



**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 2023**

**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 2022/2023**

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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 2022-23**

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 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.

**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 2022/23 Annual Report & Accounts have been approved by the Trust Board, at a meeting held on 30<sup>th</sup> November 2023.

**By Order of the Trustee**

Signed:

Chair .....  .....

Dated 21/12/2023

Financial Trustee .....  .....

Dated 21/12/2023

## CHARITABLE FUNDS

# TRUSTEE REPORT

### Introduction

It is with pleasure that the Trust presents the twenty-seventh annual report for the Charitable Funds of the Liverpool University Hospitals NHS Foundation Trust (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 have 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 Liverpool University Hospitals NHS Charitable Fund is **1047988**. The Registered address is:

Royal Liverpool 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 has been acted upon at the start of the 2022/23 financial year. The RL&BUHT Charity also amended its name to reflect this change and is now known as Liverpool University Hospitals NHS Charitable Fund. The name change was agreed by the Charity Commission on 22<sup>nd</sup> 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 bi-monthly 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 England. 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 2022/23 the Charitable Funds Committee comprised of:

Mr Ibrahim Ismail	Non-Executive Director (Committee Chair)
Mr Robert Forster	Deputy Chief Executive & Chief Finance Officer
Ms Elaine Inglesby-Burke	Interim Chief Nurse until June 2022
Mr John Brennan	Interim Medical Director until June 2022
Mr Jim Gardner	Medical Director from July 2022
Mr David Melia	Chief Nurse from July 2022
Mr Neil Wilcox	Non-Executive Director to March 2023
Mr David Gilbert	Non-Executive Director from December 2022

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	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	UBS AG	Investec Wealth & Investment Ltd
Port of Liverpool Building	5 Broadgate	100 Old Hall Street
Pier Head	London EC2M 2AN	Liverpool
Liverpool L3 1NW	EC2M 2AN	L3 9AB

Legal advice is provided to the Trustee by:

Hill Dickinson Solicitors  
No 1 St Paul's Square  
Liverpool L3 9SJ

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 large acute teaching hospitals, 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.

## Annual Report and Accounts

Incoming resources to the Trust's charitable funds totalled £2,795k for the year ended 31 March 2023, a rise of £1,508k on the previous twelve months total of £1,287k. However, this included net assets of £961k transferred over from the Aintree University Hospital charity and so the actual comparable rise in income was £547k income from last year. This was due to donations rising by £211k to £780k in 2022/23 and also legacy income increasing by £243k to £732k.

Included within these figures are: -

- a) Corporate donations of £393k the largest of which included:
  - i) £299k grant from Bayer for the medical retina (ophthalmology) service
  - ii) £14k from Norton Responsible Recycling for the New Royal Liverpool Hospital Appeal
  - iii) £30k from HSBC to contribute towards refurbishing a learning facility on the Broadgreen Hospital site.
  - iv) £15k from the Police and Crime Commissioners for the Knifesavers Appeal
  
- b) Donations from individuals amounted to £387k.

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

Legacies from five bequests were received totalling £498k. A further five legacies totalling £234k were also notified and accounted for in the year ended 31<sup>st</sup> March 2023. The largest single bequests being:

- i) £297k from the estate of Mr Simon Bywater (deceased).
- ii) £182k from the estate of John Gilmartin (deceased) made up of two separate bequests of £91k each.
- iii) £174k from the estate of Sylvia Haslam (deceased).

The total legacies accounted for during 2022/23 amounted to £732k, an increase of £243k on the previous year's figure of £489k.

Investment income totalling £321.6k was earned during the year, a rise of £93.1k on the previous year's figure of £228.5k. Dividends from equity stocks and gilts provided £291.6k, and £30.2k was earned from interest on cash balances held (£1.7k in 2021/22).

## **Fundraising**

We raise money for the many charitable funds across the Trust and the focus in 2022/23 was to support various initiatives throughout the organisation.

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 2022/23.

As always we are extremely grateful to the individuals and groups who fundraise for our charity and provide any other support.

The charity also continues to support fundraising for the Foundation for the Prevention of Blindness Fund research charity.

## **Expenditure**

Direct charitable expenditure for the year was £1,989k, an increase of £774k on 2021/22 spend of £1,215k. Expenditure accounted for in 2022/23 included contributions to Staff Welfare and Amenities of £420k; Research and Education grants totalling £194k; Patient Welfare & Amenities totalling £512k and grants of £863k were provided for NHS Capital projects.

Support costs attributable to the grants of £45k brought the total grants figure to £2,034k. A further £428k (including £46k support costs) was incurred in the costs of generating funds for the charity, comprising £360k spent on generating voluntary income and £68k on investment management costs.

Major grants awarded during 2022/23 included: -

- a) £751k funding for specialist equipment and artwork for the new Royal Liverpool Hospital.
- b) £213k from the Foundation for the Prevention of Blindness fund to fit and equip the new Clinical Eye Research Centre, enhancing patient experience with an aesthetically pleasing environment.
- c) £179k from the Cardiac fund this is a pilot study to examine the effect of oral endothelin receptor antagonism on the index of microvascular resistance (IMR).
- d) £160k from the regional dialysis fund this is to purchase 11 fresenius 6008 dialysis machines for home dialysis supporting the growth of home therapies.
- e) £104k from grant received from Bayer for medical retina (ophthalmology) to purchase Optos camera including table and service agreement.

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 £79k. This included salary costs of £40.7k; Audit fees of £16k, and establishment/other expenses of £22.3k. This was an overall rise of £37k on last year's governance costs of £42k, primarily due to additional costs from incorporating activity from the former Aintree University Hospital charity.

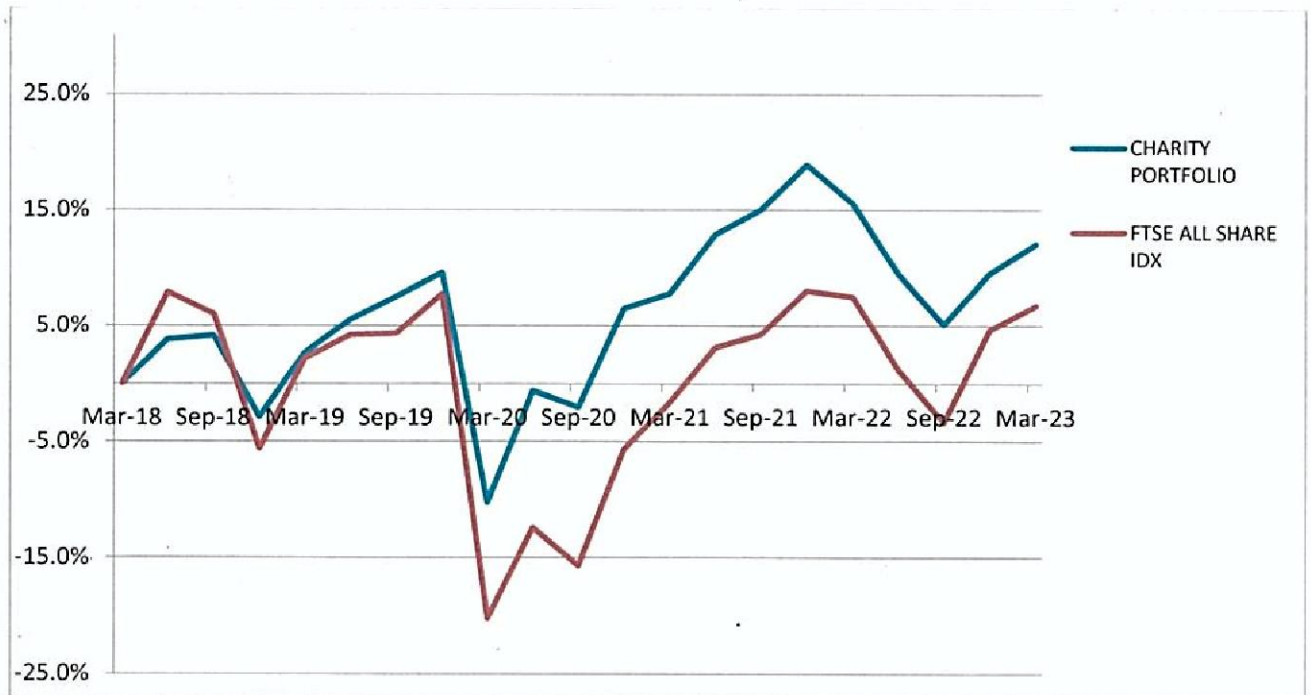
The overall charity spends in 2022/23 was consequently £2,541k in total (£1,784k in 2021/22).

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

At the start of the 2022/23 financial year (1<sup>st</sup> April 2022), the market value of the investment portfolio stood at £9,700k. Investment holdings totalling £2,829k were acquired during the year (including investment holdings of £808k from the transfer of assets from the Aintree University Hospital Charity), while investment holdings with a carrying value of £2,835k were disposed of during the year. The portfolio saw a fall in valuation during 2022/23, with an overall investment decrease of £343k in the financial year following a gain of £710k in 2021/22. This fall during 2022/23 equates to a -3.2% drop 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 down just -0.71% over the same 12-month period, and the FTSE-100 up +1.54%. The financial year ended with a closing balance as at 31<sup>st</sup> March 2023 of £10,159k 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 2017/18 (31<sup>st</sup> March 2018) to the end of 2022/23 (31<sup>st</sup> March 2023):

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



The portfolio has increased by 12.1% since 31<sup>st</sup> March 2018, with the strong rebound in 2020 and 2021 following covid related falls not being maintained in 2023. This growth also equates to a significant over performance against the FTSE-All Share index, which has risen just 6.8% over the same five-year period.

The investment portfolio also generated dividend returns of £302k in 2022/23 (£226.8k in 2021/22).

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

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 2023 were £8,452k, a drop of £89k on the previous year's balance of £8,541k. Although overall resources expended through charitable grants and administration were significantly higher than income received, the asset transfer from Aintree University Hospitals mitigated most of this difference.

The charity's total net assets comprised: -

- a) total fixed assets of £10,159k solely representing the value of the investment portfolio as at 31<sup>st</sup> March 2023.

- b) total current assets of £1,884k; including:
  - i) stocks of £5k in respect of fundraising activities, which have been valued at cost.
  - ii) debtors of £382k, including £234k for notified legacies, not yet received.
  - iii) cash balances of £1,497k 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 £3,214k.
- d) creditors falling due after more than one year of £377k.

### **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.

### **Reserves**

Fund balances as at 31<sup>st</sup> March 2023 total £8,452k; of which £80k is held as capital in perpetuity and as such cannot be freely expended.

There is a further £387k of funds held in the form of current assets (stocks £5k and debtors £382k) and as such these resources are not immediately available for expenditure.

### **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 £5k. 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 £5k. 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.

### **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. During 2022/23 the charity also supported the opening of the new Royal Liverpool Hospital in autumn 2022 and provided funding for the purchase of specialist equipment. The charity will continue to seek to support the purchase of highly specialist state of the art equipment wherever possible.

### **Conclusion**

2022/23 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. 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.

  
.....

21 / 12 / 2023

Chair

*Liverpool University Hospitals NHS Charitable Fund*

**SCHEDULE OF CHARITABLE FUNDS**

**Main Charity**

Liverpool University Hospitals NHS Charitable Fund.

**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.

### **Designated Funds (transferred across from AUH Charity)**

Staff Welfare, Training & Amenities Fund  
 Dr Ansell Fund (Permanent Endowment)  
 General Fund  
 Holding Fund  
 Ophthalmic Fund  
 Critical Care General Fund  
 Critical Care Research Fund  
 Gastro Directorate Fund  
 Urology Fund  
 Aintree Chest Research Fund (PEC)  
 Aintree Chest Research Fund (WAD)  
 Cardiology Directorate Fund  
 ENT Directorate Fund  
 ENT Surgery Course Fund  
 ENT Rhinology Fund  
 Prosthetic & Wheelchair Centre Fund  
 Thoracic Directorate Fund  
 Diabetes Research & Education Fund  
 Orthopaedic Directorate Fund  
 MFU Directorate Fund  
 Biochemistry Fund  
 Hepatobiliary Unit Fund  
 Radiology Directorate Fund  
 Stroke Unit Fund  
 The Sunshine Club Fund  
 Palliative Care Fund  
 End of Life Care Fund  
 Anaesthesia Directorate Fund  
 Breast Unit Fund  
 ENT Research & Education Fund  
 Renal Research & Education Fund

Renal Directorate Fund  
Colorectal Fund  
DME Directorate Fund  
Major Trauma Pathway Fund

# LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND

REGISTRATION NUMBER 1047988

## POLICIES

Issue date:	May 2023
Review date:	May 2026
Ratified Charitable Funds Committee:	11 <sup>th</sup> May 2023
Document Version:	1.1

Author  
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Aintree House  
Aintree University Hospital

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## 1. BACKGROUND

- 1.1 The balance of the Liverpool University Hospitals NHS Charitable Funds Fund originated from a merger between Royal Liverpool and Broadgreen Hospital NHS Trust and Aintree University Hospitals NHS Foundation Trust in 2019 and the amalgamation of the respective Trusts charitable funds.
- 1.2 A sub-committee of the Board (the Corporate Trustee), the Charitable Funds Committee, has delegated responsibility for the Charity. The Committee comprises 2 Non-Executive Directors, the Director of Communications and Marketing, the Chief Finance Officer, the Medical Director, and the Chief Nurse.
- 1.3 On behalf of Liverpool University Hospitals NHS Foundation Trust, the Charitable Funds Committee oversees the investment of Charity surpluses and Charity income and expenditure in accordance with approved policies and specified terms of individual designated funds.
- 1.4 Individual designated funds are registered with the Charity Commission under the Liverpool University Hospitals General Fund. The General Fund acts as an "umbrella" under which the individual funds are administered. The registration number is 1047988.
- 1.5 The objectives of the Liverpool University Hospitals Charitable Fund are defined as: -  
*"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 Services provided by Liverpool University Hospital NHS Foundation Trust".*
- 1.6 The Liverpool University Hospitals Charitable Fund umbrella Charity comprises approximately 40 – 50 funds. This includes the General Purposes Fund, denoted as the "umbrella" fund for registration purposes (which can be expended in accordance with the stated objective) and designated funds which have more specific terms, but which fall within the same overall objective. The term "designated" has an administration purpose only and does not legally restrict the Trustee's discretion to apply the fund unless a specific restriction has been applied to the donation (as may be the case with legacy income).
- 1.7 Each designated fund has its own authorised signatories who receive a monthly statement detailing all fund transactions. A signatory may raise orders and expend donations up to a level of £5,000 without prior reference to the Charitable Funds Committee. Items in excess of £5,000 (inclusive of VAT) must be approved by the Committee prior to the expenditure being incurred.
- 1.8 The Policies included in this document have been prepared by the Charitable Funds Committee and are designed to ensure that all charitable transactions are subject to the highest level of governance as expected by the Trust Board of Directors in its delegation of administrative powers to the Committee. These policies are supplemented by the Charitable Funds training and information pack which is available to all fund holders.
- 1.9 Insofar as they are relevant to the transactions of the Trust's Charity, the published policies of Liverpool University Hospitals NHS Foundation Trust will apply.

Consequently, the Policies in this document should be read in conjunction with the formal NHS Foundation Trust policies which are published on Trust intranet.

- 1.10 The Charity complies with data protection requirements. The 'data controller' of the Charity is the Trust, as its corporate trustee. Consequently, the Charity adheres to the Trust's data protection policies and guidelines.
  
- 1.11 Freedom of Information (FOI) legislation applies to the Charity in so much as its corporate trustee is a public authority and, therefore, subject to the legislation. Consequently, the published FOI policies of the Trust apply to the Charity.

## **2. INCOME POLICY**

### **2.1 Purpose**

- 2.1.1 The purpose of this statement is to record the Income Policy of the Charity and to document the procedures and rules to ensure that voluntary donations are properly accounted for.
- 2.1.2 Appendix Two provides a brief summary of what can be considered as a "donation".
- 2.1.3 As identified in Appendix Two, the receipt of commercial sponsorship for NHS activity is unlikely to be classed as a charitable donation. The Department of Health's publication "Commercial Sponsorship – Ethical Standards for the NHS" defines commercial sponsorship as "*NHS funding from an external source*" and describes activities such as staff training, hire of meeting rooms and refreshments, costs of a member of staff, etc. Consequently, such items will fall outside of the charitable definition and all such income must be paid into the appropriate Directorate's budget against which all the associated expenditure will be charged.
- 2.1.4 Only in specific circumstances, as approved by the Chief Finance Officer, will sponsorship be placed in the Trust's Charity. This will ordinarily be in circumstances when the sponsorship forms a very minor part of the income stream for an event that is clearly non-standard NHS activity, but one that meets the Trust's charitable objectives and for which the sponsor receives no significant commercial advantage. All benefactors of sponsorship (whether it is defined as commercial or charitable) must meet the disclosure requirements of the Trust's Code of Conduct Policy.
- 2.1.5 The receipt of sponsorship for charitable research projects is covered by the Trust's Research Policy statement.
- 2.1.6 Any correspondence relating to legacies and bequests must be directed to the Finance Manager Charitable Accounts on extension 2885.

### **2.2 Statement of Policies**

- 2.2.1 Legal entitlement to donated income is enforceable when it leaves the donor's hand, however, it is not always practical to identify it at that point.
- 2.2.2 The Trustee is responsible for identifying a point in the donation process where income can be reasonably recognised and for establishing controls at that point. This point is termed the boundary.

### The Boundary

- 2.2.3 The boundary for postal cheque donations is the Finance Directorate Office. Controls are in place to ensure the accurate recording of donations and the timely onward transmission of recorded cheques to the Cash Office, in order that they may be promptly deposited in the Trust's bank account.
- 2.2.4 The boundary for cheques and cash donated by hand on the hospital site is set at the Hospital Cash Office, where controls are in place to ensure the timely recording and banking of donated income. As donations are accepted at ward level, controls are in place to "bridge the gap" between the point at which the income leaves the donor's hand and the established boundary. The controls include information notices displayed in all patient areas.

### Donations

- 2.2.5 Donations must only be accepted if they are entirely unconditional or designated to an area that falls within the registered objects of the Charity. If inappropriate conditions or directions are placed on the donation, the donation must be politely and sensitively refused, and the reason explained. If the receipting officer is in any doubt about the appropriateness of accepting donations with restrictions placed upon it, they should consult the Finance Manager Charitable Accounts extension 2885.
- 2.2.6 All donations must be paid into a Cash Office at the earliest opportunity. This should be no later than the end of the shift following that on which the donation was made.
- 2.2.7 A receipt from an official Trust book must be given for all donations. Any spoiled receipts must be retained in the book. Wards may only hold one book at any one time, and it must be returned in order for the issue of a new one.
- 2.2.8 Wards, departments or individuals cannot set up Funds or open a bank account to receive donations.
- 2.2.9 Income from charitable fund invoices is not posted to designated funds until the cash has been received.
- 2.2.10 Guidance with regard to any queries relating to charitable income should be directed to the Finance Department on extension 2885.
- 2.2.11 If a gift is offered to an employee, the employee should refer to the Trust's "Standards of Personal and Business Conduct for Employees" Policy.
- 2.2.12 If a non-cash gift/donation is offered to the Trust, advice with regard how to proceed should be sought from the Finance Department on extension 2885.

## 2.3 Ethical and Legal Issues

- 2.3.1 Donations may only be accepted into the Charity on a non-commercial basis (i.e., the donor does not intend to benefit from any commercial gain from the transaction).
- 2.3.2 Consideration must also be given to any ethical issues that may arise in respect of a potential donation. Where it is felt that a donation is in conflict with the Charity's objectives or Government policies, the donation should not be accepted. For example, donations from companies that are involved in the tobacco or ordnance sectors are unlikely to be considered appropriate, although each situation will need to be viewed on its own individual merits.
- 2.3.3 Consideration should also be given to potential donations from companies that may be in a position to seek to provide a commercial service to the Trust. Again, each situation will need to be assessed in the light of specific prevailing circumstances.
- 2.3.4 The Bribery Act 2010, which repeals existing corruption legislation, has introduced the offences of offering and or receiving a bribe. It also places specific responsibility on organisations to have in place sufficient and adequate procedures to prevent bribery and corruption taking place. Under the act, bribery is defined as "Inducement for an action which is illegal unethical or a breach of trust."
- 2.3.5 Inducements can take the form of "gifts, loans, fees, rewards, or other privileges". Corruption is broadly defined as the offering or the acceptance of inducements, gifts or favours payments or benefit in kind which may influence the improper action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.
- 2.3.6 To demonstrate the organisation has sufficient and adequate procedures in place and to demonstrate openness and transparency, all staff are required to comply with the requirements of the Trust's Code of Conduct Policy.
- 2.3.7 For a more detailed explanation see the Anti-Bribery Policy. Should members of staff wish to report any concerns or allegations they should contact the appropriate persons contained within the Trust's Whistleblowing Policy.

### **3. FUNDRAISING POLICY**

#### **3.1 Introduction & Definitions**

- 3.1.1 The Corporate Trustee of the Charity has a legal responsibility to ensure that all official fundraising is undertaken in an appropriate manner with due regard for the process (Section 3.2).
- 3.1.2 The purpose of this statement is to record the Fundraising Policy of the Charity and to ensure that procedures are in place so that formal fundraising is controlled and undertaken appropriately. Department Heads are responsible for ensuring that this Policy is adhered to within their area of responsibility.
- 3.1.3 Informal fundraising (i.e. merely stating that the proceeds from an activity will be donated to the Trust as opposed to the activity actually being facilitated by the Trust) is not covered by this Policy (although paragraph 3.2.4 does state that the Trust's Communications Department will provide publicity, as deemed appropriate, for funds raised on an informal basis at the point when the proceeds are to be formally deposited at the Trust). Where a proposed fundraising activity is being facilitated by the signatories of a designated fund, then the activity must be registered as "formal fundraising" and the processes identified in this Policy must be applied.
- 3.1.4 The responsibility for informal fundraising activity lies entirely with the volunteer organising the activity. Wherever possible, the volunteer fundraiser should be advised that they do not have the power to transfer that responsibility to the Trust without a formal application to the Charitable Funds Committee to register the activity as formal fundraising. That said, and wherever possible, the volunteer fundraiser should be advised of the entire contents of this note as an indication of the issues that the Trust would like all volunteer (informal) fundraisers to consider when raising money to be ultimately donated to the Trust. It should also be emphasised to the fundraiser (where it is within our power) that all donations must be paid over to the Trust at the earliest opportunity.
- 3.1.5 The issue of employees seeking sponsorship from a commercial organisation for a particular activity or event is discussed in Section 2, "Income Policy" (and the Trust's Code of Conduct Policy).

#### **3.2 Process**

- 3.2.1 The intention to undertake official fundraising and requesting sponsorship must firstly be discussed and agreed with the relevant Department Head.
- 3.2.2 The Department Head must email a request to officially register the activity to the Finance Manager Charitable Accounts (detailing the proposed administrative arrangements and the reasons for the fundraising). As part of the approval process, the Financial Accountant will need to be satisfied that all administrative and financial arrangements (such as public liability insurance, licences, cash controls, etc) are robust and appropriate and that the proposed activity is acceptable in terms of the Trust's reputation.

- 3.2.3 Official Fundraising must only commence once the Department Head has received an approval email from the Finance Department.
- 3.2.4 The Trust's Fundraising and Communications Department will offer support with regard to publicity for formal activity. Publicity for informal activities will only be provided at the point of formal donation, if deemed appropriate.
- 3.2.5 On completion of the activity, the Department Head must ensure that all funds raised are deposited immediately at a Trust Cash Office and referenced appropriately. A summary financial statement must be provided to the Finance Manager Charitable Accounts in order that an effective audit trail is created, and that the activity is correctly recorded in the Charity's accounts.

### 3.3 Points to Note

- 3.3.1 Fundraising is not a charitable purpose in itself.
- 3.3.2 "Non-primary purpose trading" (i.e., expending donated money on miscellaneous items for resale in the anticipation of making a profit) is not permitted.
- 3.3.3 Except for instances related to clause 3.3.4, existing donations must not be expended on the costs of running a fundraising event until such time as adequate sponsorship is secured. That is to say, existing charitable donations must not be risked.
- 3.3.4 In certain circumstances, it may be deemed unavoidable for existing funds to be committed in order to run a large event (for example, a deposit to secure the hire of a venue). Provided there is a reasonable "guarantee" that sufficient money will be recovered to cover up front costs (such as pledges of attendance, etc) the Charitable Funds Committee may consider approving the use of existing funds.
- 3.3.5 Lotteries not requiring a license, such as incidental and non-commercial lotteries and raffles may be used for fundraising purposes, providing they meet the requirements of the Gambling Act 2005.
- 3.3.6 Anyone attending a specific event can participate, but tickets can only be sold, and the prizes (which must not total more than £500) determined, at the actual "one off" event. Lotteries are governed by the Gambling Act 2005 and the Act must be referred to by anyone intending to run a lottery, whether it requires a license or not. The law regulating gaming is complex and extreme care must be taken to ensure compliance. The prior authorisation of the Charitable Funds Committee must be obtained to run a lottery requiring a license. (The request should be directed to the Trust's Finance Department on extension 2885).
- 3.3.7 Street and doorstep collections will not be sanctioned as official Trust fundraising.
- 3.3.8 All formal fundraising literature must be sanctioned by the Trust's Communications Department. The reputation of the Trust must be a foremost consideration in all formal fundraising.

- 3.3.9 Trust Employees that are contemplating engaging the services of a "celebrity" to assist in fundraising activities must seek guidance from the Trust's Communications Team before proceeding.
- 3.3.10 Trust employees responsible for fundraising activities must ensure that all non-employees who attend the Trust in a fundraising capacity are appropriately accompanied.

## **4. EXPENDITURE POLICY**

### **4.1 Purpose**

- 4.1.1 The purpose of this statement is to identify how charitable donations and investment income should be applied.

### **4.2 Charity's Objectives**

- 4.2.1 Donations received by the charity may be expended on "any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by Liverpool University Hospitals NHS Foundation Trust".

### **4.3 Charity Law**

- 4.3.1 The Charity Act 2011 sets out a number of charitable purposes. The purpose relevant to the Trust's Charity is the advancement of health. The Act also states that a purpose is not charitable unless it benefits the public as a whole or a sufficient section of the public.

### **4.4 Statement of Policy**

- 4.4.1 Charitable funds will not be used to replace or subsidise a service that Exchequer has an obligation to provide, however, it is recognised that they can be used to enhance or supplement an existing service. Expenditure must comply with the following criteria.

#### Criteria for Expenditure

- 4.4.2 Expenditure will only be permitted for goods or services that are not considered essential to the "mainstream" activities of the Trust. Goods or services that are considered essential to the "mainstream" activities of the Trust must always be funded from Exchequer budgets (i.e., from taxpayers' funds).
- 4.4.3 All expenditure will comply with the objects as laid down in the Charity's Governing Document.
- 4.4.4 Expenditure will be approved where funds have been donated for a purpose that is clearly charitable under law.
- 4.4.5 Charitable funds exist to provide benefits for NHS patients and staff. Examples of such are as follows: -
- i) Patients: Improvement of environment, medical equipment, medical research, etc.
  - ii) Staff: Training and education, staff room items, social events, and amenities.

(Expenditure on staff amenities, social events, etc, meets the Charity's objectives by improving morale and consequently workplace performance, thereby enhancing patient care. However, each expenditure item must be justifiable and not too remote and be clearly expenditure that cannot be justified by the Trust).

- 4.4.6 Unless agreed by the Charitable Funds Committee, existing donations must not be expended on the costs of any goods or activity procured with the sole aim of attempting to generate additional income. That is to say, existing charitable donations must not be put at risk.

#### Delegated Limits

- 4.4.7 The Director of Communications and Marketing and Chief Finance Officer have delegated responsibility to act as authorised signatory for items from General Funds up to £5,000.
- 4.4.8 Authority to approve expenditure from designated funds, up to a maximum of £5,000, is delegated to the authorised signatories of those funds as approved by the Charitable Funds Committee. However, each item of charitable expenditure from designated funds is officially verified by the Finance Manager Charitable Accounts prior to payment.
- 4.4.9 The Trust Board has delegated responsibility to approve all expenditure requests in excess of £5,000 to the Charitable Funds Committee before the Trust becomes legally committed to the expenditure.
- 4.4.10 The Charitable Funds Committee has delegated responsibility to approve all expenditure requests below £5,000 to the Chief Finance Officer or nominated Deputy. Each item of expenditure must be approved accordingly before a payment is processed.
- 4.4.11 The Charitable Funds Committee shall bring any matters of concern to the attention of the Trust's Board of Directors.

#### General Points

- 4.4.12 General Funds will only be used on an exceptional basis to support recurrent expenditure. These instances will require the explicit prior approval of the Committee.
- 4.4.13 The Trustee would normally expect to spend at the same level as income is received taking one year with another. (See also the Charity's Reserves Policy).
- 4.4.14 Any information provided to support charitable expenditure may be disclosed to the Trust's Local Counter Fraud Specialist or Local Security Management Specialist for the purpose of verification and also for the investigation, prevention, detection and prosecution of fraud or theft. It should be noted that if false or inaccurate information is provided then action may be taken in the form of either criminal prosecution or civil recovery proceedings.
- 4.4.15 If expenditure is incurred in respect of employee costs (e.g., for fundraising or research purposes) the employees must be advised that the Trust's HR policies will apply to their employment. However, they should be advised that, in terms of the Trust's "Raising Concerns Policy", the relevant body to whom concerns about the Trust's Charity should be directed to is the Charity Commission.

## **5. RESEARCH POLICY**

### **5.1 Purpose**

5.1.1 The purpose of this statement is to ensure that the rules and regulations of the Charity Commission, relating to charitable research, are adhered to. This statement is designed to reinforce and clarify existing policy in this area.

### **5.2 Definitions and Statement of Policy**

5.2.1 Charitable Fund guidance is explicit in its definition of 'charitable research'.

- a) Income received for the purpose of conducting commercial research is not charitable.
- b) Where a commercial company contracts with the Trust or its employees to undertake clinical trials, the results are not usually the property of the Trust. In these circumstances, the monies received are regarded as a business service and paid into and controlled through exchequer funds.
- c) Research can only be deemed charitable in nature if the results advance public education and are not commercially exploited by the sponsoring organisation.

5.2.2 In order to confirm the non-commercial nature of funding, all donations from commercial organisations must be accompanied by an official letter from the donor stating that the donation is an unrestricted free gift. This effectively means that the Trustee has full discretion as to how to apply the funds.

5.2.3 In the case of any charitable research to which the Charity devotes any donated resources, the basic duties of the Committee are to aim to ensure the following.

- i) The research falls within the scope of the Charity's purposes and its powers and is an effective way of fulfilling those charitable purposes.
- ii) The research is well managed and cost-effective.
- iii) The research is of good quality.
- iv) The research is used with the aim of achieving a public benefit. Delivering public benefit is usually achieved by the useful results being published.

5.2.4 Charitable research grants may only be approved by the Committee once the research plan has been formally approved by the Research and Development Department.

5.2.5 For all research grants approved by the Committee, a 6-monthly progress report must be provided by the research team which justifies the expenditure in terms of how a public benefit has been achieved.

## **6. INVESTMENT POLICY**

### **6.1 Introduction**

The Investment Policies of the Liverpool University NHS Charitable Funds are as detailed in the LUHFT Charity Investment Guidelines and LUHFT Charity Ethical Guidelines approved by the Charitable Funds Committee in March 2023 and included in appendix three and four.

## **7. RESERVES POLICY**

### **7.1 Background**

7.1.1 In order to comply with Charity Commission requirements, it is necessary that the Trustee maintains a Reserves Policy.

### **7.2 Definition**

7.2.1 Reserves are that part of a charity's funds that are available for its general purposes after meeting its commitments and other planned expenditure. Reserves include unrestricted funds or income that can be expended at the Trustee's' discretion in furtherance of the charity's aims and objectives. Such funds can be earmarked for a particular project, but such a designation has an administrative purpose only and does not legally restrict the Trustee's discretion to apply the fund.

### **7.3 Aims & Objectives**

7.3.1 Donations received by the charity may be expended on "any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by Liverpool University Hospitals NHS Foundation Trust".

### **7.4 Principles**

7.4.1 In producing a policy statement on Reserves the following principles have been recognised: -

- a) Charity income, which largely comprises donations, legacies and investment income is by its very nature uncertain.
- b) Income should be applied as soon as is reasonably practical after receipt.
- c) Resources at the disposal of the Charity must be applied as effectively as possible.
- d) The Governing Document contains no express legal power allowing the Trustee to hold income in reserve instead of expending it promptly. However, the duty on the Trustee to administer the Charity efficiently carries with it an implied legal power to retain reserves where this is in the Charity's best interest and can be supported by business plans and budgets (e.g., accumulation is permissible against a clearly defined future use).
- e) There is a need to secure charity viability beyond the immediate future.
- f) The needs of present and future beneficiaries must be balanced.
- g) While the Charity should not appear to the general public to be subsidising the NHS, donor's past, present and future need assurance that funds are not being retained which could be used with immediate effect to alleviate acute need.

## 7.5 Statement of Policy

- 7.5.1 It is the Trustee's determination to demonstrate prudent stewardship of the Charity and to ensure that the level of reserves is appropriate to charity circumstances.
- 7.5.2 In producing this Policy, the Trustee has taken into consideration Charity Commission and NHS guidance.
- 7.5.3 The Trustee is permitted to establish and maintain reserves for the following purposes
- (i) to avoid fluctuations in the amounts of income distributed.
  - (ii) to meet current or anticipated expenses properly payable out of income.
- 7.5.4 The Trustee would expect to spend at the same level as income is received taking one year with another.
- 7.5.5 Unrealised gains on investments will not be included in the calculation of reserves as they are not freely available for the Charity to spend until such time as they are realised.
- 7.5.6 Where unrealised gains are built up, investments may be sold, and the gains expended in accordance with charity objects.
- 7.5.7 The Charity will not undertake any major fundraising appeals unless a specific need or cause is clearly identified and approved by the Trustee. Minor fundraising will continue to be permitted at ward level, subject to the Trust's Fundraising Policy.
- 7.5.8 Where it is anticipated that reserves will rise above a level equivalent to 36 months budgeted expenditure, action will be taken to expend (unless saving for a specific item), in accordance with charity objects, down to a level below this threshold.
- 7.5.9 Reserves will not be permitted to fall below a level equivalent to 6 months forecast expenditure.
- 7.5.10 The Charity's Annual Report will include a brief statement on the current level of reserves with reference to this policy.

## 7.6 Policy Implementation

- 7.6.1 The Charitable Funds Committee are responsible for reviewing income and expenditure and making proposals to ensure that forecast expenditure and reserves are kept at an appropriate level.
- 7.6.2 Annually, a business plan including a 3-year prediction of charity income and expenditure will be put before the Charitable Funds Committee.
- 7.6.3 Detailed proposals for spending reserves in line with this policy will be considered as required at Charitable Funds Committee meetings.

## **GUIDANCE FOR SIGNATORIES OF DESIGNATED FUNDS**

### **DEFINITION:**

Charitable Funds cannot be used to replace or subsidise a service which the state has a duty to provide. They can, however, be used to enhance an existing service or to purchase items which are not normally provided from exchequer sources – such as additional items of expensive medical equipment.

As the purpose of Charity is to enhance the provision of patient care services, only charitable donations that meet this criterion can be accepted. For instance, if an individual wishes to donate and stipulates that it must be spent on staff uniforms, regrettably, the Trust is not legally entitled to accept the donation as the intended expenditure would fall outside of the Charity's remit. Similarly, if a stipulation is made that a donation must be spent on a certain piece of equipment for which the Trust has no means of meeting the ongoing revenue consequences (maintenance, etc) the donation must be declined.

The Charitable Funds Committee has requested that, for all material donations where any doubt exists concerning its appropriateness, the recipient should seek confirmation from the Committee prior to accepting the donation.

Each month, a statement will be emailed to all the authorised signatories of the Fund, detailing the income into, and expenditure out of, the Fund.

### **INCOME:**

Any income received must be formally receipted in a Trust Charitable Fund Receipt Book and paid into a Trust Cash Office at the earliest opportunity. The Receipt must be appropriately annotated if the donation is intended to benefit a specific area of the Trust. Cheques should be payable to "Liverpool University Hospitals Charitable Funds".

### **PAYMENTS:**

Where possible, the Trust's standard procurement systems should be used to place orders (e.g., Supplies and IT requisitions). If, exceptionally, a request for payment does not originate from an official order, the request must record the Fund Number from which the payment is to be made, be supported by relevant invoices/receipts, and be authorised in accordance with the Trust's scheme of delegation.

Proposed expenditure in excess of £5,000 (including VAT) requires the authorisation of the Charitable Funds Committee before the expenditure is incurred. Approval must be sought by sending details of the proposed expenditure to the Committee, via the Finance Manager Charitable Accounts.

Any queries regarding this guidance should be directed to the Finance Manager Charitable Accounts on extension 2885.

## **GUIDANCE AS TO WHAT MAY BE TREATED AS A DONATION**

**Charitable donations:** A donation is basically a receipt for which nothing is provided in return. In an acute hospital environment, donations will tend to originate either from members of the public or institutions who wish to acknowledge their thanks for the work undertaken by the Trust and its staff.

**Income generation:** If the Trust provides a service or goods to a third party, for which it receives payment, then this is income generation and the proceeds must be paid into the Directorate's budget.

**Income from a Commercial Organisation:** To be treated as a donation, income from a commercial organisation must be accompanied by an official letter stating that the donation is an unrestricted "free gift" and that no reciprocal action is required on the part of the Trust. This effectively means that the Trustee has full discretion as to how to apply the funds. Clinical trials and sponsored research will rarely meet this criterion and will generally be credited to the Trust's research and development budget. Whether charitable or commercial, all research must be registered with the Trust's R&D Directorate.

**Commercial Sponsorship:** Sponsorship received from commercial organisations is usually related to a particular NHS activity, the attendance of an employee at a conference or the funding of Directorate meetings, etc. In such cases, the income is referred to as non NHS funding of a NHS activity and should be paid into the Directorate's budget. The income will simply be matched to the associated expenditure (costs of the activity) and there are no charitable implications. However, it is important for all recipients of sponsorship to be fully aware of the Trust's Code of Conduct Policy which determines the declaration responsibilities of the individual.

**Course / Conference fees:** Provided that the course/conference being run by the Trust is "charitable", then fees received from course attendees may be paid into a charitable fund. To be termed "charitable" the Director of Finance must be satisfied that the event is something that the Trust is not ordinarily expected to provide, that it provides a public benefit and that it meets the Charity's objective and is not merely a vehicle for generating income. In addition, all associated expenditure (e.g. pay costs, room hire, refreshments, etc) must be charged to the Charity. Most courses will be run through a Directorate's budget and not through the Charity.

**Employee's fees:** If a Trust employee receives a fee for work done outside of his/her contract with the Trust, then the fee may be donated to the Trust by the employee after he/she has paid the tax on it. The Charity may recover the tax on the donation at the basic rate if the donor completes a gift aid certificate. The donor may ultimately be responsible for administering the donation (because it falls within their specialty) but the donor may not gain a personal benefit from it. This would include any activity or good which HM Revenue and Customs may perceive to be the equivalent of a payment for a service provided by an employee.

**Designated donations:** Donors are encouraged to identify the specific area of care to which they would wish to see their donations used. However, if the criteria set by the donor restricts the Trust to something that it has a statutory duty to undertake (e.g. provision of uniforms) then the donation, unfortunately, cannot be accepted. Similarly, if there is a commitment to unaffordable recurring expenditure consequences resulting from a designated donation (e.g. maintenance) then the donation should not be accepted.



## **LIVERPOOL UNIVERSITY HOSPITALS NHS FOUNDATION TRUST**

### **CHARITABLE INVESTMENT MANAGEMENT GUIDELINES**

#### **1.1 INVESTMENT OBJECTIVES**

- 1.1 To maximise total return through a diversified portfolio to an acceptable level of risk, assets should be invested in a diversified portfolio which does not have excessive exposure to any specific sector or industry. The portfolio should take into consideration ethical, health and sustainability issues relevant to the Trust.
- 1.2 The portfolio should be 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 long term total return on investments.
- 1.2.3 The total return target is CPI +4% over the long term
- 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) The portfolio will be invested in a diversified multi-asset class portfolio and may invest in the following asset classes:
- Cash or near cash instruments, including Money Market Funds
  - Fixed Income Investments: Government, Supranational and Corporate (individual bonds should not have a credit rating lower than BBB)
  - UK Government securities, International sovereign securities & supranational bonds
  - Listed Equities: UK & Global
  - Structured Notes
  - Collective Investment Funds
  - Exchange Traded Funds (ETF)
  - Infrastructure

- Commodities
  - Real Estate
  - Alternative Investments
  - Diversifiers
- 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) It is intended that the maximum value of one equity holding will not materially exceed 7.5% of the total equity value within the portfolio.
- e) It is intended that the maximum value of one Collective investment fund or ETF will not materially exceed 10% of the total equity value within the portfolio.
- f) The portfolio should be diversified by asset class, geography and sector.
- 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 (Please refer to Ethical Investment Policy)
- 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(s) will be evaluated against a suitable benchmark measure approved by the Trustee.

**Long Term Target: CPI +4%**

- 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.

#### **Review**

This policy will be reviewed on an annual basis.

## LIVERPOOL UNIVERSITY HOSPITALS NHS FOUNDATION TRUST

### CHARITABLE ETHICAL INVESTMENT GUIDELINES

#### 1.5 ETHICAL & SUSTAINABILITY OBJECTIVES

- 1.3 The purpose of this document is to set out how we wish for the investment portfolios to be managed in accordance with the values of the Trust. The Trust wish for the portfolio to reflect the values and ethics of the Charity.

#### 1.6 ETHICAL RESTRICTIONS

- 1.6.1 The trust wish for the portfolio to exclude direct holdings in certain sectors – below is the list of direct holding exclusions, their definitions and thresholds.

**Alcohol:**

All companies deriving 5% or more revenue from the production of alcohol-related products, or those deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products.

**Gambling:**

All companies deriving 5% or more revenue from ownership of operation of gambling-related business activities, or those deriving 15% or more aggregate revenue from gambling-related business activities.

**Tobacco:**

All companies classified as a “Producer”, or those that derive 5% or more aggregate revenue from the production, distribution, retail and supply of tobacco-related products.

**Adult Entertainment:**

All companies deriving 5% or more revenue from the production of adult entertainment materials, or those deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment.

**Armaments:**

**Conventional Weapons:** All companies deriving 5% or more from the production of conventional weapons, or those that derive 15% or more aggregate revenue from weapons systems, components, and support systems and services. **Nuclear Weapons:** All companies that manufacture nuclear warheads or missiles, components, or delivery platforms for use in nuclear weapons. **Controversial Weapons:**

All companies with any ties to controversial weapons, including companies involved in the manufacturer and production of cluster munitions, landmines, depleted uranium manufacturer, biological and chemical.

**Civilian Firearms:** All companies classified as a “Producer”, or those that derive 5% or more revenue from the distribution of civilian firearms.

**Fossil Fuels:**

Any investment in fossil fuels should be done on a best of sector basis from an environmental perspective. This will include all companies that have proven and probable coal reserves and/or oil and natural gas reserves used for energy purposes. Reserves are considered to be used for energy purposes in the case of companies with the following Global Industry-Classification Standard (GICS) classification:

(a) Oil, Gas and Consumable Fuels Industry (b) Energy Equipment and Services Industry (c) Utilities Sector (d) Diversified Metals and Mining Sub-Industry.

**1.7 ENVIRONMENTAL, SOCIAL & GOVERNANCE**

- 1.7.1 The Trust requires the portfolio manager to consider Environmental, Social and Governance (ESG) factors when constructing the portfolio and making investment decisions.
- 1.7.2 The manager shall vote and engage with the underlying companies to promote best practice and long-term sustainability.
- 1.7.3 The manager shall provide, upon request, reports on ESG, Voting & Engagement relevant to our investment portfolio.

**1.8 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)**

- 1.8.1 The portfolio will be invested in a globally diversified multi-asset class portfolio, subject to the ethical restrictions outlined above and consideration of ESG factors. The trust is keen to maximise risk-adjusted return on the investments and where possible have a positive influence on the world.
- 1.8.2 To this end, the portfolio manager is required to consider the 17 UN SDGs when making an investment decision. How a company is seeking to address at least one of these goals and supporting the aims of the UN SDGs.

**1.5 REVIEW**

- 1.5.1 This policy will be reviewed on an annual basis.

**FINANCIAL  
STATEMENTS  
2022/2023**

## Statement of Financial Activities for the year ended 31 March 2023

	Note	2022/23 Unrestricted Funds £000	2022/23 Restricted Funds £000	2022/23 Endowment Funds £000	2022/23 Total Funds £000	2021-22 Unrestricted Funds £000	2021-22 Restricted Funds £000	2021-22 Endowment Funds £000	2021-22 Total Funds £000
<b>Income and Endowments from:</b>									
Donations & Legacies	2.1	95	1,417	0	1,512	0	1,058	0	1,058
Other Trading activities	2.2	0	0	0	0	0	0	0	0
Investments	2.3	0	322	0	322	0	229	0	229
Funds transfer in from AUII Charity	2.4	715	240	6	961	0	0	0	0
<b>Total Income &amp; Endowments</b>		<b>810</b>	<b>1,979</b>	<b>6</b>	<b>2,795</b>	<b>0</b>	<b>1,287</b>	<b>0</b>	<b>1,287</b>
<b>Expenditure on:</b>									
Raising funds	3	0	428	0	428	0	501	0	501
Charitable activities	4	189	1,845	0	2,034	0	1,241	0	1,241
Governance	5	0	79	0	79	0	42	0	42
<b>Total Expenditure</b>		<b>189</b>	<b>2,352</b>	<b>0</b>	<b>2,541</b>	<b>0</b>	<b>1,784</b>	<b>0</b>	<b>1,784</b>
Net Gains / (Losses) on Investments	8	(37)	(303)	(3)	(343)	0	712	(2)	710
<b>Net Income / (Expenditure)</b>		<b>584</b>	<b>(676)</b>	<b>3</b>	<b>(89)</b>	<b>0</b>	<b>215</b>	<b>(2)</b>	<b>213</b>
Transfers between funds		0	0	0	0	0	0	0	0
<b>Net movement in funds</b>	6	<b>584</b>	<b>(676)</b>	<b>3</b>	<b>(89)</b>	<b>0</b>	<b>215</b>	<b>(2)</b>	<b>213</b>
<b>Reconciliation of funds:</b>									
Fund balances carried forward at 31 MARCH 2022		0	8,464	77	8,541	0	8,249	79	8,328
<b>Fund balances carried forward at 31 MARCH 2023</b>		<b>584</b>	<b>7,788</b>	<b>80</b>	<b>8,452</b>	<b>0</b>	<b>8,464</b>	<b>77</b>	<b>8,541</b>

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

## Balance Sheet as at 31 March 2023

	Notes	Unrestricted Funds 31.03.23 £000	Restricted Funds 31.03.23 £000	Endowment Funds 31.03.23 £000	Total at 31 March 2023 £000	Unrestricted Funds 31.03.22 £000	Restricted Funds 31.03.22 £000	Endowment Funds 31.03.22 £000	Total at 31 March 2022 £000
<b>Fixed assets:</b>									
Investments	8.2	657	9,428	74	10,159	0	9,623	77	9,700
<b>Total Fixed Assets</b>		<b>657</b>	<b>9,428</b>	<b>74</b>	<b>10,159</b>	<b>0</b>	<b>9,623</b>	<b>77</b>	<b>9,700</b>
<b>Current assets:</b>									
Stocks		0	5	0	5	0	5	0	5
Debtors	10	6	376	0	382	0	634	0	634
Cash at bank and in hand		0	1,491	6	1,497	0	1,024	0	1,024
<b>Total Current Assets</b>		<b>6</b>	<b>1,872</b>	<b>6</b>	<b>1,884</b>	<b>0</b>	<b>1,663</b>	<b>0</b>	<b>1,663</b>
Creditors: Amounts falling due within one year	11.1	79	3,135	0	3,214	0	2,429	0	2,429
<b>Net Current Assets / (Liabilities)</b>		<b>(73)</b>	<b>(1,263)</b>	<b>6</b>	<b>(1,330)</b>	<b>0</b>	<b>(766)</b>	<b>0</b>	<b>(766)</b>
<b>Total Assets less Current Liabilities</b>		<b>584</b>	<b>8,165</b>	<b>80</b>	<b>8,829</b>	<b>0</b>	<b>8,857</b>	<b>77</b>	<b>8,934</b>
Creditors: Amounts falling due after more than one year	11.2	0	377	0	377	0	393	0	393
<b>Total Net Assets</b>		<b>584</b>	<b>7,788</b>	<b>80</b>	<b>8,452</b>	<b>0</b>	<b>8,464</b>	<b>77</b>	<b>8,541</b>
<b>Funds of the Charity</b>									
<b>Capital Funds:</b>									
Endowment funds	12.1	0	0	80	80	0	0	77	77
<b>Income Funds:</b>									
Restricted income funds	12.5	0	7,788	0	7,788	0	8,464	0	8,464
Unrestricted funds		584	0	0	584	0	0	0	0
<b>Total charity funds</b>		<b>584</b>	<b>7,788</b>	<b>80</b>	<b>8,452</b>	<b>0</b>	<b>8,464</b>	<b>77</b>	<b>8,541</b>

The notes at pages 47 to 60 form part of these financial statements.

Signed:



Date: 21/12/2023

## Statement of Cash Flows for the year ended 31 March 2023

	Total 2022/23 £000	Total 2022/22 £000
<b>Cash flows from Operating Activities:</b>		
Net Cash provided by (used in) operating activities	<u>(100)</u>	<u>(601)</u>
<b>Cash flows from investing activities:</b>		
Returns on Investments	322	229
Proceeds from sale of investments	2,835	2,119
Purchase of Investments	(2,829)	(2,119)
Acquisition of AUH less cash acquired	<u>245</u>	<u>0</u>
<b>Net cash provided by (used in) investing activities</b>	<b>573</b>	<b>229</b>
<b>Change in cash and cash equivalents</b>	<b><u>473</u></b>	<b><u>(372)</u></b>
<b>Cash and Cash equivalents at the start of the year</b>	<b>1,024</b>	<b>1,396</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b><u>1,497</u></b>	<b><u>1,024</u></b>
<b>Reconciliation of net income / (expenditure) to net cash flow from Operating activities</b>		
Net income / (expenditure) as per the SOFA	(89)	213
Dividends and Interest from Investments	(322)	(229)
(Increase) / decrease in Stocks	0	0
(Increase) / decrease in Debtors	354	(481)
Increase / (decrease) in Creditors	575	606
(Increase) / decrease in Investment Gains / Losses	343	(710)
Non-Cash Transfer from AUH	(961)	0
<b>Net cash (outflow) / inflow from operating activities</b>	<b><u>(100)</u></b>	<b><u>(601)</u></b>

# LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND

## 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.

Liverpool University Hospitals NHS Charitable Fund 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, notwithstanding the net current liabilities at year-end, given the high levels of cash and readily realisable 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).

##### (c) Entity Combinations

Entity combinations for public benefit entities are accounted for in accordance with paragraph PBE 34.75 of FRS 102. The combination with AUH for nil consideration is in substance a gift. The excess of the fair value of the assets received over the fair value of the liabilities assumed is recognised as a gain in the Statement of Financial Activities, representing the gift of the value of one entity to another and is recognised as income. Further details are shown in note 9.

#### 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 no such gifts were received in the current or prior 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.

**1.6 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 Liverpool University Hospitals NHS Charitable Fund's 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.

**1.14 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.

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

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

**Trust Board Members**

S Musson	Chair (to February 2023)
D Flory	Chair (from February 2023)
T Johnston	Non Executive Director (to October 2022)
M Eastwood	Non Executive Director
S Samuels	Non Executive Director
E de Sousa	Non Executive Director
N Willcox	Non Executive Director (to March 2023)
I Ismail	Non Executive Director
Prof T Walley	Non Executive Director
D Gilbert	Non Executive Director (from December 2022)
H Citrine	Non Executive Director (from January 2023)
D Dalton	Interim Chief Executive Officer (from September 2021 to May 2022)
J Sumner	Chief Executive Officer (from May 2022)
E Inglesby-Burke	Interim Chief Nurse (from October 2021 to June 2022)
D Melia	Chief Nurse (from July 2022)
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)
H Bennett	Chief People Officer (from January 2023)
B Weston	Chief Operating Officer

<b>Donations &amp; Legacies</b>	<b>2.1</b>		<b>Unrestricted 2022-23 Funds £000</b>	<b>Restricted 2022-23 Funds £000</b>	<b>Endowment 2022-23 Funds £000</b>	<b>Total 2022-23 Funds £000</b>	<b>Total 2021-22 Funds £000</b>
		Donations	95	685	0	780	569
		Legacies	0	732	0	732	489
		<b>Total</b>	<b>95</b>	<b>1,417</b>	<b>0</b>	<b>1,512</b>	<b>1,058</b>
<b>Trading Activities</b>	<b>2.2</b>		<b>Unrestricted 2022-23 Funds £000</b>	<b>Restricted 2022-23 Funds £000</b>	<b>Endowment 2022-23 Funds £000</b>	<b>Total 2022-23 Funds £000</b>	<b>Total 2021-22 Funds £000</b>
		Fundraising	0	0	0	0	0
		<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment Income</b>	<b>2.3</b>		<b>Unrestricted 2022-23 Funds £000</b>	<b>Restricted 2022-23 Funds £000</b>	<b>Endowment 2022-23 Funds £000</b>	<b>Total 2022-23 Funds £000</b>	<b>Total 2021-22 Funds £000</b>
		Dividends and investment Interest	0	302	0	302	227
		Bank Interest	0	20	0	20	2
		<b>Total</b>	<b>0</b>	<b>322</b>	<b>0</b>	<b>322</b>	<b>229</b>
<b>Donation from AUH Charity</b>	<b>2.4</b>		<b>Unrestricted 2022-23 Funds £000</b>	<b>Restricted 2022-23 Funds £000</b>	<b>Endowment 2022-23 Funds £000</b>	<b>Total 2022-23 Funds £000</b>	<b>Total 2021-22 Funds £000</b>
		Transfer in from AUH Charity	715	240	6	961	0
		<b>Total</b>	<b>715</b>	<b>240</b>	<b>6</b>	<b>961</b>	<b>0</b>
<b>Expenditure on Raising funds</b>	<b>3</b>		<b>Unrestricted 2022-23 Funds £000</b>	<b>Restricted 2022-23 Funds £000</b>	<b>Endowment 2022-23 Funds £000</b>	<b>Total 2022-23 Funds £000</b>	<b>Total 2021-22 Funds £000</b>
		Fundraising Costs	0	360	0	360	442
		Investment Management	0	68	0	68	59
		<b>Total</b>	<b>0</b>	<b>428</b>	<b>0</b>	<b>428</b>	<b>501</b>
<b>Expenditure on Charitable Activities</b>	<b>4</b>		<b>Unrestricted 2022-23 Funds £000</b>	<b>Restricted 2022-23 Funds £000</b>	<b>Endowment 2022-23 Funds £000</b>	<b>Total 2022-23 Funds £000</b>	<b>Total 2021-22 Funds £000</b>
		Patients Welfare & amenities	83	440	0	523	62
		Staff Welfare & amenities	86	344	0	430	276
		Research & Education	12	186	0	198	325
		Contributions to NHS Capital	8	875	0	883	578
		<b>Total</b>	<b>189</b>	<b>1,845</b>	<b>0</b>	<b>2,034</b>	<b>1,241</b>

Expenditure Other	5	Unrestricted 2022-23 Funds £000	Restricted 2022- 23 Funds £000	Endowment 2022-23 Funds £000	Total 2022-23 Funds £000	Total 2021-22 Funds £000
Governance		0	79	0	79	42
<b>Total</b>		<b>0</b>	<b>79</b>	<b>0</b>	<b>79</b>	<b>42</b>

Allocation and Apportion to Governance Costs	5.1	Basis of Allocation	Allocated to Governance £000	Residual for Apportion £000	Total 2022-23 Funds £000	Total 2021-22 Funds £000
Salaries		Time Spent	40	90	130	80
Establishment Costs		Governance	6	0	6	5
Audit Fee		Governance	16	0	16	8
Miscellaneous		Governance	17	1	18	5
<b>Total</b>			<b>79</b>	<b>91</b>	<b>170</b>	<b>98</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 2022-23 £000	Total costs 2021-22 £000
Expenditure on raising Funds:					
Fundraising		338	22	360	442
Investment Management		44	24	68	59
<b>Sub - Total</b>		<b>382</b>	<b>46</b>	<b>428</b>	<b>501</b>
Expenditure on Charitable Activities:					
Patients Welfare & amenities		512	11	523	62
Staff Welfare & amenities		420	10	430	276
Research		194	4	198	325
Contributions to NHS Capital		863	20	883	578
<b>Sub - Total</b>		<b>1,989</b>	<b>45</b>	<b>2,034</b>	<b>1,241</b>
Governance		0	79	79	42
<b>Total Expenditure</b>		<b>2,371</b>	<b>170</b>	<b>2,541</b>	<b>1,784</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 2022-23	Grants to Individuals 2022-23	Support Costs 2022-23	Total 2022-23	Total 2021-22
		£000	£000	£000	£000	£000
Patients Welfare & amenities		512	0	11	523	62
Staff Welfare & amenities		404	16	10	430	276
Research		194	0	4	198	325
Contributions to NHS Capital		863	0	20	883	578
<b>Total</b>		<b>1,973</b>	<b>16</b>	<b>45</b>	<b>2,034</b>	<b>1,211</b>

Grants awarded to institutions	5.4	Total 2022-23	Total 2021-22
		£000	£000
Liverpool University Hospital NHS FT		1,984	771
University of Liverpool		40	365
		<b>2,024</b>	<b>1,136</b>

Changes in Resources Available for Charity Use	6	Unrestricted 2022-23 Funds	Restricted 2022-23 Funds	Endowment 2022-23 Funds	Total 2021-22 Funds	Total 2021-22 Funds
		£000	£000	£000	£000	£000
Net movement in funds for the year		584	(676)	3	(89)	213
Net movement in tangible fixed assets		0	0	0	0	0
Net movement in funds available		0	0	0	0	0
		<b>584</b>	<b>(676)</b>	<b>3</b>	<b>(89)</b>	<b>213</b>

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

## Analysis of Fixed Asset Investments

	8	2022-23	2021-22
8.1	Fixed Asset Investments:	£000	£000
	Market value at 31 March 2022	9,700	8,990
	Gifted from AUH	808	0
	Less: Disposals at carrying value	(2,835)	(2,119)
	Add: Acquisitions at cost	2,829	2,119
	Net gain on revaluation	(343)	710
	Market value at 31 March 2023	<u>10,159</u>	<u>9,700</u>
	Historic cost at 31 March 2023	<u>9,332</u>	<u>8,364</u>

8.2	Market value at 31 March:	Held in UK £000	2022-23 Total £000	2021-22 Total £000
	Investments listed on the Stock Exchange	9,900	9,900	8,912
	Cash held as part of the investment portfolio	259	259	788
		<u>10,159</u>	<u>10,159</u>	<u>9,700</u>

## Post Balance events

## 9 Acquisition of AUH

Under an agreement dated 29 March 2022, the net assets of The Aintree University Hospital Charitable Fund (AUH) were transferred to The Liverpool University Hospitals NHS Charitable Fund (LUH), previously Royal Liverpool and Broadgreen University Hospitals NHS Charitable Funds) with effect from 1 April 2022.

AUH has been servicing similar charitable causes to those provided by LUH.

The following amounts of assets and liabilities were transferred at the acquisition date:

	Carrying Value £000
Investments	808
Debtors	102
Cash at Bank and In Hand	245
Creditors: Amounts Falling Due Within One Year	(85)
Creditors: Amounts Falling Due After One Year	(10)
Funds retained in AUH	(99)
	<u>961</u>

No consideration was paid, and the difference between the fair value of net assets transferred of £961,000 and the consideration paid of £nil has been recognised in the Statement of Financial Activities.

Funds of £99,000 have been retained in AUH until such a time that the charity will be in a position to wind down.

Analysis of Debtors		Total as at 31 MARCH 2023	Total as at 31 MARCH 2022
10		£000	£000
10.1	Amounts falling due within one year:		
	Prepayments	0	0
	Accrued income	382	634
	Total debtors falling due within one year	382	634
10.2	Amounts falling due over one year:		
	Total debtors falling due after more than one year	0	0
	<b>Total debtors</b>	<b>382</b>	<b>634</b>
Analysis of Creditors		Total as at 31 MARCH 2023	Total as at 31 MARCH 2022
11		£000	£000
11.1	Amounts falling due within one year:		
	Other creditors	916	266
	Accruals	2,298	2,163
	Deferred income	0	0
	Total creditors falling due within one year	3,214	2,429
11.2	Amounts falling due after more than one year:		
	Accruals	377	393
	Total creditors falling due after more than one year	377	393
	<b>Total creditors</b>	<b>3,591</b>	<b>2,822</b>

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Analysis of Funds 12

12.1	Endowment Funds 31.03.23	Balance 31 March 2022	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2023
	(list individually)	£000	£000	£000	£000	£000	£000
A	M A Davies	19	0	0	0	(1)	18
B	S I V Cooke	15	0	0	0	(1)	14
C	Dr J Bernstein	3	0	0	0	0	3
D	Mr N Gibbon	40	0	0	0	(1)	39
E	Dr Ansell	0	6	0	0	0	6
	Others (1)	0	0	0	0	0	0
	<b>Total</b>	<b>77</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>80</b>

Details of  
material  
funds -  
Endowment  
Funds 31.03.23

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 31.03.22	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
	<b>Total</b>	<b>79</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>77</b>

Details of  
material  
funds -  
Endowment  
Funds 31.03.22

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 Funds 31.03.23		Balance 31 March 2022	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2023
		£000	£000	£000	£000	£000	£000
<b>Material funds</b> (list individually)							
A	Endocrinology Fund	939	26	(51)	0	(30)	884
B	L'pool Reg Dialysis Fund	948	25	(146)	0	(27)	800
C	St Paul's Fnd. Prev of Blindness	452	422	(64)	0	(20)	790
D	RLUH Patient Welfare Fund	515	108	(54)	0	(15)	554
E	Forget Me Not Fund	390	18	(2)	0	(15)	391
F	St Paul's General Purpose	53	419	(116)	0	3	359
G	RLUH Renal Transplant Fund	361	11	(10)	0	(11)	351
H	RL&BUH General Purpose	42	295	(54)	0	(8)	275
	Others	4,764	655	(1,855)	0	(180)	3,384
<b>Total Restricted</b>		<b>8,464</b>	<b>1,979</b>	<b>(2,352)</b>	<b>0</b>	<b>(303)</b>	<b>7,788</b>
<b>Total Unrestricted</b>		<b>0</b>	<b>810</b>	<b>(189)</b>	<b>0</b>	<b>(37)</b>	<b>584</b>

Details of material Funds 31.03.23

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	L'pool Reg Dialysis Fund	Any charitable purpose relating to Dialysis services
C	St Paul's Fnd. Prev of Blindness	For the public benefit Ophthalmic research connected to RLUH St Paul's Eye Unit
D	RLUH Patients Welfare Fund	For the relief of RLUH patients suffering from sickness and disease or its effects
E	Forget Me Not Fund	Any charitable purpose relating to cancer services
F	St Paul's General Purpose	Any charitable purpose relating to RLUH Ophthalmology Unit
G	RLUH Renal Transplant Fund	Any charitable purpose relating to Renal Transplant Unit
H	RL&BUH General Purpose	Any charitable purpose relating to Royal Liverpool & Broadgreen University Hospitals

12.7 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
<b>Material funds</b> (list individually)							
A	Endocrinology Fund	808	372	(298)	255	95	1,232
B	RLUH General Purpose	747	149	(18)	0	70	948
C	L'pool Reg Dialysis Fund	865	22	(16)	0	68	939
D	RLBUHT General Purpose	490	15	(21)	0	31	515
E	RLUH Patient Welfare Fund	205	464	(283)	0	69	452
F	Forget Me Not Fund	475	22	(5)	(147)	45	390
G	BGH Haematology Fund	328	13	(6)	0	26	361
H	RLUH Renal Transplant Fund	283	7	(19)	0	22	293
	Others	4,048	226	(1,118)	(108)	286	3,334
<b>Total</b>		<b>8,249</b>	<b>1,287</b>	<b>(1,784)</b>	<b>0</b>	<b>712</b>	<b>8,464</b>

Details of material Funds 31.03.22

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

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

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15.1 Trustee expenses reimbursed

	2022-23	2022-22
	£	£
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>12</u>	<u>13</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

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Name, nature of connection, description of activities undertaken and details of any qualifications expressed by their auditors	2022-23		2021-22	
	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	1,173,144,000	(303,991,000)	1,153,353,000	(7,379,000)

Related party Transactions

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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 Charitable Fund.

Professor T Walley, Non-Executive member of the Trust Board during 2022/23, 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 new grant activity relating to the University of Liverpool of £38,714 (2021/22: £364,639). Total outstanding owed to the University of Liverpool at 31st March 2023 stood at £501,366 (2021/22: £765,009), although these figures do contain planned future grant spend of £391,113 (2021/22: £522,980) that hasn't been incurred yet. Professor Walley had no part in these transactions.

## **Independent auditors' report to the trustees of Liverpool University Hospitals NHS Charitable Fund**

### **Opinion**

We have audited the financial statements of Liverpool University Hospitals NHS Charitable Fund (the 'charity') for the year ended 31 March 2023 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 2023 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 Liverpool University Hospitals NHS Charitable Fund (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 Liverpool University Hospitals NHS Charitable Fund (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 Liverpool University Hospitals NHS Charitable Fund (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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