



# **Liverpool University Hospitals NHS Charitable Fund**

**Registered Charity Number 1047988**

## **ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

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

*Liverpool University Hospital NHS Charitable Fund*

**ANNUAL REPORT  
& FINANCIAL STATEMENTS 2023/2024**

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# **LIVERPOOL UNIVERSITY HOSPITALS NHS CHARITABLE FUND**

**Registered Charity No 1047988**

**ANNUAL ACCOUNTS 2023-24**

The Trustee presents 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 Trustee 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

## 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 trustee to prepare financial statements for each financial year. The trustee has 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 trustee must not approve the financial statements unless it is 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 trustee is 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. It is 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 2023/24 Annual Report & Accounts have been approved by the Trust Board, at a meeting held on 28<sup>th</sup> November 2024.

### By Order of the Trustee

Signed:

Chair ..... 

Dated 28/11/24

Financial Trustee ..... 

Dated 28/11/24

## CHARITABLE FUNDS

# TRUSTEE REPORT

### Introduction

It is with pleasure that the Trust presents the twenty-eighth annual report for the Charitable Funds of the Liverpool University Hospitals NHS Foundation Trust.

The Trust is the sole corporate trustee for all charitable funds registered under the name of the Liverpool University Hospitals NHS Charitable Fund, 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 oversaw a second NHS charity, The Aintree University Hospital Charitable Fund (charity registration number 1050542) but this was closed in March 2024.

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*.

During 2023/24 the Charitable Funds Committee comprised of:

Mr Ibrahim Ismail	Non-Executive Director (Committee Chair)
Mr David Gilbert	Non-Executive Director
Mr Eustace de Sousa	Non-Executive Director
Mr Chris Mawdsley	Director of Communications & Marketing
Mr Robert Forster	Deputy Chief Executive & Chief Finance Officer
Mr David Melia	Chief Nurse
Mr Jim Gardner	Medical Director

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

NatWest 2 <sup>nd</sup> Floor 280 Bishopsgate London EC2M 4RB	and	Barclays Bank plc 48B/50 Lord Street Liverpool L2 1TD
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The charitable funds investments are held by Bankers Trust, as nominee for the Trustee. The investments are managed on behalf of the charity by the following two investment managers:

Rathbone Investment Management Ltd	Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Barclays Private Bank	1 Churchill Place, London E14 5HP

Two further investment managers are no longer engaged with the charity but did manage investments in the first half of 2023/24:

UBS AG

5 Broadgate, London EC2M 2AN

Investec Wealth &  
Investment Ltd

100 Old Hall Street, Liverpool L3 (AB

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

## Charitable Objects and Purpose

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.**

**Object:** 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 University Hospitals of Liverpool NHS Foundation Trust.'

**The Charitable Purpose** of the Charity was refreshed on 11<sup>th</sup> January 2024 to provide greater clarity to donors and support decision making when grant funding:

To support high quality patient care and staff health and wellbeing **beyond that which the NHS provides** by generating charitable income to:

1. Improve the **care environment and patients' experience**.
2. Provide **medical equipment/systems** that are in addition to minimum standards required of the service.
3. Fund **research, innovation and education programmes** that directly contribute to the care of our patients.
4. Fund specific **staff and volunteer health and wellbeing** projects.

## Annual Report and Accounts

Incoming resources to the Trust's charitable funds totalled £1,323,000 for the year ended 31 March 2024, a fall of £1,472,000 on the previous twelve months total of £2,795,000. However, this included net assets of £99,000 transferred over from the Aintree University Hospital charity and so the actual comparable drop in income was £1,573,000 from last year. This was due to donations falling by £155,000 to £625,000 in 2023/24 and legacy income falling by £393,000 to £339,000 in 2023/24.

Included within these figures are: -

- a) Corporate donations of £248,000 the largest of which included:
  - i) £100,000 grant from Baker Tilly for Ophthalmic equipment.
  - ii) £35,000 from Sutcliffe's from organising a fundraising Ball for the charity (total income generated from the ball was £50,000).
  - iii) £20,000 from DSM Demolitions as lead sponsor of the 2023 LUHFT staff awards.
  - iv) £14,000 from the Police and Crime Commissioners for the Knifesavers Appeal
  
- b) Donations from individuals amounted to £377,000.

The trust's donated income policy, which prescribes how donations should be collected and recorded, is shown in Appendix B (section 2).

Legacies from four bequests were received totalling £148,000. A further nine legacies totalling £191,000 were also notified and accounted for in the year ended 31<sup>st</sup> March 2024. The largest single bequests being:

- i) £125,000 notified from the estate of Dorothe Smith (deceased).
- ii) £124,000 received & notified from the estate of Vera Alden (deceased).
- iii) £23,000 notified from the estate of Arthur Morris Woodhead (deceased).

The total legacies accounted for during 2023/24 amounted to £339,000, a decrease of £393,000 on the previous year's figure of £732,000.

Investment income totalling £259,000 was earned during the year, a fall of £64,000 on the previous year's figure of £322,000. Dividends from equity stocks and gilts provided £201,000, and £58,000 was earned from interest on cash balances held (£20,000 in 2022/23).

## **Fundraising**

We raise money for the many charitable funds across the Trust and the focus in 2023/24 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 2023/24.

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 £3,339,000 an increase of £1,350,000 on 2022/23 spend of £1,989,000. Expenditure accounted for in 2023/24 included contributions to Staff Welfare and Amenities of £531,000; Research and Education grants totalling £699,000; Patient Welfare & Amenities totalling £1,826,000 and grants of £283,000 were provided for NHS Capital projects.

Support costs attributable to the grants of £59,000 brought the total grants figure to £3,398,000. A further £428,000 (including £47,000 support costs) was incurred in the costs of generating funds for the charity, comprising £353,000 spent on generating voluntary income and £75,000 on investment management costs.

Major grants awarded during 2023/24 included: -

- a) £1,010,000 supporting Macmillan Cancer services throughout the organisation.
- b) £548,000 on consumables for leading edge robotic surgery.
- c) £288,000 to develop a Data Eye digital platform for ophthalmic research.
- d) £250,000 to support equality, diversity and inequality programmes for staff throughout the organisation.
- e) £231,000 supporting end of life services through the introduction of SWAN initiative programmes.

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 £78,000. This included salary costs of £46,000; Audit fees of £19,000, and establishment/other expenses of £13,000. This was an overall fall of £1,000 on last year's governance costs of £79,000, primarily due to a drop in establishment costs.

The overall charity spend in 2023/24 was consequently £3,904,000 in total (£2,541,000 in 2022/23).

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

At the start of the 2023/24 financial year (1<sup>st</sup> April 2023), the market value of the investment portfolio stood at £10,159,000. Investment holdings totalling £6,655,000 were acquired during the year, while investment holdings with a carrying value of £7,564,000 were disposed of during the period. The portfolio saw a rise in valuation during 2023/24, with an overall investment increase of £671,000 in the financial year following a loss of £343,000 in 2022/23. This rise during 2023/24 equates to a +6.6% increase in the value of the portfolio, this is a solid performance in comparison to the UK markets, with the FTSE All-SHARE up +4.33% over the same 12-month period, and the FTSE-100 up +4.20%. It should be noted that the portfolio does have US exposure, and the US investment markets saw significant gains during 2023/24, with the Dow Jones index up +19.6%. The financial year ended with a closing balance as at 31<sup>st</sup> March 2024 of £9,921,000, down by £238,000 from the beginning of the financial year, as there was a significant amount of net cash withdrawals from out of the portfolios (£909,000) to meet expenditure commitments.

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 2018/19 (31<sup>st</sup> March 2019) to the end of 2023/24 (31<sup>st</sup> March 2024):

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



In relative terms, the portfolio has increased by 15.9% since 31<sup>st</sup> March 2019, with a strong rebound in 2020 and 2021 following covid related falls in early 2020. This growth also equates to a significant over performance against the FTSE-All Share index, which has risen just 9.0% over the same five-year period.

The investment portfolio also generated dividend returns of £201,000 in 2023/24 (£302,000 in 2022/23).

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

Individual fund investment as part of the Investment Pool is reassessed each quarter end. The aim is to maximise the potential for investment returns taking into account the short-term spending patterns of each fund. The Charitable Funds Investment Committee measure the performance of the investment managers on a total return basis against certain benchmarks, including long term target of CPI +4%.

### **Balance Sheet**

The total net assets of the Trust's Charitable Funds as of 31<sup>st</sup> March 2024 were £6,542,000, a drop of £1,910,000 on the previous year's balance of £8,452,000. Overall resources expended through charitable grants and administration were £2,581,000 higher than income received, but the rise in investments of £671,000 reduced the net movement down.

The charity's total net assets comprised: -

- a) total fixed assets of £9,921,000 solely representing the value of the investment portfolio as at 31<sup>st</sup> March 2024.
- b) total current assets of £1,118,000 including:
  - i) stocks of £1,000 in respect of fundraising activities, which have been valued at cost.
  - ii) debtors of £458,000, including £381,000 for notified legacies, not yet received.
  - iii) cash balances of £659,000 being held to provide cash reserves to each of our registered charities to meet commitments as they arise.
- c) creditors falling due within one year of £4,022,000.
- d) creditors falling due after more than one year of £475,000.

## **Risk Management**

The Charity has a Risk Management Framework supported by a bespoke Charitable Funds Risk Register (based on the Trustee's Risk Management System). Both are reviewed periodically by the Charitable Funds Committee (CFC). The major risks to which the charity is exposed have been identified and considered with systems and processes established to mitigate those risks. Significant risks are reported to the Corporate Trustee via the CFC's Chair's Assurance Report.

## **Available Resources**

Fund balances as at 31<sup>st</sup> March 2024 total £6,542,000; of which £82,000 is held as capital in perpetuity/endowment funds and as such cannot be freely expended.

There is a further £459,000 of funds held in the form of current assets (stocks £1,000 and debtors £458,000) and as such these resources are not immediately available for expenditure. This leaves a balance of resources of £6,001,000.

## **Grant Making Policy**

Bids for charitable grants are considered on their individual merits. All grant requests under £10,000 are considered by a Small Grants Group. Requests over £10,000 are reviewed by a Grant Making Panel. Any grant requests over £50,000 will then be considered by the Charitable Funds Committee for final approval. Appendix A has further details of the expenditure policy.

## **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).

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 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).

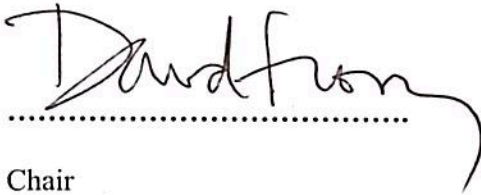
## **Future Plans**

The Charity will continue to develop its five-year strategy following the merging of the Royal Liverpool and Broadgreen Hospitals charity and Aintree University Hospitals Charity. It will continue to raise funds to improve patient experience and the care environment. Research and clinical innovation programmes will be subject to specific campaigns while contributing to the

health and wellbeing of our staff and volunteers will remain a core objective. Diversifying our fundraising portfolio and making best use of digital innovations will enable our small team to achieve the best outcomes for the benefit of our patients and their loved ones.

### Conclusion

2023/24 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.



.....

Chair

.....  
28.11.24

**FINANCIAL  
STATEMENTS  
2023/2024**

## Statement of Financial Activities for the year ended 31 March 2024

	Note	2023/24 Unrestricted Funds £000	2023/24 Restricted Funds £000	2023/24 Endowment Funds £000	2023/24 Total Funds £000	2022/23 Unrestricted Funds £000	2022/23 Restricted Funds £000	2022/23 Endowment Funds £000	2022/23 Total Funds £000
<b>Income and Endowments from:</b>									
Donations & Legacies	2.1	100	864	0	964	95	1,417	0	1,512
Other Trading activities	2.2	0	1	0	1	0	0	0	0
Investments	2.3	26	233	0	259	0	322	0	322
Funds transfer in from AUI Charity	2.4	0	99	0	99	715	240	6	961
<b>Total Income &amp; Endowments</b>		<b>126</b>	<b>1,197</b>	<b>0</b>	<b>1,323</b>	<b>810</b>	<b>1,979</b>	<b>6</b>	<b>2,795</b>
<b>Expenditure on:</b>									
Raising funds	3	18	410	0	428	0	428	0	428
Charitable activities	4	243	3,155	0	3,398	189	1,845	0	2,034
Governance	5	0	78	0	78	0	79	0	79
<b>Total Expenditure</b>		<b>261</b>	<b>3,643</b>	<b>0</b>	<b>3,904</b>	<b>189</b>	<b>2,352</b>	<b>0</b>	<b>2,541</b>
Net Gains (Losses) on Investments	8	(5)	674	2	671	(37)	(303)	(3)	(343)
<b>Net Income / (Expenditure)</b>		<b>(140)</b>	<b>(1,772)</b>	<b>2</b>	<b>(1,910)</b>	<b>584</b>	<b>(676)</b>	<b>3</b>	<b>(89)</b>
Transfers between funds		0	0	0	0	0	0	0	0
<b>Net movement in funds</b>	6	<b>(140)</b>	<b>(1,772)</b>	<b>2</b>	<b>(1,910)</b>	<b>584</b>	<b>(676)</b>	<b>3</b>	<b>(89)</b>
<b>Reconciliation of funds:</b>									
Fund balances carried forward at 31 MARCH 2023		584	7,788	80	8,452	0	8,464	77	8,541
<b>Fund balances carried forward at 31 MARCH 2024</b>		<b>444</b>	<b>6,016</b>	<b>82</b>	<b>6,542</b>	<b>584</b>	<b>7,788</b>	<b>80</b>	<b>8,452</b>

The notes at pages 18 to 31 form part of these financial statements.

## Balance Sheet as at 31 March 2024

	Notes	Unrestricted Funds 31.03.24 £000	Restricted Funds 31.03.24 £000	Endowment Funds 31.03.24 £000	Total at 31 March 2024 £000	Unrestricted Funds 31.03.23 £000	Restricted Funds 31.03.23 £000	Endowment Funds 31.03.23 £000	Total at 31 March 2023 £000
<b>Fixed assets:</b>									
Investments	8.2	493	9,352	76	9,921	657	9,428	74	10,159
<b>Total Fixed Assets</b>		<b>493</b>	<b>9,352</b>	<b>76</b>	<b>9,921</b>	<b>657</b>	<b>9,428</b>	<b>74</b>	<b>10,159</b>
<b>Current assets:</b>									
Stocks		0	1	0	1	0	5	0	5
Debtors	10	0	458	0	458	6	376	0	382
Cash at bank and in hand		0	653	6	659	0	1,491	6	1,497
<b>Total Current Assets</b>		<b>0</b>	<b>1,112</b>	<b>6</b>	<b>1,118</b>	<b>6</b>	<b>1,872</b>	<b>6</b>	<b>1,884</b>
Creditors: Amounts falling due within one year	11.1	49	3,973	0	4,022	79	3,135	0	3,214
<b>Net Current Assets / (Liabilities)</b>		<b>(49)</b>	<b>(2,861)</b>	<b>6</b>	<b>(2,904)</b>	<b>(73)</b>	<b>(1,263)</b>	<b>6</b>	<b>(1,330)</b>
<b>Total Assets less Current Liabilities</b>		<b>444</b>	<b>6,491</b>	<b>82</b>	<b>7,017</b>	<b>584</b>	<b>8,165</b>	<b>80</b>	<b>8,829</b>
Creditors: Amounts falling due after more than one year	11.2	0	475	0	475	0	377	0	377
<b>Total Net Assets</b>		<b>444</b>	<b>6,016</b>	<b>82</b>	<b>6,542</b>	<b>584</b>	<b>7,788</b>	<b>80</b>	<b>8,452</b>
<b>Funds of the Charity</b>									
<b>Capital Funds:</b>									
Endowment funds	12.1	0	0	82	82	0	0	80	80
<b>Income Funds:</b>									
Restricted income funds	12.5	0	6,016	0	6,016	0	7,788	0	7,788
Unrestricted funds		444	0	0	444	584	0	0	584
<b>Total charity funds</b>		<b>444</b>	<b>6,016</b>	<b>82</b>	<b>6,542</b>	<b>584</b>	<b>7,788</b>	<b>80</b>	<b>8,452</b>

The notes at pages 18 to 31 form part of these financial statements.

Signed:

Date:

28/11/24

## Statement of Cash Flows for the year ended 31 March 2024

	Total 2023/24 £000	Total 2022/23 £000
<b>Cash flows from Operating Activities:</b>		
Net Cash provided by (used in) operating activities	<u>(2,105)</u>	<u>(100)</u>
<b>Cash flows from investing activities:</b>		
Returns on Investments	259	322
Proceeds from sale of investments	7,564	2,835
Purchase of Investments	(6,655)	(2,829)
Acquisition of AUH less cash acquired	<u>99</u>	<u>245</u>
<b>Net cash provided by (used in) investing activities</b>	<b>1,267</b>	<b>573</b>
<b>Change in cash and cash equivalents</b>	<b><u>(838)</u></b>	<b><u>473</u></b>
<b>Cash and Cash equivalents at the start of the year</b>	<b>1,497</b>	<b>1,024</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b><u>659</u></b>	<b><u>1,497</u></b>
<b>Reconciliation of net income / (expenditure) to net cash flow from Operating activities</b>		
Net income / (expenditure) as per the SOFA	(1,910)	(89)
Dividends and Interest from Investments	(259)	(322)
(Increase) / decrease in Stocks	4	0
(Increase) / decrease in Debtors	(76)	354
Increase / (decrease) in Creditors	906	575
Revaluation of investments	(671)	343
Funds Transfer from AUH	(99)	(961)
<b>Net cash (outflow) / inflow from operating activities</b>	<b><u>(2,105)</u></b>	<b><u>(100)</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 Standard 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.

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

##### (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 charity's 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.

##### 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 raising funds**

The cost of generating funds are the costs associated with generating income for the funds held on trust. It will also include Investment management costs which consist of direct fees and a proportion of support costs (see note 5.2).

**(b) Grants payable**

Grants payable are payments, made to third parties (including NHS bodies) in the furtherance of the funds held in accordance with the 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 based upon time spent or the nature of the activity (see note 5.1) 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.

**(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**

D Flory	Chair
M Eastwood	Non Executive Director
S Samuels	Non Executive Director
E de Sousa	Non Executive Director
I Ismail	Non Executive Director
Prof T Walley	Non Executive Director
D Gilbert	Non Executive Director
H Citrine	Non Executive Director (resigned 19th December 2023)
J Bird	Non Executive Director (appointed 15th April 2024)
J Sumner	Chief Executive Officer
D Melia	Chief Nurse
J Gardner	Executive Medical Director
R Forster	Deputy Chief Executive Officer & Chief Finance Officer
H Barnett	Chief People Officer
B Weston	Chief Delivery Officer
P Turkington	Executive Managing Director - Aintree (appointed 9th May 2023)
N Hudson	Executive Managing Director - RLUH (appointed 9th May 2023)

<b>Donations &amp; Legacies</b>		<b>2.1</b>	<b>Unrestricted 2023-24 Funds £000</b>	<b>Restricted 2023-24 Funds £000</b>	<b>Endowment 2023-24 Funds £000</b>	<b>Total 2023-24 Funds £000</b>	<b>Total 2022-23 Funds £000</b>
	Donations		100	525	0	625	780
	Legacies		0	339	0	339	732
	<b>Total</b>		<b>100</b>	<b>864</b>	<b>0</b>	<b>964</b>	<b>1,512</b>
<b>Trading Activities</b>		<b>2.2</b>	<b>Unrestricted 2023-24 Funds £000</b>	<b>Restricted 2023-24 Funds £000</b>	<b>Endowment 2023-24 Funds £000</b>	<b>Total 2023-24 Funds £000</b>	<b>Total 2022-23 Funds £000</b>
	Fundraising		0	1	0	1	0
	<b>Total</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Investment Income</b>		<b>2.3</b>	<b>Unrestricted 2023-24 Funds £000</b>	<b>Restricted 2023-24 Funds £000</b>	<b>Endowment 2023-24 Funds £000</b>	<b>Total 2023-24 Funds £000</b>	<b>Total 2022-23 Funds £000</b>
	Dividends and investment interest		0	201	0	201	302
	Bank Interest		0	58	0	58	20
	<b>Total</b>		<b>0</b>	<b>259</b>	<b>0</b>	<b>259</b>	<b>322</b>
<b>Donation from AUH Charity</b>		<b>2.4</b>	<b>Unrestricted 2023-24 Funds £000</b>	<b>Restricted 2023-24 Funds £000</b>	<b>Endowment 2023-24 Funds £000</b>	<b>Total 2023-24 Funds £000</b>	<b>Total 2022-23 Funds £000</b>
	Transfer in from AUH Charity		0	99	0	99	961
	<b>Total</b>		<b>0</b>	<b>99</b>	<b>0</b>	<b>99</b>	<b>961</b>
<b>Expenditure on Raising funds</b>		<b>3</b>	<b>Unrestricted 2023-24 Funds £000</b>	<b>Restricted 2023-24 Funds £000</b>	<b>Endowment 2023-24 Funds £000</b>	<b>Total 2023-24 Funds £000</b>	<b>Total 2022-23 Funds £000</b>
	Fundraising Costs		16	337	0	353	360
	Investment Management		2	73	0	75	68
	<b>Total</b>		<b>18</b>	<b>410</b>	<b>0</b>	<b>428</b>	<b>428</b>
<b>Expenditure on Charitable Activities</b>		<b>4</b>	<b>Unrestricted 2023-24 Funds £000</b>	<b>Restricted 2023-24 Funds £000</b>	<b>Endowment 2023-24 Funds £000</b>	<b>Total 2023-24 Funds £000</b>	<b>Total 2022-23 Funds £000</b>
	Patients Welfare & amenities		139	1,719	0	1,858	523
	Staff Welfare & amenities		23	517	0	540	430
	Research & Education		16	695	0	711	198
	Contributions to NHS Capital		65	224	0	289	883
	<b>Total</b>		<b>243</b>	<b>3,155</b>	<b>0</b>	<b>3,398</b>	<b>2,034</b>

Expenditure Other	5	Unrestricted 2023-24 Funds £000	Restricted 2023- 24 Funds £000	Endowment 2023-24 Funds £000	Total 2023-24 Funds £000	Total 2022-23 Funds £000
Governance		0	78	0	78	79
<b>Total</b>		<b>0</b>	<b>78</b>	<b>0</b>	<b>78</b>	<b>79</b>

Allocation and Apportion to Governance Costs	5.1	Basis of Allocation	Allocated to Governance £000	Residual for Apportion £000	Total 2023-24 Funds £000	Total 2022-23 Funds £000
Salaries		Time Spent	46	104	150	130
Establishment Costs		Governance	5	0	5	6
Audit Fee		Governance	19	0	19	16
Miscellaneous		Governance	8	2	10	18
<b>Total</b>			<b>78</b>	<b>106</b>	<b>184</b>	<b>170</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 2023-24 £000	Total costs 2022-23 £000
Expenditure on raising Funds:					
Fundraising		330	23	353	360
Investment Management		51	24	75	68
<b>Sub - Total</b>		<b>381</b>	<b>47</b>	<b>428</b>	<b>428</b>
Expenditure on Charitable Activities:					
Patients Welfare & amenities		1,826	32	1,858	523
Staff Welfare & amenities		531	9	540	430
Research		699	12	711	198
Contributions to NHS Capital		283	6	289	883
<b>Sub - Total</b>		<b>3,339</b>	<b>59</b>	<b>3,398</b>	<b>2,034</b>
Governance		0	78	78	79
<b>Total Expenditure</b>		<b>3,720</b>	<b>184</b>	<b>3,904</b>	<b>2,541</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	Grants to	Support Costs	Total	Total
		Institutions 2023-24	Individuals 2023-24			
		£000	£000	£000	£000	£000
Patients Welfare & amenities		1,826	0	32	1,858	523
Staff Welfare & amenities		519	12	9	540	430
Research		699	0	12	711	198
Contributions to NHS Capital		283	0	6	289	883
<b>Total</b>		<b>3,327</b>	<b>12</b>	<b>59</b>	<b>3,398</b>	<b>2,034</b>

Grants awarded to institutions	5.4		Total	Total
			2023-24	2022-23
			£000	£000
Liverpool University Hospital NHS FT			2,721	1,984
University of Liverpool			511	40
Bangor University			95	0
			<b>3,327</b>	<b>2,024</b>

Changes in Resources Available for Charity Use	6	Unrestricted	Restricted	Endowment	Total	Total
		2023-24 Funds	2023-24 Funds	2023-24 Funds	2023-24 Funds	2022-23 Funds
		£000	£000	£000	£000	£000
Net movement in funds for the year		(140)	(1,772)	2	(1,910)	(89)
Net movement in tangible fixed assets		0	0	0	0	0
Net movement in funds available		0	0	0	0	0
		<b>(140)</b>	<b>(1,772)</b>	<b>2</b>	<b>(1,910)</b>	<b>(89)</b>

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

Analysis of Fixed  
Asset Investments

8		2023-24	2022-23
8.1	Fixed Asset Investments:	£000	£000
	Market value at 31 March 2023	10,159	9,700
	Gifted from AUH	0	808
	Less: Disposals at carrying value	(7,564)	(2,835)
	Add: Acquisitions at cost	6,655	2,829
	Net gain / (loss) on revaluation	671	(343)
	Market value at 31 March 2024	<u>9,921</u>	<u>10,159</u>
	Historic cost at 31 March 2024	<u>8,746</u>	<u>9,332</u>

8.2	Market value at 31 March:	Held in UK £000	2023-24 Total £000	2022-23 Total £000
	Investments listed on the Stock Exchange	9,718	9,718	9,900
	Cash held as part of the investment portfolio	203	203	259
		<u>9,921</u>	<u>9,921</u>	<u>10,159</u>

## Post Balance events

9  
None

Analysis of Debtors		Total as at 31 MARCH 2024	Total as at 31 MARCH 2023
10		£000	£000
10.1	Amounts falling due within one year:		
	Prepayments	2	0
	Accrued income	456	382
	Total debtors falling due within one year	<u>458</u>	<u>382</u>
10.2	Amounts falling due over one year:		
	Total debtors falling due after more than one year	<u>0</u>	<u>0</u>
	<b>Total debtors</b>	<u><b>458</b></u>	<u><b>382</b></u>
<hr/>			
Analysis of Creditors		Total as at 31 MARCH 2024	Total as at 31 MARCH 2023
11		£000	£000
11.1	Amounts falling due within one year:		
	Other creditors	179	916
	Accruals	3,824	2,298
	Deferred income	19	0
	Total creditors falling due within one year	<u>4,022</u>	<u>3,214</u>
11.2	Amounts falling due after more than one year:		
	Accruals	475	377
	Total creditors falling due after more than one year	<u>475</u>	<u>377</u>
	<b>Total creditors</b>	<u><b>4,497</b></u>	<u><b>3,591</b></u>

Analysis of Funds 12

12.1	Endowment Funds 31.03.24	Balance 31 March 2023	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2024
	(list individually)	£000	£000	£000	£000	£000	£000
A	M A Davies	18					18
B	S I V Cooke	14				1	15
C	Dr J Bernstein	3					3
D	Mr N Gibbon	39				1	40
E	Dr Ansell	6					6
	Others (1)						
	<b>Total</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>82</b>

Details of material funds - Endowment Funds 31.03.24 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
E Dr Ansell	To provide a training bursary in recognition of nursing excellence

12.3	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 12.4

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
E Dr Ansell	To provide a training bursary in recognition of nursing excellence

Analysis of Funds 12 cont'd

12.5 Funds 31.03.24		Balance 31 March 2023	Incoming Resources	Resources Expended	Transfers	Gains and Losses	Balance 31 March 2024
		£000	£000	£000	£000	£000	£000
<b>Material funds</b> (list individually)							
A	Endocrinology Fund	884	22	(20)		69	955
B	L'pool Reg Dialysis Fund	800	19	(198)		62	683
C	RLUH Patient Welfare Fund	554	236	(369)		39	460
D	St Paul's Fnd. Prev of Blindness	790	202	(639)		89	442
E	RLUH Renal Transplant Fund	351	9	(10)		27	377
F	St Paul's General Purpose	359	7	(13)		21	374
G	RLUH Gastroenterology Fund	273	7	(33)		21	268
H	BGH General Purpose	181	57	(108)		21	151
	Others	3,596	638	(2,253)		325	2,306
<b>Total Restricted</b>		<b>7,788</b>	<b>1,197</b>	<b>(3,643)</b>	<b>0</b>	<b>674</b>	<b>6,016</b>
<b>Total Unrestricted</b>		<b>584</b>	<b>126</b>	<b>(261)</b>	<b></b>	<b>(5)</b>	<b>444</b>

Details of material Funds 31.03.24

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	RLUH Patients Welfare Fund	For the relief of RLUH patients suffering from sickness and disease or its effects
D	St Paul's Fnd. Prev of Blindness	For the public benefit Ophthalmic research connected to RLUH St Paul's Eye Unit
E	RLUH Renal Transplant Fund	Any charitable purpose relating to Renal Transplant Unit
F	St Paul's General Purpose	Any charitable purpose relating to RLUH Ophthalmology Unit
G	RLUH Gastroenterology Fund	Any charitable purpose for patients suffering from liver and gastro-intestinal tract disease
H	BGH General Purpose	Any charitable purpose relating to Broadgreen Hospital

12.7 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)		(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

12.8	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	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

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

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

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

Trustee and Connected Persons Transactions 15

15.1	Trustee expenses reimbursed	2023-24	2022-23
		£	£
	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>16</u>	<u>12</u>

15.2 There was no Trustee remuneration

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

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

Loans or Guarantees Secured against assets of the charity 16 None

Connected Organisations

17

Name, nature of connection, description of activities undertaken and details of any qualifications expressed by their auditors	2023-24		2022-23	
	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	1,281,857,000	(53,850,000)	1,173,144,000	(303,991,000)

Related party Transactions

18 Related party transactions

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

Professor T Walley, Non-Executive member of the Trust Board during 2023/24, 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 £510,588 (2022/23: £38,714). Total outstanding owed to the University of Liverpool at 31st March 2024 stood at £985,342 (2022/23: £501,366), although these figures do contain planned future grant spend of £716,419 (2022/23: £391,113) that hasn't been incurred yet. Professor Walley had no part in these transactions.

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

### **Opinion**

We have audited the financial statements of the Liverpool University Hospitals NHS Charitable Fund (the 'charity') for the year ended 31 March 2024 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 2024 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## **Independent auditors' report to the trustee of the Liverpool University Hospitals NHS Charitable Fund (continued)**

### **Other Information**

The trustee is responsible for the other information. 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.

In connection with our audit of the financial statements, 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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:

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

### **Responsibilities of the trustee**

As explained more fully in the Statement of Trustee's Responsibilities, the trustee is 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 trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is 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 trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## **Independent auditors' report to the trustee of the 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 incoming resources, 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 trustee of the Liverpool University Hospitals NHS Charitable Fund (continued)

### Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

*Bennett Brooks & Co Limited*

Jason Leach FCA (Senior Statutory Auditor)

Bennett Brooks & Co Limited

Chartered Accountants and Statutory Auditors

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

St George's Court

Winnington Avenue

Northwich

Cheshire

CW8 4EE

5 December 2024



Liverpool  
University  
Hospitals  
**Charity**

Governing Document

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## 1. About Liverpool University Hospitals' Charity

Liverpool University Hospitals' Charity (LUH Charity) is registered with the Charity Commission #1047988 and has a Corporate Trustee – the Liverpool University Hospitals NHS Foundation Trust Board. The principal office is in England, located at Liverpool University Hospitals Charity, Royal Liverpool Hospital, Mount Vernon Street, Liverpool, L7 8YE.

Its trustee arrangements have been established by the Secretary of State for Health and Social Care under NHS legislation and LUH Charity is established for charitable purposes relating to the NHS and the individuals responsible for ensuring that trustee duties are fulfilled are appointed by the NHS.

LUH Charity was formed on 1st April 2022 through the transfer of the assets of The Aintree University Hospital Charitable Fund to the Royal Liverpool & Broadgreen University Hospitals NHS Trust Charitable Fund through:

- the completion of a transfer deed
- the closure of The Aintree University Hospital Charitable Fund
- the renaming of this combined charity to Liverpool University Hospitals NHS Charitable Funds
- the rationalisation of the funds to reflect the new site-based structure (Aintree, Broadgreen, Royal).
- deregistering of the multiple linked charities

## 2. Charitable Objects and Purpose

**Object:** Donations received by LUH 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.

**The Charitable Purpose** of LUH Charity was refreshed on 11<sup>th</sup> January 2024 to provide greater clarity to donors and support decision making when grant funding:

To support high quality patient care and staff health and wellbeing beyond that which the NHS provides by generating charitable income to:

1. Improve the **care environment and patients' experience**.
2. Provide **medical equipment/systems** that are in addition to minimum standards required of the service.
3. Fund **research, innovation and education programmes** that directly contribute to the care of LUHFT patients.
4. Fund specific **staff health and/or wellbeing** projects.

### 3. Public Benefit

In both fundraising and grant making, the Trustee (and its delegates) ensure that the public benefit requirement is met:

- Benefit must be identifiable and capable of being proved by evidence where necessary and which is not based on personal views.
- Benefit the public in general, or a sufficient section of the public and not give rise to more than incidental personal benefit.

### 4. Governing LUH Charity



#### The Charity Commission

The Charity Commission is responsible for:

- registering eligible organisations in England and Wales which are established for only charitable purposes.
- taking enforcement action when there is malpractice or misconduct.
- ensuring charities meet their legal requirements, including providing information on their activities each year.
- making appropriate information about each registered charity widely available to the public
- providing guidance to help charities run as effectively as possible.
- providing online services for charities.

## **The Corporate Trustee**

The Board of Directors of Liverpool University Hospitals NHS Foundation Trust (voting members) is the Corporate Trustee and in this role:

- the Board has a shared understanding of and commitment to LUH Charity's purposes and can articulate these clearly.
- the Board can demonstrate that LUH Charity is effective in achieving its charitable purposes and agreed outcomes.

### **It is responsible for:**

- Approving LUH Charity's Annual Report, Financial Statements and Charity Commission annual return
- Delegating selected authorities, as set out below, to the Charitable Funds Committee
- Appointing or removing members of the Charitable Funds Committee
- Approving the Governing Document or any amendments made therein.
- Receiving and reviewing the Charity Commission Trustee Checklist
- Undertaking any training necessary to remain compliant with its obligations as the Corporate Trustee.
- Closing LUH Charity.

## **5. The Charitable Funds Committee (CFC)<sup>1</sup>**

The Charitable Funds Committee is convened with delegations from the Corporate Trustee and is responsible for the governance of LUH Charity, ensuring it complies with the requirements of the Charity Commission and other relevant regulatory and statutory frameworks. The committee also ensures that charitable donations are administered efficiently and legally and directed promptly towards appropriate charitable activity in accordance with the donor's wishes.

While this Committee has been established by the Board of Directors to carry out specific functions as described, it is important to note that the Board retains ultimate responsibility for discharging its duties and responsibilities as LUH Charity's Corporate Trustee. To that end, the Board of Directors has absolute discretion over the activities and decisions of the Committee.

The Terms of Reference for the Charitable Funds Committee are available at appendix 1a.

### **The Grant Making Panel**

This committee supports the Charitable Funds Committee with the assessment of grant applications to ensure that funds are disbursed appropriately and in a timely manner.

The Charitable Funds Committee has delegated authority to the GMP to review and approve grant applications >£10K and <£50K inc. VAT. It further reviews all bids more than £50K to ensure appropriateness ahead of the applicant presenting to the quarterly CFC.

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<sup>1</sup> Charity Governance Code

The terms of reference for the Grant Making Panel are available at appendix 1b.

### **The Small Grants Group**

The small Grants Group meets monthly and is designed to more frequently approve small applications which are often patient experience related and therefore time sensitive. The SGG has delegated authority from CFC to approve grant applications less than £10K inc. VAT.

The terms of reference for the Small Grants Group are available at appendix 1c.

### **Emergency Grants up to £10K only**

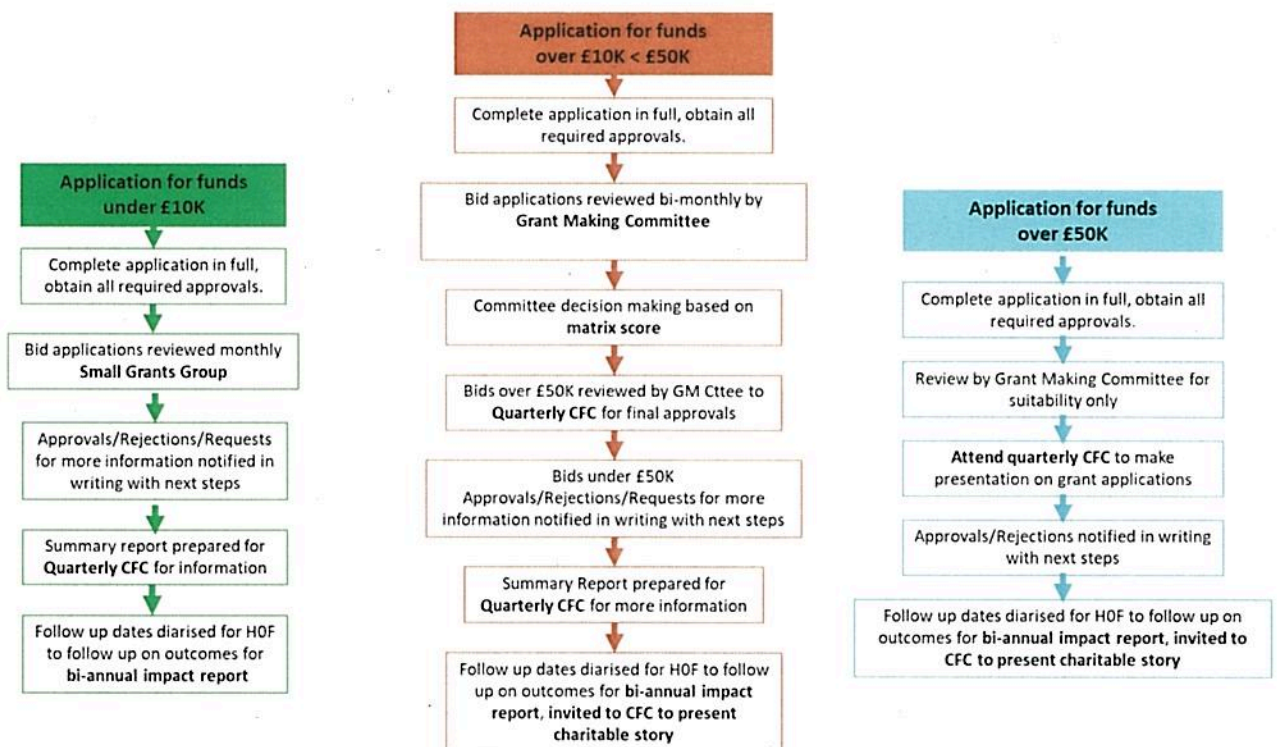
Emergency grants can be provided to support patients and their carers/loved ones in specific circumstances, such as end of life and to support complex discharge.

- The Head of Fundraising has discretionary approval up to £1k inc. VAT.
- All other requests must be approved by the Director of Communications or Director of Finance in case of absence.

In all cases, emergency approvals must be accompanied by an application form and be reported through the Small Grants Group for completeness.

## LUH Charity Grant making Process - Summary

Declarations of interest in any of the applications being considered will be taken at the beginning of all meetings. Members of any of the panels that work in that service or have any associated interest will be excluded from the decision-making process for that bid.



## 6. Decision making

When decisions are made, members of the Charitable Funds Committee must:

- Act within the legal responsibilities representing the corporate trustee.
- act within LUH Charity's purposes
- act within committee/group powers as described in this governing document.
- act in good faith, and only in LUH Charity's interests
- ensure members are sufficiently informed, taking any advice if required.
- take account of all relevant factors and ignore any irrelevant factors.
- manage conflicts of interest (see below)
- reference the decision-making matrix provided for grant making decisions.

### Decision making on 'exchequer' and 'charitable' spending:

There is a clear open, and independent process of decision making by the Charitable Funds Committee (and its delegates) to support decisions to apply charitable funds in a specific way:

- The Charitable purpose of LUH Charity solely guides decision making on grant-funding.
- Decisions are made in the interests of LUH Charity to further its charitable objective/ purposes.
- An assessment of the public benefit is considered.
- An assessment of how far LUHFT NHS duty of provision extends.
- The scoring matrix is used as a core assessment tool and the threshold should be reached or exceeded.
- An appeals process enables rejected applications to be assessed independently.

## 7. Managing Conflicts of Interest

LUH Charity recognised that there are two common types of conflict of interest:

- **Financial conflicts:** These conflicts happen when a member representing the corporate trustee, or person or organisation connected to them, could gain financially or secure something of value from a committee decision.
- **Loyalty conflicts:** These conflicts happen when the representative might not be able to make decisions that are best for LUH Charity.

### Declaring conflicts of interest.

- The Corporate trustee maintains and updates a register of interests of Board members, from whom members of the Charitable Funds Committee are selected. It also adopts the NHS Managing Conflicts of Interest Policy. The register of Board Members' interests is available to view here: [Board of Directors - Register of Interests :: Liverpool University Hospitals NHS Foundation Trust \(liverpoolft.nhs.uk\)](https://www.liverpoolft.nhs.uk/about-us/our-people/board-of-directors/register-of-interests)
- At Charitable Funds Committee, and its delegated Grant Making Committee and Small Grants Group, the chair should ask attendees to identify, declare and record conflicts at the start of all meetings as a standard agenda item.

### **Managing conflicts of interest.**

- At all times corporate trustee representatives/members of the Charitable Funds Committee or its delegated committees/groups will act in the best interest of LUH Charity
- As a minimum, the conflicted member should:
  - leave relevant discussions.
  - not take part in the decision or vote
  - not be counted in the quorum.

### **Recording conflicts of interest.**

The Chair will instruct that the following are recorded:

- what the conflict was.
- who or what it affected.
- when it was declared
- how it was managed.

### **Managing serious conflicts of interest.**

Serious conflicts may occur where the majority of the members have a conflict – this is especially relevant to NHS charities with a corporate trustee. This could include:

- the majority of members have a commercial interest in LUH Charity decision.
- the decision involves significant money or risk, and there is a conflict.

In these types of situations, the Charitable Funds committee will consider the following options:

- remove the conflict.
- change the plan.
- ask the corporate trustee to nominate an additional/replacement member that is not affected by the conflict.
- take legal advice.
- in very high-risk cases ask the Charity Commission to authorise the decision.

## **8. Funds held by LUH Charity<sup>2</sup>**

LUH Charity holds three types of funds:

### **Restricted funds – these must be used for specific purposes such as:**

- specifications by the donor(s) at the point of donation - including bequests.
- by the terms of a public appeal
- the terms of a grant
- endowment funds, permanent endowment, or expendable endowments

The Charity Commission specifies: *Funds should only be classified as 'restricted' if they are subject to trusts<sup>3</sup> In practical and accounting terms the implication is that donations should*

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<sup>2</sup> <https://www.charitycorp.org> Section2 Fund accounting

<sup>3</sup> section d s353 of the Charities Act 2011

*be presumed to be unrestricted (and not subject to a 'trust') unless the donor places an unequivocal restriction on it, for example by saying it 'must be used' or 'can only be used' for a specified purpose or by giving to a specific appeal. For a particular donation to be treated as restricted requires positive evidence of restriction. In most cases trustees should make this classification only where there is written evidence of an intention to restrict, for example a will, a letter from a donor, terms of a grant, appeal literature.<sup>4</sup>*

**Note:** Employees of the NHS Trust are not entitled to solicit funds for restricted purposes that they have themselves decided, for example to fund research that they are conducting. If a donor imposes such a restriction it will fall to the corporate trustee/Charitable Funds Committee to implement the restriction<sup>5</sup>

### **Unrestricted funds (General Purpose Fund/s)**

These are funds which are given to LUH Charity (whether solicited or unsolicited) without any restrictions imposed by the donor or grant maker.

They could include proceeds of an appeal, *provided that a disclaimer to the effect that the appeal proceeds may be used for other purposes of LUH Charity in the event that the appeal purposes cannot be fulfilled.*

Unrestricted funds are the funds of a charity that may be spent at the discretion of the Charitable Funds Committee or its delegates, in furtherance of the objectives of LUH Charity in which the funds are held, without any distinction between capital and income.

### **Designated funds**

The Charitable Funds Committee or its delegates may exercise discretion to set aside part of the unrestricted funds for designated purposes.

- Designation of funds may also be used where donors have expressed a preference without imposing a 'trust'.
- Designated funds remain unrestricted since the Charitable Funds Committee can remove the designation at any time.
- Designated funds continue to be held ultimately for the overall purpose of LUH Charity.

## **9. Details on financial accounting and statutory returns**

The corporate trustee is responsible to ensure LUH Charity's:

- assets are properly used.
- funds are spent effectively.
- financial affairs are well managed.

The Charitable Funds Committee, under delegated authority from the corporate trustee, is responsible for grant making (according to charitable object and purpose), reviewing LUH

<sup>4</sup> Classifying funds Section 6.2 <https://www.gov.uk/government/publications/nhs-charities-guidance/nhs-charities-guidance>

<sup>5</sup> Section b. The agency of staff in receiving donations [NHS charities guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/nhs-charities-guidance/nhs-charities-guidance)

Charity's financial position, its investment policy and performance and reviewing the reserves policy and status.

It also reviews statutory returns for presentation to the corporate trustee (the annual report, accounts and Charity Commission annual return.) It also reviews all financial risks (risk register), appoints LUH Charity's auditor and authorises any internal audits.

As detailed in the cycle of business, a finance and investment update are a permanent agenda item. Grant making reports, according to delegated limits set out in this document, are received for assurance and grant applications beyond delegated limits are approved/returned by the committee. The risk register is received per cycle and any elevated or new risks are escalated as described in section 11.

## 10. Ethical, Sustainable Investing

The corporate trustee and its delegates are responsible for ensuring that LUH Charity's funds are invested in an ethical, sustainable manner and that the highest levels of corporate governance are observed.

An investment policy is in place and investment advisors are appointed by the Charitable Funds Committee. A regular investment update is received according to the cycle of business. Elements that the committee will consider when reviewing investments include impact on:

- climate
- employment practices
- sustainability
- human rights
- community impact
- executive compensation
- board accountability.

## 11. Managing risk

LUH Charity manages risk using the corporate trustee's organisational risk management system, together with a risk management policy. Key elements include, but are not restricted to, significant risks to the delivery of LUH Charity's strategic objectives (see also Trustee Checklist in the appendices) e.g.

- current strategic plan and forward planning
- use of resources
- operating costs management
- reputational risks
- supervision of fundraisers
- delegated limits and decision making
- capacity and capability of inhouse fundraising team

- safeguarding
- volunteer management
- arrangements with commercial partners
- donor due diligence
- third party agreements
- counter fraud and crime
- compliance with statutory obligations
- effectiveness of financial controls
- essential policies.

**Overview and assurance:**

- All risks are reviewed at monthly Charity team meetings.
- Risks 10+ are reported to Charitable Funds Committee meetings.
- Risks 12+ are also escalated to the Corporate Trustee via the CFC Chair's assurance report.

## 12. Policies

The following core policies are in place/in development at LUH Charity which adopts the policies of the Corporate Trustee unless indicated.

- Safeguarding (adults/children)
- Volunteering (volunteer services)
- Complaints and Concerns
- Media and social media policy
- Managing VIP and Celebrity Visits
- Managing Conflicts of interest/ Anti-Fraud, bribery and corruption
- Reserves Policy
- Investment policy
- Income policy
- Fundraising policy
- Expenditure policy
- Research policy
- Privacy policy
- Equality Impact analysis
- Data Protection
- Whistleblowing
- Register of Corporate Trustee member interests
- Refusals, Refunds and Returns policy.
- Risk Management Policy – LUH Charity
- Gifts in Kind SOP

### 13. Due Diligence, Monitoring and Verification of End Use<sup>6</sup>

The Charitable Funds Committee members and/or its delegates have effective processes in place to provide adequate assurances about the identity of donors, particularly substantial donors, and to verify this where it is reasonable and necessary to do so. This is embedded in LUH Charity fundraising/accounting practice (with the assistance of NHS Counter Fraud if required) and the teams ensure:

- they know who those individuals are.
- where the risks are high, appropriate checks are carried out.
- they are able to demonstrate that charitable funds have been used for the proper purposes for which they were intended.
- there is an audit trail showing the expenditure of funds by the applicant.
- the funds were received by the applicant and if the applicant forwarded those funds on, there is an audit trail to show this.
- the applicant has actually delivered the project and charitable work expected.
- LUH Charity's funds have been used for the purposes for which they were intended, and the beneficiaries identified by LUH Charity have benefitted.
- any concerns that need to be dealt with are identified.

### 14. Closure or dissolution of LUH Charity

In the event that LUH Charity needs to be dissolved, the following apply/are in place:

1. **A ringfenced reserves fund** is held to cover winding up costs including operating costs including pay, non-pay, governance, insurance, professional fees and any redundancy payments if applicable.
2. **The ability to transfer the balance of funds to another charity** (or other charities) with objects that are the same or similar to LUH Charity's own, for the general purposes of the recipient charity (or charities); or to any charity for use for particular purposes which fall within LUH Charity's objects.
3. **The winding up decision must be recommended by the Charitable Funds Committee** to the Corporate Trustee for resolution.
4. **Prompt notification to the Charity Commission that LUH Charity has been dissolved** and submit LUH Charity's final accounts.

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<sup>6</sup> Charity Commission

## **Appendices**

1. Terms of Reference
  - a) Charitable Funds Committee
  - b) Grant Making Panel
  - c) Small Grants Group
2. Essential Information for the Corporate Trustee and CFC
3. Trustee Checklist
4. Version control tracker

# Liverpool University Hospitals NHS Foundation Trust

## Charitable Funds Committee – Terms of Reference

### Authority/Constitution

1. The Committee is constituted as a standing committee of the Trust's Board of Directors. Its constitution and terms of reference shall be as set out below, subject to amendment at future Board of Directors' meetings.
2. The Committee is authorised by the Board to act within its terms of reference. All members of staff are directed to co-operate with any request made by the Committee.
3. The Committee is authorised by the Board of Directors to instruct professional advisors and request the attendance of individuals and authorities from outside the Trust with relevant experience and expertise if it considers this necessary or expedient to the carrying out of its functions.
4. The Committee is authorised to obtain such internal information as is necessary and expedient to the fulfilment of its functions.

### Board of Directors

- Board of Trustees
- Approves Charitable Funds Committee terms of reference, Annual Report and Financial Statements

### Charitable Funds Committee

- Ensures the requirements of the Charity Commission and other relevant regulatory and statutory frameworks are complied with
- Ensures charitable donations are administered efficiently and appropriately
- Approves grant applications of more than £50,000

### Chief Finance Officer

- Treasurer to the Charitable Funds Committee
- Ensures management and accounting arrangements are compliant with legislation

### Purpose

5. To ensure the requirements of the Charity Commission and other relevant regulatory and statutory frameworks are complied with and to ensure that charitable donations are administered efficiently and legally and directed promptly towards appropriate charitable activity in accordance with the donor's wishes.
6. The Committee will ensure that risks relevant to the Committee's purpose are minimised through the application of the Trust's risk management system via LUHFT Charity's Risk Register. This will include but not be restricted to the consideration of significant risks to the delivery of the Trust's strategic objectives, through review and scrutiny of the relevant risks from the Board Assurance Framework (BAF) and the divisional/corporate risk registers requiring consideration in accordance with the risk management policy.

7. In order to fulfil its role, the Committee will undertake the following:
- Maintain and approve appropriate policy documents to ensure that the legal and administrative duties of the Corporate Trustee are met on behalf of the Board of Directors.
  - Monitor charitable funds, approve the creation of new funds within the umbrella fund and ensure a periodic review of existing funds takes place.
  - Ensure appropriate procedures are in place to control expenditure and ensure it is in accordance with the objectives of the funds.
  - Establish a strategy for charitable funds and, on the basis of professional advice, determine an investment policy within this strategy.
  - Review the Annual Report and Financial Statements and ensure consistency with the Charity Commission's Statement of Recommended Practice.
  - Receive the auditors' report on the Annual Report and Financial Statements and recommend their formal approval to the Board of Directors.
  - Oversee the administration of the Charity and ensure its spending is in accordance with the objectives set by the Board of Directors as Corporate Trustee and supports the delivery of the Trust's strategic priorities: Great Care; Great People; Great Research & Innovation; and Great Ambitions.
  - Ensure proactive management of the pipeline of funding applications and that the Charity's income does not accumulate unless there is a specific future use in mind.
  - Act in the best interests of the Charity and in such manner as meets the requirements of the Charity Commission.
  - Establish and maintain a charitable funds risk register.
  - Authorise charitable funds expenditure over £5000.
  - Refer any matters of concern to the Trust's Board of Directors.
8. Whilst the Committee has been established by the Board of Directors to carry out specific functions as noted in this document, it is important to note that the Trust retains ultimate responsibility, via its Board of Directors, for discharging its duties and responsibilities as the Charity's Corporate Trustee. To that end, the Board of Directors has absolute discretion over the activities and decisions of the Committee.

## Membership

9. The Committee shall be composed of the following members:
  - a. Non-Executive Director (Chair)
  - b. Non-Executive Director
  - c. Chief Finance Officer
  - d. Chief Nurse/Medical Director (shared membership)
  - e. Director of Communications
10. The following are required to attend and participate in the meetings of the Committee in a non-voting capacity:
  - a. Assistant Director of Finance (with responsibility for Charitable Funds)
  - b. Finance Manager (Charitable Funds)
  - c. Head of Fundraising
  - d. Chief People Officer
  - e. Director of Strategy
  - f. Divisional representative (at the request of the Committee)
  - g. Professional Investment Advisor/Manager (at the request of the Committee)
  - h. Internal or External Audit (at the request of the Committee)
11. The Committee will be deemed quorate when 2 out of 5 members including the Non-Executive Director (chair) are present (tele-conferencing will be permitted, if necessary).
12. Members of the Board of Directors to attend one meeting a year as a minimum ex officio.
13. Other management or clinical staff may be co-opted or requested to attend for specific agenda items as necessary.

## Requirements of Membership

14. Members of the Committee must attend at least 75% of all meetings each financial year but should aim to attend all scheduled meetings. Attendance at the Committee will be recorded and monitored.

## Equality Diversity & Inclusion

15. In conducting its business, the Committee will at all times seek to promote its commitment to equality and diversity by the creation of an environment that is inclusive for both our workforce, patients and service users including those who have protected characteristics and vulnerable members of our community.

## Reporting

16. The minutes of all meetings of the Committee shall be formally recorded and submitted to the following meeting for approval.

17. The Committee will report to the Board of Directors after each meeting via an assurance report which will provide an overview of the discussions at the meeting, details of any matters in respect of which actions or improvements are needed and decisions taken.
18. The Committee will report annually to the Board of Directors in respect of the fulfilment of its functions.  
in connection with these terms of reference. This will include an evaluation of its performance according to a standardised framework and process.

#### Administration of Meetings

19. Meetings shall ordinarily be held quarterly with additional meetings held on an exceptional basis at the request of the Chair.
20. The Director of Corporate Affairs/Company Secretary will make arrangements to ensure that the Committee is supported administratively. Duties in this respect will include taking minutes of the meeting and providing appropriate support to the Chair and Committee members.
21. Agendas and papers will be circulated at least 5 working days (or 4 working days plus a weekend) in advance of the meeting.
22. Minutes will be circulated to Committee members as soon as is reasonably practicable.

#### Review

23. The Terms of Reference of the Charitable Funds Committee shall be reviewed by the Committee and submitted to the Board of Directors for review and approval at least annually.

## **Liverpool University Hospital Charity Grant Making Panel Terms of Reference**

### **Authority/Constitution**

The Grant Making Panel is constituted by the Charitable Funds Committee (CFC). Its terms of reference shall be as set out below, subject to amendment at future CFC meetings.

All members of staff are directed to cooperate with any request made by the Committee.

### **Purpose**

To ensure the requirements of the Charitable Funds Committee are complied with to ensure that charitable funds applications are received, reviewed, assessed and approved/deferred/rejected in line with the assessment process.

### **Membership**

- Assistant Director of Finance (Chair)
- Executive Managing Director (Aintree Hospital) and/or Executive Managing Director (Royal Hospital) or a nominated deputy
- Chair of Medical Board
- Chair of St Paul's Eye Research Foundation
- Associate Director Organisational Development
- Head of Research and Innovation
- Head of Fundraising
- Finance Manager – Charity

### **In attendance**

- Assistant Charity Accountant
- Other management or clinical staff as required at the request of the panel.

The panel will be deemed to be quorate when the Chair, at least one Executive Managing Director, at least one Head of Medical or Research or Innovation, the Charity Finance Manager and the Head of Fundraising OR their nominated deputies are present.

### **Duties**

The Grant Making Panel will convene bi-monthly to:

- Receive charitable funds grant applications that are >£10K including VAT.
- Review and assess applications and make recommendations to the CFC for applications that exceed £50K inc. VAT.
- Reach consensus to approve/defer/decline applications based on the establishment matrix.
- Escalate any issues or concerns to the Charitable Funds Committee
- Review risk(s) associated with grant decisions and escalate if necessary.
- Act in the best interests of the Charity

**Delegated authority**

The Grant Making Panel has delegated authority from the Charitable Funds Committee to approve funding applications up to £50K inc. VAT.

**Reporting**

The decisions of all meetings of the Panel shall be formally recorded on an established template and submitted to the Charitable Funds Committee for assurance and/or escalation where required.

**Administration of Meetings**

Meetings shall ordinarily be held bi-monthly with additional meetings held on an exceptional basis at the request of the Chair and will be held either in-person or by electronic means.

All applications will be submitted to the Panel at least three working days before the meeting, together with the standard assessment matrix.

Decisions will be recorded and any escalations/additions to the Charity Risk Register submitted to the subsequent Charitable Funds Committee.

**Review**

The Terms of Reference of the Grant Making Panel will be reviewed at least annually.

**Version Control Schedule**

Date	Version no	Main changes proposed	Date approved by CFC

## LUH Charity Small Grants Group Terms of Reference

### Authority/Constitution

The Small Grants Group is constituted by the Charitable Funds Committee (CFC). Its terms of reference shall be as set out below, subject to amendment at future CFC meetings.

All members of staff are directed to cooperate with any request made by the Committee.

### Purpose

The Small Grants Group meets monthly and is designed to quickly approve small applications which are more often patient experience related and therefore time sensitive. The SGG:

- Ensures the requirements of the Charitable Funds Committee are complied with to ensure that charitable funds applications are received, reviewed, assessed and approved/deferred/rejected in line with the assessment process.
- Has delegated authority from CFC to approve grant applications less than £10K inc. VAT.
- Provides assurance through a comprehensive small grants' outcomes report provided to the next available Charitable Funds Committee as per the cycle of business.

### Membership

- Assistant Director of Finance – Chair
- Associate Director of Organisational Development
- Director of Fundraising – St Paul's
- Head of Fundraising
- Finance Manager – Charity
- Clinical representative x 1

### In attendance

- Assistant Charity Accountant
- Other management or clinical staff as required at the request of the Group.

The panel will be deemed to be quorate when the Chair, the Charity Finance Manager and the Head of Fundraising OR their nominated deputies are present.

### Duties

The Small Grants Group will convene monthly to:

- Receive charitable funds grant applications that are up to £10K including VAT.
- Reach consensus to approve/defer/decline applications based on the establishment matrix.
- Escalate any issues or concerns to the Charitable Funds Committee
- Review risk(s) associated with grant decisions and escalate if necessary.
- Act in the best interests of the Charity

**Delegated authority**

The Small Grants Group has delegated authority from the Charitable Funds Committee to approve funding applications up to £10K inc. VAT.

**Reporting**

The decisions of all meetings of the Group shall be formally recorded on an established template and submitted to the Charitable Funds Committee for assurance and/or escalation where required.

**Administration of Meetings**

Meetings shall ordinarily be held monthly with additional meetings held on an exceptional basis at the request of the Chair and will be held either in-person or by electronic means.

All applications will be submitted to the Group at least three working days before the meeting, together with the standard assessment matrix.

Decisions will be recorded and any escalations/additions to the Charity Risk Register submitted to the subsequent Charitable Funds Committee.

**Review**

The Terms of Reference of the Small Grants Group will be reviewed at least annually.

**Version Control Schedule**

Date	Version no	Main changes proposed	Date approved by CFC
22.4.24	1	Added to Small Grants Group ToR <ul style="list-style-type: none"> <li>• Associate Director of Organisational Development</li> <li>• Director of Fundraising – St Paul’s</li> </ul>	
22.4.24	1	Added to Grant Making Panel ToR <ul style="list-style-type: none"> <li>• Chair of St Paul’s Eye Research Foundation</li> <li>• Associate Director Organisational Development</li> </ul> Title change: Chair of Medical Board	

## Essential Information for the Corporate Trustee and Charitable Funds Committee Members<sup>7</sup>

- ✓ LUH Charity's objects/purposes as set out in its governing document.
- ✓ LUH Charity's aims and objectives.
- ✓ Assurance that all of LUH Charity's activities further or support its purposes.
- ✓ The extent to which LUH Charity benefits the public by carrying out its purposes.
- ✓ Evaluation of the charitable funds committee effectiveness
- ✓ Annual cycle of business in place including accounts, reports, presentations, applications and other materials
- ✓ Periodic skills, knowledge and experience evaluation of the Charitable Funds Committee members
- ✓ Communications plan for those with an interest in LUH charity - donors, supporters, beneficiaries, partners, staff and volunteers.
- ✓ Sufficient oversight and knowledge of the activities of external people and organisations acting on LUH Charity's behalf.
- ✓ Access to any required guidance/advice to ensure decisions are made in the best interests of LUH charity and its beneficiaries.
- ✓ Management of conflicts of interests
- ✓ Management of risk
- ✓ Assurance on the safeguarding process and policy.

*See also: The Essential Trustee – Charity Commission<sup>8</sup>*

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<sup>7</sup> [Charity governance, finance and resilience: 15 questions trustees should ask - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/charity-governance-finance-and-resilience-15-questions-trustees-should-ask)

<sup>8</sup> [The essential trustee: what you need to know, what you need to do - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-what-you-need-to-do)

## Trustee Checklist

Taking responsibility for LUH Charity's Fundraising: A Checklist for Trustee(s)

### Planning effectively

We have set or agreed our fundraising strategy/plan.	
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It reflects:

• our charity's values	
• the resources we use and the costs we incur in our fundraising	
• the key financial and reputational risks we may face	

We discuss it at our meetings so that we can:

• monitor progress	
• manage the key risks	

### Supervising our fundraisers

We have considered and decided which fundraising issues we will not delegate.	
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We have effective systems in place so that:

Our in-house fundraising staff:

• know what they are supposed to do, via written role descriptions	
• are doing the job successfully	

Our recruited volunteers:

• know who they report to, and who to approach with problems or concerns	
• understand the boundaries within which they must work when representing our charity	

Our arrangements with any commercial partners:

• fully comply with relevant legal requirements	
• are in our charity's best interests	
• appropriate due diligence is undertaken	
• our fundraising values and expectations are communicated	
• the costs are justifiable and can be explained	
• proper control is kept of the money raised	
• the fundraising communications to be used are reviewed	
• compliance with the agreement is monitored	
• any conflicts of interest are recognised and dealt with.	

### Protecting our charity's reputation, money and other assets

We have effective systems in place so that:

• the reputational risks our charity may face in its fundraising are identified, assessed and managed	
• likely donor, supporter and public perception is considered when income expectations and other goals are considered	
• the legal rules and recognised standards which apply to our fundraising are followed	
• we have considered whether our appeal should have a secondary purpose	
• our values are communicated to the people who work on our fundraising	
• the costs of our fundraising are managed and explained	

• our fundraising finance is planned and monitored	
• effective financial controls are in place and followed	
• risks of financial crime and fraud are reduced	
• our charity is alerted to any suspicious donations	
• our charity can stop (or authorise) any unauthorised fundraising activity which is using its name	
• serious incidents are reported to the Commission, police and other agencies	
• our data, name, image logo and intellectual property are protected	

### Following the law and recognised standards

We have effective systems in place so that:

• the Code of Fundraising Practice and other resources are used to find out about the legal rules and recognised standards which apply to our fundraising	
• these rules and standards are followed	

### Be open and accountable.

We have effective systems in place so that:

• any legal rules and requirements that apply to how our charity reports on and accounts for its fundraising are complied with	
• our open and accessible complaints procedures are followed if concerns are raised about our fundraising	
• our fundraising aims and achievements are clearly communicated to the public and to donors and supporters	

# **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.