Fundraising	430	12	442	305
Investment Management	41	18	59	52
Sub - Total	471	30	501	357
Expenditure on Charitable Activities:				
Patients Welfare & amenities	61	1	62	77
Staff Welfare & amenities	270	6	276	733
Research	318	7	325	249
Contributions to NHS Capital	566	12	578	75
Sub - Total	1,215	26	1,241	1,134
Governance	0	42	42	52
Total Expenditure	1,686	98	1,784	1,543

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 2021-22 £000	Grants to Individuals 2021-22 £000	Support Costs 2021-22 £000	Total 2020-21 £000	Total 2020-21 £000
Patients Welfare & amenities		61	0	1	62	77
Staff Welfare & amenities		191	79	6	276	733
Research		318	0	7	325	249
Contributions to NHS Capital		566	0	12	578	75
Total		1,136	79	26	1,241	1,134

Grants awarded to insitutions	5.4		Total 2021-22 £000	Total 2020-21 £000
Liverpool University Hospital NHS FT / Royal Liverpool & Broadgreen University Hospitals NHS Trust			771	794
University of Liverpool			365	44
			1,136	838

Changes in Resources Available for Charity Use	6	Unrestricted 2021-22 Funds £000	Restricted 2021-22 Funds £000	Endowment 2021-22 Funds £000	Total 2020-21 Funds £000	Total 2020-21 Funds £000
Net movement in funds for the year		0	215	(2)	213	1,863
Net movement in tangible fixed assets		0	0	0	0	0
Net movement in funds available		0	0	0	0	0
		0	215	(2)	213	1,863

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

**Analysis of
Fixed Asset
Investments**

8		2021-22	2020-21
		£000	£000
8.1	Fixed Asset Investments:		
	Market value at 31 March 2021	8,990	7,785
	Less: Disposals at carrying value	(2,119)	(3,737)
	Add: Acquisitions at cost	2,119	3,229
	Net gain on revaluation	710	1,713
	Market value at 31 March 2022	<u>9,700</u>	<u>8,990</u>
	Historic cost at 31 March 2022	<u>8,364</u>	<u>7,898</u>

8.2	Market value at 31 March:	Held in UK £000	Held outside UK £000	2021-22 Total £000	2020-21 Total £000
	Investments listed on the Stock Exchange	8,912		8,912	8,878
	Cash held as part of the investment portfolio	788		788	112
		<u>9,700</u>		<u>9,700</u>	<u>8,990</u>

**Post Balance
events**

9

The corporate trustee of Liverpool University Hospitals NHS Foundation Trust also oversees a second NHS charity, The Aintree University Hospital Charitable Fund (charity registration number 1050542). The Charity Commission has approved an order for the assets and liabilities of the Aintree Charity to be transferred over to the RL&BUHT charity as from 1st April 2022 (The reserves held by the Aintree University Hospital Charitable fund totalled £1,060,000 as at the 31st March 2022.)

LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND - FINANCIAL STATEMENTS 2021/22
 (FORMERLY ROYAL LIVERPOOL & BROADGREEN UNIVERSITY HOSPITALS NHS CHARITABLE FUNDS)

Analysis of Debtors	10	Total as at 31 MARCH 2022	Total as at 31 MARCH 2021
	10.1	£000	£000
	Amounts falling due within one year:		
	Prepayments	0	2
	Accrued income	634	151
	Total debtors falling due within one year	634	153
	10.2		
	Amounts falling due over one year:		
	Total debtors falling due after more than one year	0	0
	Total debtors	634	153

Analysis of Creditors	11	Total as at 31 MARCH 2022	Total as at 31 MARCH 2021
	11.1	£000	£000
	Amounts falling due within one year:		
	Other creditors	266	152
	Accruals	2,163	1,183
	Deferred income	0	0
	Total creditors falling due within one year	2,429	1,335
	11.2		
	Amounts falling due after more than one year:		
	Accruals	393	881
	Total creditors falling after more than one year	393	881
	Total creditors	2,822	2,216

LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND - FINANCIAL STATEMENTS 2021/22
(FORMERLY ROYAL LIVERPOOL & BROADGREEN UNIVERSITY HOSPITALS NHS CHARITABLE FUNDS)

Analysis of Funds

12

12.1 Endowment Funds 31.03.22		Balance 31 March 2021	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2022
(list individually)		£000	£000	£000	£000	£000	£000
A	M A Davies	19	0	0	0	0	19
B	S I V Cooke	15	0	0	0	0	15
C	Dr J Bernstein	3	0	0	0	0	3
D	Mr N Gibbon	42	0	0	0	(2)	40
	Others (1)	0	0	0	0	0	0
	Total	79	0	0	0	(2)	77

Details of material funds - Endowment Funds 31.03.22

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 31.03.21		Balance 31 March 2020	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2021
(list individually)		£000	£000	£000	£000	£000	£000
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

12.4

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

LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND - FINANCIAL STATEMENTS 2021/22
(FORMERLY ROYAL LIVERPOOL & BROADGREEN UNIVERSITY HOSPITALS NHS CHARITABLE FUNDS)

Analysis of Funds

12 cont'd

12.5 Restricted Funds 31.03.22		Balance 31 March 2021	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2022
		£000	£000	£000	£000	£000	£000
Material funds (list individually)							
A	RLUH General Purpose	808	372	(298)	255	95	1,232
B	L'pool Reg Dialysis Fund	747	149	(18)	0	70	948
C	Endocrinology Fund	865	22	(16)	0	68	939
D	RLUH Patient Welfare Fund	490	15	(21)	0	31	515
E	St Paul's Fnd. Prev of Blindness	205	461	(283)	0	69	452
F	Forget Me Not Fund	475	22	(5)	(147)	45	390
G	RLUH Renal Transplant Fund	328	13	(6)	0	26	361
H	RLUH Cardiac Fund	283	7	(19)	0	22	293
	Others (98)	4,048	226	(1,118)	(108)	286	3,334
	Total	8,249	1,287	(1,784)	0	712	8,464

Details of material funds - Restricted Funds 31.03.22

12.6

	Name of fund	Description of the nature and purpose of each fund
A	RLUH General Purpose	Any charitable purpose relating to Royal Liverpool University Hospital
B	L'pool Reg Dialysis Fund	Any charitable purpose relating to Dialysis services
C	Endocrinology Fund	Any charitable purpose relating to disease of the gland
D	RLUH Patients Welfare Fund	For the relief of RLUH patients suffering from sickness and disease or its effects
E	St Paul's Fnd. Prev of Blindness	For the public benefit Ophthalmic research connected to RLUH St Paul's Eye Unit
F	Forget Me Not Fund	Any charitable purpose relating to cancer services
G	RLUH Renal Transplant Fund	Any charitable purpose relating to Renal Transplant Unit
H	RLUH Cardiac Fund	For the relief of persons suffering from cardiac disease and research into cardiac disease

12.7 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
Material funds (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
	Total	6,385	1,693	(1,543)	0	1,714	8,249

Details of material funds - Restricted Funds 31.03.21

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:		
<hr/>				
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.		
<hr/>				
Trustee and Connected Persons Transactions	15			
	15.1	Trustee expenses reimbursed	2021-22	2020-21
			£	£
		Travel and subsistence	0	0
		Entertainment	0	0
		Other (please describe)	0	0
			<hr/>	<hr/>
			0	0
			<hr/>	<hr/>
		Total number of Trust Board Members representing the Trustee	13	13
	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.		
<hr/>				
Loans or Guarantees Secured against assets of the charity	16	None		

LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND - FINANCIAL STATEMENTS 2021/22
(FORMERLY ROYAL LIVERPOOL & BROADGREEN UNIVERSITY HOSPITALS NHS CHARITABLE FUNDS)

Connected Organisations 17

Name, nature of connection, description of activities undertaken and details of any qualifications expressed by their auditors	2021-22		2020-21	
	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)	1,153,353,000	(7,379,000)	1,109,384,000	1,410,000

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 L. Kenny and T. Walley, Non-Executive members of the Trust Board during 2021/22, are also employees 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 £364,639 (2020/21: £44,198). Total outstanding owed to the University of Liverpool at 31st March 2022 stood at £765,009 (2020/21: £615,457), although these figures do contain planned future grant spend of £522,980 (2020/21: £406,668) that hasn't been incurred yet. Professors Kenny and Walley had 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 2022 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 2022 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

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10 November 2022