LANCASHIRE TEACHING HOSPITALS CHARITY

England & Wales · Charity number 1051194

Details

Other names	LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST CHARITY, LANCASHIRE TEACHING HOSPITALS NHS TRUST CHARITY
Status	Registered
Legal form	Other
Registered	1995-12-04
Register	View on the Charity Commission register

Contact

Address	Royal Preston Hospital Sharoe Green Lane Fulwood Preston PR2 9HT
Phone	01772 528500
Email	Charity@LTHTR.nhs.uk
Website	https://lthcharity.org.uk/

Activities

Objects: FOR ANY CHARITABLE PURPOSE OR PURPOSES RELATING TO THE NATIONAL HEALTH SERVICE

Activities: Lancashire Teaching Hospitals Charity is dedicated to making a difference to the thousands of patients treated at our hospitals every year. Our aim is to enhance the services already provided by Lancashire Teaching Hospitals NHS Foundation Trust, providing the best possible care, in the very best facilities, supporting innovation, patient comforts, specialist equipment and research.

Classification

- **How:** Makes Grants To Organisations, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

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Geography

- Cumbria
- Lancashire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£785,000	£830,000	£1,143,000	5
2024-03-31	£627,000	£919,000	£1,173,000	5
2023-03-31	£1,322,000	£1,378,000	£1,413,000	0
2022-03-31	£550,000	£747,000	£1,508,000	9
2021-03-31	£1,474,000	£1,755,000	£1,692,000	4

Trustees

Name	Role	Appointed
LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST		

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Linked charities

- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST NEUROSCIENCES FUND (1051194-1)
- LANCASHIRE TEACHING HOSPITALS NHS TRUST FOUNDATION DIAGNOSTIC IMAGING FUND (1051194-10)
- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST PATIENTS' FUND (1051194-11)
- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST POST GRADUATE EDUCATION FUND (1051194-12)
- DIABETIC FUND (1051194-13)
- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST STAFF FUND (1051194-2)
- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST NEONATAL FUND (1051194-3)
- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST RENAL MEDICINE FUND (1051194-4)
- THE ROSEMERE CANCER FOUNDATION (1051194-5)
- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST ENDOSCOPY UNIT FUND (1051194-6)
- BABY BEAT APPEAL (1051194-7)
- LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST OBSTETRICS AND GYNAECOLOGY FUND (1051194-8)
- LANCASHIRE TEACHING HOSPITALS NHS TRUST FOUNDATION CARDIOLOGY FUND (1051194-9)

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LANCASHIRE TEACHING HOSPITALS CHARITY

England & Wales - Charity number 1051194

Accounts

Lancashire Teaching Hospitals Charity

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust

Annual Report & Accounts 2024/2025

Supporting world class treatment, research and outstanding care









Reg. Charity No. 1051194

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1. Foreword by Chair of Charitable Funds Committee



Welcome to Lancashire Teaching Hospitals Charity's Annual Review 2024/25

It is both an honour and a privilege to take on the role of Chair of the Charitable Funds Committee, and I am delighted to share with you this year's Annual Review.

This review is a chance to reflect on the real and lasting impact our supporters have made - from transforming hospital spaces to funding vital equipment and supporting staff wellbeing. Thanks to your generosity, we've been able to deliver meaningful projects that benefit babies, children, and adults across Royal Preston and Chorley and South Ribble Hospitals.

Over the year, the Charity raised £785k which went towards enhancing patient care and staff support. Every penny raised goes directly into projects that go above and beyond what NHS funding can provide, from the renovation of the Gynaecology and Early Pregnancy Assessment Unit to the purchase of new handheld dynamometers for our physiotherapy team.

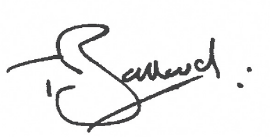
Our much-loved fundraising events were back in full swing this year - including the Peel Tower Abseil, Cross Bay Walk, and Jingle Bell Jog - and we were thrilled to introduce The NHS Big Climb, our brand-new climbing wall challenge. We've also seen a fantastic rise in community fundraising activity, with more local people and businesses getting involved to make a difference.

We were proud to secure £305k in grants to support a variety of other charitable projects, including £1,375 from Wonder Wards for LED ceiling tiles in one of the treatment rooms on the Children's Ward, and £1,038 from the Rhodi Charitable Trust towards calming wall art in the Relatives Room of the Emergency Department at Royal Preston Hospital.

Reflecting on 2024/25, I am truly grateful for the unwavering support of our donors, volunteers, corporate partners, and fundraisers. Your generosity has helped enhance patient care and wellbeing - bringing comfort, dignity, and moments of joy to those who need it most.

We ended the year in a strong financial position, ensuring we can continue to deliver impactful projects now and in the future. On behalf of everyone at the Charity and across our hospitals, thank you for making a difference.

With warmest thanks,



Tim Ballard
Chair, Charitable Funds Committee



2. Who we are

Lancashire Teaching Hospitals Charity is registered with the charity commission (registered number 1051194) and we are constituted under the NHS Charities - Corporate Trustee model (see section 7 for details).

The Charity exists to raise funds and receive donations for the benefits of the patients of Lancashire Teaching Hospitals NHS Foundation Trust. By securing donations, legacies and grants the Charity can provide those 'extra touches' to make a real difference for patients, their families and the staff who look after them.

Providing both general and specialist care for the benefit of 1.8m people across Lancashire and South Cumbria, Lancashire Teaching Hospitals NHS Foundation Trust is our key partner in fulfilling our charitable aims.

We welcome all support, as this allows us to invest in clinical excellence and outstanding care, as well as world class research. Please read on to find out more about what we do, what we have achieved and how we invest the money donated to us.





Our Aims and Objectives

Lancashire Teaching Hospitals Charity aims to enhance the services already provided by Lancashire Teaching Hospitals NHS Foundation Trust. Through raising new money and careful management of existing funds, the Charity can provide a public benefit by making grants to the Trust (and the other organisations it works with) to invest in world class research, treatment, and outstanding care. It does this by:

- ✔ **Purchasing the very latest or additional medical equipment**
- ✔ **Providing improvements to patient comfort and wellbeing**
- ✔ **Investing in world class research for the benefit of our patients**
- ✔ **Supporting staff wellbeing in pursuit of their delivery of excellent patient care**

Grants from the Charity to the Trust are made in accordance with the Trust's standing financial instructions as well as charity law, our constitution, and in accordance with the wishes of donors.

When considering where to focus our attention our corporate trustee's board and, particularly, the members of the Charitable Funds Committee, have regard to the Charity Commission for England and Wales's guidance on public benefit and what this means for the Charity.

In making grants, the Charity endeavours to reflect the wishes of patients and staff by directing funds towards areas they tell us are most in need.

Our plans include continuing to grow our fundraising efforts, while also strengthening our role as the lead charity for Lancashire and South Cumbria in partnership with NHS Charities Together.

3. How to support us

The generosity and dedication of our supporters play a vital role in helping us go above and beyond for patients at our hospitals.

Thanks to your fundraising efforts, donations, and gifts of time and talent, we're able to enhance patient care, fund specialist equipment, and support the wellbeing of our incredible NHS staff. Every act of kindness helps us make a real difference to local people when they need us most.

Whether you choose to run, swim, cycle, knit, sing, bake, or find your own creative way to raise funds - there are countless ways to get involved and support your local and specialist hospitals.

Making a Donation

To make a donation please visit
www.lthcharity.org.uk
or call the fundraising team on **01772 528500**.

Gifts in Memory

Each year, we are honoured to receive thousands of pounds from people donating in memory of someone special. These meaningful gifts help us enhance patient comfort and fund equipment that benefits others - creating a lasting legacy in tribute to loved ones.

Legacy Support

Gifts left to the Charity in a Will provide a valuable income source allowing us to plan for the future and benefit as many patients as possible. Even the smallest gift in your will can have a lasting impact. During 2024/25 we received a total of £31,869 in legacy gifts.





Gift Aid

Is the gift that keeps on giving, last year we claimed thousands of pounds in Gift Aid. If you are a UK tax payer and sign up for gift aid with us, we are able to claim an additional 25p for every £1 you donate.

Get in touch – we'd love to hear from you!

For information about Gift Aid, legacy donations and the many other ways you may wish to support, please visit **www.lthcharity.org.uk**
email **charity@lthtr.nhs.uk**
or call the fundraising team on **01772 528500**.



4. Your support and our achievements and performance

We were thrilled to see our fundraising calendar expand in 2024/25, with both new and returning events proving very popular. A heartfelt thank you to all of our amazing supporters for your continued kindness, dedication, and generosity - your efforts truly make a difference to patients, families, and staff across our hospitals.

From the launch of our exciting new mobile climbing wall challenge, the NHS Big Climb, in July, to the return of popular favourites like the Jingle Bell Jog and Peel Tower Abseil, hundreds of supporters got involved and raised vital funds for our services.

Together, our charity-led events raised over £20,000, with highlights including more than 150 walkers taking on the Cross Bay Walk in support of LTH Charity and Baby Beat, 35 brave fundraisers abseiling 128ft from Peel Tower, over 80 festive runners at our first Jingle Bell Jog, and nine teams tackling the Big Climb - raising an impressive £3,356.

We also continued to mark key awareness days, including our fourth annual National Superhero Day in April, which raised over £1,000 with support from schools and businesses - including a fantastic £256 from Whitefield Primary School in Penwortham. In July, we celebrated the NHS's 76th birthday with the NHS Big Tea, raising £1,742 with support from our Allocations Team, SAFE Centre, and Fulwood Clinic.

Community fundraising remained strong, with many local groups, schools, and hospital teams organising their own events. A particular highlight was the MND team's 10th annual Guild Wheel Walk, which raised a brilliant £6,444 for Motor Neurone Disease research.

Our maternity and neonatal fund, Baby Beat, continued to receive strong support. Annual awareness campaigns for Baby Loss Awareness Week and World Prematurity Day raised £2,365 through a sponsored walk, raffle, and remembrance item sales - raising funds while offering space for families to reflect and remember.



Overall, we were encouraged to see more individuals and groups organising their own fundraising events than ever before, a reflection of the growing awareness of our work and a shared commitment to making a difference across our hospitals.

More details on our fundraising events and activities can be seen on our website **www.lthcharity.org.uk**

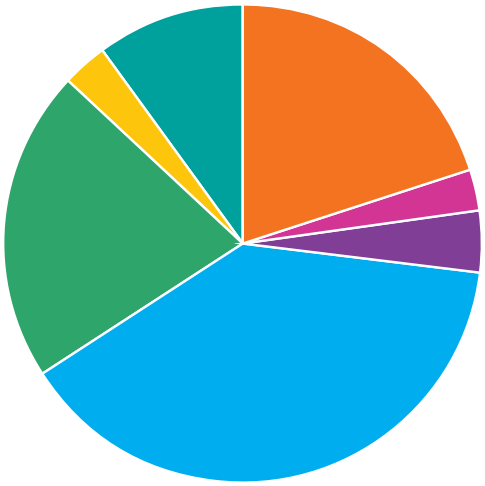




5. The difference you made

The Charity is only able to support the work of Lancashire Teaching Hospitals NHS Foundation Trust through the money it receives. We use this in furthering our charitable aims and objectives.

The following chart illustrates the breakdown of the £784,786 charitable income received during this financial year (2024/25).



- Donations **20%**
- Corporate donations **3%**
- Legacies **4%**
- Grants **39%**
- Charitable activities **21%**
- Investments **3%**
- Trading activities **10%**

During 2024/25 total income received from donations and legacies came to £518k (2023/24: £439k). This included legacy income of £32k received (2023/24: £5k). The charity is also very grateful to the many business and individuals who gave gifts in kind totalling £74k (2023/24: £38k). Income raised by events and community fundraising groups totalled £154k (2023/24: £82k)

Charitable Trust activity continued to perform well over this last financial year, with a total of £305k received in grants (2023/24: £255k) which included £134k from NHS Charities Together to support out of hospital healthcare partnerships.

We were delighted to receive grants from different Trusts towards a variety of other charitable projects, including £1,375 from Wonder Wards for LED ceiling tiles in one of the treatment rooms on the Children's Ward, and £1,038 from Rhodi Charitable Trust towards calming wall art in the Relatives Room of the Emergency Department at Royal Preston Hospital.

Furthermore, we received £2,631 from Child's Play Charity towards an interactive projector for the Paediatrics Emergency Department, whilst The Shepherd Street Trust supported their calms room with a grant of £1,225.

The Charity benchmarks fundraising activity with peers across the region and through the NHS Charities Together, membership monitoring comparative success of campaigns and overall fundraising cost to income ratios.

We endeavour to keep our costs to a minimum to ensure maximum charitable impact from the charitable donations received. We underperform for the overall value of donations against the average for an NHS charity with a focus on research. We are therefore seeking to improve in this area.

This year also saw retail trading income of £78k, (2023/24: £69k) which was made possible due to the tenacious support of the 30 Baby Beat Shop volunteers who continue their support year on year.

Investment income of £26k, £17k was received in the form of dividends and £9k in interest (2023/24: £16k and £12k).



What we spent the money on

This year the Charity is delighted to report that it has approved 72 grant applications totalling £384k, with investment in the charity's objectives demonstrating the Charity's continued support for patient wellbeing and its focus, through the Children's Fund and Baby Beat, on the Women's and Children division.

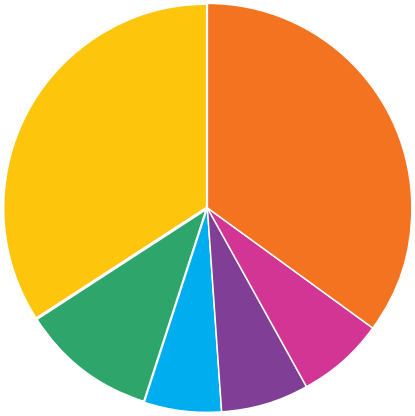
Included in this figure is £88.3k awarded by Volunteering for Health – an exciting programme being delivered in partnership by NHS England, NHS Charities Together and CW+, the official charity of Chelsea and Westminster Hospital NHS Foundation Trust, aimed at testing new models of volunteering through the creation of community volunteer health champions to support the health of children, young people, and adults by addressing health inequalities.

The Volunteering for Health programme is part of NHS England's response to the NHS Volunteering Taskforce, which brought together health charities, volunteers, clinicians, civil servants and policy makers. The Taskforce published its recommendations in June 2023, concluding that more can be done nationally and locally to maximise the benefits of volunteers and volunteering in the NHS, as a vital resource in delivering health and social care nationally and locally, whilst strengthening volunteering infrastructure.

LTHC was one of 15 partnerships across the UK to successfully bid for funding. Partnerships are made up of voluntary, community and social enterprise (VCSE) organisations, NHS Trusts, integrated care boards (ICBs), local authorities (LAs) and NHS charities. Alongside LTHC, the successful partnership is made up of five VCSE organisations, including Community CVS, Cumbria CVS, Lancashire Association of CVS, Spring North, and Volunteer Centre Blackpool, Wyre and Fylde.

Of the total expenditure of £830k (2023/24: £919k), the amount spent on charitable activities, excluding support costs, was £455k (2023/24: £480k). Charitable activities spend covers a wide range of programmes from capital projects to medical equipment as well as additional training and rest areas for staff. Checks are in place to ensure that all expenditure is in line with the Trust's Standing financial instructions and in support of charitable objectives i.e., monies spent are used to purchase additional goods and services not normally provided by, or in addition to the normal NHS service. The Charitable Funds Committee keeps the spirit of public benefit at the forefront of its decision making.

This chart shows our expenditure for 2024/25



- Grants for Patient Environment and Wellbeing **35%**
- Grants for Staff Education and Wellbeing **7%**
- Grants for Medical Research **7%**
- Grants for Medical Equipment **6%**
- Charitable Activities Support Costs **11%**
- Raising Funds **34%**

Here are some of the ways in which donations have been used this year:

1 Weighted Blankets (£856) To support young patients with sensory needs in our Paediatric Emergency Department. Weighted blankets help reduce sensory overload, offering comfort and calm to young patients who may feel overwhelmed. This improves their hospital experience and enables staff to carry out care more safely and effectively.

2 Renovation of the Critical Care patient garden (£16,000) at Royal Preston Hospital into a peaceful, sensory space to support patient rehabilitation. The new garden provides a calm, therapeutic environment with colourful plants, soothing scents and comfortable seating - helping aid recovery and wellbeing during critical care.

3 New specialist seating for stroke patients (£9,072) 'Tilt-in-space' chairs provide vital postural support and pressure relief, designed specifically for patients in the early stages of stroke rehabilitation. These chairs are used multiple times a day to support positioning, improve respiratory function, and encourage social engagement which is all essential to recovery.

4 Two new handheld dynamometers for our physiotherapy department (£1,956) These innovative devices allow clinicians to accurately measure muscle strength in kilograms or pounds of force during rehabilitation. Previously, assessments relied on visual estimations - but now, with these tools, we can precisely track the force patients













produce when pushing against resistance. This means better monitoring of progress and more informed decisions about when patients are ready to move on to the next stage of their recovery.

5 New, comfortable furniture for the paediatrics waiting area (£6,924) Used by more than 40 children and families every day, often around the clock, this space is a key part of the paediatric experience. Thanks to this upgrade, children, new mothers, and families now have a more welcoming, comfortable place to sit - whether they're waiting for results or simply taking a much-needed break. The area also provides a valuable space away from the ward for young patients, making it all the more important to create a child-friendly and calming environment.

6 Transforming the Gynaecology and Early Pregnancy Assessment Unit (£15,242) Thanks to the generosity of our supporters, we've funded calming wall art and comfortable new furniture for the refurbished Gynaecology and Early Pregnancy Assessment Unit.

The unit's new scan suite, walk-in assessment area, waiting room, two treatment rooms, and corridor have all been thoughtfully redesigned with soothing murals and soft seating - helping to create a more welcoming, less clinical environment. These improvements aim to reduce anxiety for patients and their partners during what can be an incredibly sensitive and emotional time.

All items purchased are in addition or above the NHS remit. Visit **lthcharity.org.uk** to see more about the items we fund.

Our fundraising practices

Members of Lancashire Teaching Hospitals Charity team support staff and donors both in the hospital and in the wider community to raise funds on behalf of the Charity. The Charity does not use external professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Charity is signed up to the Fundraising Regulator's Code of Fundraising Practice and is a member of NHS Charities Together. Fundraising staff receive support from and are invited to take part in NHS Charities Together training webinars as well as attend the Institute of Fundraising Conference - Northwest.

All staff follow the Trust's fundraising guidance policy and working practices are reviewed regularly to ensure compliance. They are also required to undertake relevant safeguarding mandatory training to help to recognise and protect vulnerable people. Volunteer fundraisers are given a full briefing and appropriate training before they are able to raise funds for the Charity and they also receive regular updates/reminders. Volunteer fundraisers are always supported and briefed fully with a fundraising handbook before they raise funds for the Charity.

All of our direct marketing is managed by the fundraising team, and we're always careful to make sure it isn't intrusive or persistent. For postal mailings, we operate under a legitimate interest policy, so we don't need prior permission to keep in touch by post. For email marketing, however, we will always ask for consent first. Every piece of communication we send includes clear details on how you can opt out at any time, as we want our supporters to feel completely comfortable with how we stay in touch.

6. Our Future Plans



In the year ahead, we will continue to build on the progress we've made in bringing our Lancashire Teaching Hospitals Charity and Baby Beat brands closer together. We'll expand our jointly branded events and shared materials, moving towards a more unified identity that reflects the collective difference we're making for patients and staff across all areas of care.

We'll invest in our marketing and communications to help us reach more people, raise awareness of our work, and encourage even more supporters, staff, and community groups to get involved in fundraising. We will continue to support and celebrate those who choose to organise their own events, helping them to make the biggest possible impact.

Our staff remain at the heart of our plans. Over the coming year, we'll strengthen relationships with clinical teams and departments, making it easier for them to champion charitable projects, raise funds for their wards, and share the stories of how donations are transforming care.

One of our most exciting developments for the year ahead is the launch of the North West's first Young Parent Maternity Service through Baby Beat. Funded by a grant from NHS Charities Together's Innovation Challenge Fund, this pioneering project – delivered by the Blossom Team of specialist midwives and a maternity support worker – will provide personalised, inclusive care for young parents under 20 across Preston, Chorley, Leyland, and South Ribble. From home visits to tailored antenatal support, the service will ensure young families feel informed, supported, and empowered from pregnancy through to parenthood.

By focusing on these priorities, we aim to grow our impact, create more opportunities for our community to get involved, and deliver projects that make a real difference every day.





7. Structure, Governance and Management

Structure

The Charity follows the NHS Corporate Trustee operational model with members of Lancashire Teaching Hospitals NHS Foundation Trust Board being appointed as its Corporate Trustee. The Corporate Trustee members are appointed upon their appointment to the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust.

The overall management and decision-making of the Charity is delegated by the Corporate Trustee to the Charitable Funds Committee.

Charitable Funds Committee

The Charitable Funds Committee meet quarterly and has specific terms of reference; no business may be transacted at a meeting unless two Non-Executive Directors and one Executive Director, who must be the Finance Director (or nominated deputy), are present.

The Charitable Funds Committee is responsible for reviewing and managing its charitable funds in accordance with the Trusts' Standing Financial Instructions and its Scheme of Delegated Powers of Authority.

The Charitable Funds Committee works within the delegated powers granted to it by the Corporate Trustee who retain the right to amend delegated powers and terms of reference as appropriate. As part of its delegated powers, it is responsible for the following:

- To establish a strategy for charitable funds and on the basis of professional advice, determine the investment policy within this strategy.
- To monitor performance and composition of the portfolio to ensure compliance with the investment policy and seek advice from the professional advisor, when required.
- To monitor charitable funds and approve the creation of new funds and ensure a periodic review of existing funds takes place.
- To ensure appropriate procedures are in place to control expenditure and ensure it is in accordance with the objectives of the funds.
- To ensure the requirements of the Charity Commission are complied with.
- To refer any matters arising to the Corporate Trustee.

The Committee is supported in doing so by the Head of Charities and operates within a framework with clear policies on investments, sponsorship, fundraising, expenditure and reserves. Authority to approve expenditure from funds is controlled through delegated limits.

Expenditure	Approval Required
£25,000 +	Approval also needed from Charitable Funds Committee
£10,000 to £24,999	Approval also needed from Assistant Director of Finance
£5,000 to £9,999	Approval also needed from Divisional Director
Up to £5k	Approval needed from fund advisors

The Fund Structure

Lancashire Teaching Hospitals Charity is now governed by a single Trust Deed. Restricted funds continue to be managed under the restrictions that were specified and are used in accordance with the restrictions imposed.

Unrestricted funds comprise of those funds which the Corporate Trustee has discretion to use for any purpose within the objects of the Charity. The trustee respects the wishes of the donors wherever possible, and all unrestricted funds are spent, as far as possible, in the optimum way to further the wider objectives of the Charity.

Connected Parties and Linked Charities

The Charity holds 100% of the share capital in Baby Beat Limited (Company Registration Number 03817502), a retail outlet based in the Sharoe Green Unit at Royal Preston Hospital. All net profits are donated to the Charity under the Gift Aid scheme and the company's accounts have been consolidated with the Charity's accounts this financial year.

The Charity is linked to the separately registered charity, The Rosemere Cancer Foundation. It was established with the same declaration of trust in November 1995 and shares the same Corporate Trustee. The Charity pools its investments with that of The Rosemere Cancer Foundation to form a single investment portfolio, resulting in greater efficiency in the management of the investments.

Wider networks

The Charity is one of over 230 NHS charities in England and Wales who are members of NHS Charities Together. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support andeducation for our staff and members of the charitable funds committee.

As a member of NHS Charities Together, we also invited to apply for and receive grants from them.

Risk Management and Internal Controls

Due to the close relationship between the Trust and the Charity the risk management process is embedded into that of the Trust's assurance framework and risk management systems.

The Board of Directors of the Trust, who are also the Corporate Trustee, have adopted a formal risk management process to assess business risk and implement risk management strategies. Senior management and the trustee have:

- Identified the types of risk the Trust and Charity faces.
- Prioritised the risks in terms of impact and likelihood of materialising.
- Identified means of mitigating these risks.

A risk register has been prepared to assist in managing risk to which the Trust has been exposed. The risk register is monitored by the Trust's Governance framework who request regular updates on any relevant action plans and ensure that all appropriate controls are in place or have been identified.



Principal risks and uncertainty facing the Charity

While public goodwill toward the NHS remains strong, financial pressures on individuals and organisations may affect their ability to support the charity as generously or as frequently as in previous years. We continue to monitor this closely and adapt our fundraising strategies to ensure we remain resilient and able to meet the needs of our patients, staff, and hospital services.

The Charity's reserves policy is designed to ensure that it can continue to meet its objectives under circumstances such as these, which are carefully considered at all times.

The Charity considers the valuation of its investments and any decline in market values that would negatively affect fund balances, as a risk. The Charitable Funds Committee meet regularly with the investment advisors and receive quarterly updates to allow them to review the performance of the investments and the risk level associated with them as well as how the Ukraine conflict continues to affect the markets. The current category of risk is 4 to 5 (low to moderate). The Charity's reserves and investment policies are designed to ensure that no unnecessary risks are taken, and the investments continue to support the Charity to meet its objectives.

Internal controls

The Corporate Trustee has overall responsibility for ensuring that the organisation operates an appropriate system of financial controls and otherwise to provide reasonable assurance that:

- The Charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and that financial information used within the Charity or for publications is reliable.
- The Charity complies with relevant UK laws and regulations.

In this regard, the Corporate Trustee places reliance upon the Trust's Audit Committee whose remit is to examine the effectiveness and appropriateness of the system of internal controls. This is achieved by:

- Reviewing and approving the audit plan, determining the types of internal and external audits to be undertaken, the areas of the organisation which are subject to review, and examining any findings that arise.
- Reviewing the nature and scope of internal and external audit, and any matters raised for the attention of management. Any significant findings or identified risks are examined so that appropriate action can be taken.

The systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. These include:

- Regular review of the activities of the Fund and of its performance against pre-defined targets set by the Charitable Funds Committee.
- Formal delegation of authority to spend within clearly defined limits.
- Identification and management of risks.
- Scrutiny of internal and external audit.





Trustee and Advisers and Contact Details for the Charity

As the Charity operates under a Corporate Trustee model, the names of the directors are required to be disclosed:

Responsibility	Name	Post From	To
Chief Executive Officer	Silas Nicholls		
Chief Operating Officer	Katie Foster-Greenwood	12/08/2024	
Interim Chief Operating Officer	Emma Ince	10/06/2024	11/08/2024
Interim Chief Operating Officer	Imran Devji		09/06/2024
Acting Chief Finance Officer	Craig Carter	01/05/2025	
Interim Chief Finance Officer	David Stonehouse	02/09/2024	30/04/2025
Chief Finance Officer / Deputy Chief Executive	Jonathan Wood		01/09/2024
Chief Medical Officer	Geraldine Skailes		
Chief Nursing Officer and Deputy Chief Executive Officer from 1st October 2024)	Sarah Morrison		
Chief People Officer	Neil Pease		
Chief Information Officer	Stephen Dobson		30/06/2024
Chief Strategy and Improvement Officer	Ailsa Brotherton		
Director of Strategy and Planning	Gary Doherty		07/01/2025
Director of Communications and Engagement	Naomi Duggan		
Director of Corporate Affairs (SIRO)	Jennifer Foote	01/10/2024	
Company Secretary	Jennifer Foote		30/09/2024
Operational Director of Finance	Angela Mulholland-Wells		06/10/2024
Chair	Mike Thomas	01/01/2025	
Chair	Peter White		31/12/2024
Vice Chair / Non-Executive Director	Paul O'Neill		02/03/2025
Senior Independent Director	Tim Watkinson		31/03/2025
Non-Executive Director	Tim Ballard		
Non-Executive Director	Karen Deeny	01/03/2025	
Non-Executive Director	Adrian Leather	01/03/2025	
Non-Executive Director	John Schorah	01/03/2025	
Non-Executive Director	StJohn Crean	03/03/2025	
Non-Executive Director	Tim Wheeler	01/04/2025	
Non-Executive Director	Uzair Patel	02/07/2024	
Associate Non-Executive Director	Uzair Patel		02/07/2024
Associate Non-Executive Director	Michael Wearden		09/06/2024
Associate Non-Executive Director	Peter Wilson		15/06/2024
Non-Executive Director	Victoria Crorken		07/02/2025
Non-Executive Director	Kate Smyth		28/02/2025
Non-Executive Director	Jim Whitaker		01/07/2024
Non-Executive Director	Tricia Whiteside		28/02/2025

All members have been in post for the whole year unless otherwise stated.

Charitable Fund Committee Members:

Responsibility	Name	Post From	To
Non-Executive Director (Chair of the Committee)	Tim Ballard	01/03/2025	
Non-Executive Director (Chair of the Committee)	Kate Smyth		28/02/2025
Non-Executive Director	Uzair Patel	01/03/2025	
Non-Executive Director	Tim Wheeler	01/03/2025	
Chief Nursing Officer (Deputy Chief Executive Officer from 01/10/2024)	Sarah Morrison		
Acting Chief Finance Officer	Craig Carter	01/05/2025	
Interim Chief Finance Officer	David Stonehouse	02/09/2024	30/04/2025
Chief Finance Officer/Deputy Chief Executive	Jonathan Wood		01/09/2024
Non-Executive Director	Victoria Crorken		07/02/2025
Non-Executive Director	Tricia Whiteside		28/02/2025

All members have been in post since the 1st April 2024 unless otherwise stated.

Registered Charity Number and name: **1051194 Lancashire Teaching Hospitals Charity**

Principal Office address:
Royal Preston Hospital
Sharoe Green Lane
Fulwood, Preston
PR2 9HT

Head of Charities and Fundraising:
Daniel Hill
e: Daniel.Hill@lthtr.nhs.uk

Finance Office address:
Preston Business Centre
Watling Street Road
Fulwood, Preston
PR2 8DY

The following advisors were retained by the Charity in 2024/25:

Bankers
National Westminster Bank PLC
97 Fishergate
Preston
PR1 2BY

Auditors
Beever and Struthers
Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Investment Advisors
RBC Brewin Dolphin
1 The Avenue
Spinningfields Square
Manchester
M3 3AP

Solicitors
Mills & Reeve
3 Symphony Park
Manchester
M1 7FS



8. Financial Review

The Charity's annual accounts have been produced in accordance with FRS102 as were the previous years. Therefore, no adjusting entries were required for the comparative year.

The charity is reporting a deficit for the year before adjustments for market value gains and losses on investments of £45k. (2023/24: deficit of £292k)

The investment portfolio has continued to experience volatility throughout the year due to international and economic factors. A decrease in market values, gave rise to an unrealised loss of £44k this is offset against the actual net gain on the sale of investments of £59k that resulted in a net gain on investments of £15k (2023/24: £52k gain) for the year.

Incoming resources of £785k were £158k higher than 2023/24. This represents a 25% increase.

- Income from donations, legacies and grants of £518k was £79k more than the previous year. This was due to an increase of £50k in grant income and an increase of £27k in income from legacies.
- Other trading income was £78k, £9k higher than 2023/24. This increase reflects continued increased trading in 2024/25. Dut to the hard work and dedication of our volunteers.
- Investment income was £2k lower than last year mostly due to the charity receiving a slightly reduced share of the dividend income as per the apportionment that is based on the balance of funds for the charities in the investment pool. There was also a reduction in bank interest received due to bank interest rate decreases and holding less cash in the account.
- Income from charitable activities of £163k has increased compared to 2023/24. Most of this difference is within our community fundraising groups. Another busy event calendar has generated £21k more than the previous year across events. Support costs of £141k were £3k higher than 2023/24.

Net current assets of £72k were £61k lower than the prior year mostly due to the reduced cash balance at the end of 2024/25. This is due to greater expenditure than income during the year.

Total Charity funds at the end of the year were £30k lower than 2023/24 at a level of £1,143k; required to fund the Charity's outstanding commitments for various projects and items of equipment.

Going Concern

The Trustees have considered all information available to them and are of a view that there are sufficient reserves to secure the immediate future of the Charity for the next 12 to 18 months. On this basis, the charity continues as a going concern.

In future years, the key risks to the charity are a fall in income from donations or investment income but the trustee has arrangements in place to mitigate those risks.







Reserves Policy

The charity has a reserves policy which was combined with the investment policy and was reviewed in September 2022. The Charity has considered the level of reserves to be held for the prudent management of its working assets, commitments and contingencies.

Reserves are defined as funds that are freely available to fund the day-to-day operation of the charity and are not subject to commitments or other restrictions. The trustee requires that reserves are available to cover the following:

- Unrealised gains on investments recognised in the accounts
- Provision for short-term commitments and ongoing programmes and
- 6 months of operating expenditure

At the 31st March 2025 the Charity held total reserves of £1,143k (2023/24: £1,173k).

The total realised and unrealised gain recognised in 2024/25 is £15k (2023/24: gain £52k). This is the result of a gain on the sale of investments of £59k (2023/24: gain £2k) and a loss on the carrying value of the investments of £44k (2023/24: gain of £50k).

The Charity currently has commitments of £254k of which £245k is to be funded from restricted reserves and £9k from unrestricted reserves.

The Trustee aims to maintain free reserves in unrestricted funds at a level which equates to approximately six months of operating expenditure £166k. The Trustee considers that this level will provide sufficient funds to respond to delays or changes in applications for grants and to ensure that support and governance costs are covered.

The level of reserves is continually monitored by the Trustee and the policy will be reviewed at least every three years.

Investment Policy

The policy is reviewed every three years; it was last reviewed at the Charitable Funds Committee meeting that took place in September 2022. The Charity's investments are held in stocks and shares and are managed by a well-respected investment management company, RBC Brewin Dolphin. The Trust maintains a strict control over investments, laying down a well-structured framework within which Brewin Dolphin must operate in order to minimise the risks associated with investments.

Overseas equities should not exceed 15% of the total holding of equities and investments in negotiable instruments known as "derivatives" are not permitted in any circumstances.

Investment in tobacco, alcohol and armaments is prohibited. If it should come to light that a company has become involved in unethical practices the Corporate Trustee should be consulted with a view to selling the investment.

The market value of managed funds shall not exceed 75% of the total charitable fund reserves.



Corporate Trustee Responsibilities Statement

The Corporate Trustee are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). They are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for the period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the charities SORP (FRS 102)
- 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Corporate Trustee is responsible for the maintenance and integrity of the Charity and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Corporate Trustee confirms that there is no relevant audit information of which the Charity's auditors are unaware and they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Corporate Trustee

Signed:

Mike Thomas
Chair
Date: 16/09/2025

Sarah Morrison
Trustee
Date: 16/09/2025







Independent Auditor's report

Independent Auditor's Report to the trustee of Lancashire Teaching Hospitals Charity.

Opinion

We have audited the financial statements of Lancashire Teaching Hospitals Charity "the parent charity" and its subsidiary "the group" for the year ended 31 March 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure 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 conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.







Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustee's report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Corporate Trustee Responsibilities Statement set out on **page 18**, the trustee is responsible for the preparation of the group and parent charity financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine what 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.





Use of our report

This report is made solely to the parent charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.





Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Beever and Struthers

S Lomax FCA
(Senior Statutory Auditor)
For and on behalf of Beever and Struthers

The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date: 23 September 2025

9. Financial Statements

Consolidated Statement of Financial Activities for the year ended 31 March 2025

	Notes	2024/2025 Unrestricted Funds £000	2024/2025 Restricted Funds £000	**2024/2025 Total Funds £000**	2023/2024 Unrestricted Funds £000	2023/2024 Restricted Funds £000	2023/2024 Total Funds £000
Income and endowments from:							
Donations and legacies	3.1	61	457	**518**	80	359	439
Charitable activites	3.2	13	150	**163**	5	86	91
Other trading activities	3.3	-	78	**78**	-	69	69
Income from Investments	3.4	12	14	**26**	12	16	28
Total incoming resources		**86**	**699**	**785**	97	530	627
Expenditure on:							
Raising funds	4	83	199	**282**	113	241	354
Charitable activities	5	92	455	**548**	79	486	565
Total Expenditure		**176**	**654**	**830**	192	727	919
Net gain on investments	10.1	8	7	**15**	23	29	52
Net (expenditure)		**(82)**	**52**	**(30)**	(72)	(168)	(240)
Transfer between funds	17.3	1	(1)	-	14	(14)	-
Net movement in funds		**(81)**	**51**	**(30)**	(58)	(182)	(240)
Reconciliation of Funds							
Total funds brought forward	17	513	660	**1,173**	571	842	1,413
Total Funds carried forward	17	**432**	**711**	**1,143**	513	660	1,173

Consolidated Balance Sheet as at 31 March 2025

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2025 £000**	Total at 31 March 2024 £000
Fixed Assets					
Investments	10	403	668	**1,071**	1,040
Total Fixed Assets		**403**	**668**	**1,071**	1,040
Current Assets					
Inventories	12	-	4	**4**	4
Debtors	13	2	-	**2**	2
Cash and cash equivalents	14	69	100	**169**	240
Total Current Assets		**71**	**104**	**175**	246
Liabilities					
Creditors falling due within one year	16	42	61	**103**	113
Net Current Assets		**29**	**43**	**72**	133
Total Assets less Current Liabilities		**432**	**711**	**1,143**	1,173
Total Net Assets		**432**	**711**	**1,143**	1,173
The Funds of the Charity					
Restricted income funds	17.1	-	711	**711**	660
Unrestricted income funds	17.2	432	-	**432**	513
Total Charity Funds		**432**	**711**	**1,143**	1,173

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 16th September 2025 and approved on its behalf by the Charitable Funds Committee.

Signed: 

Date: 16/09/2025

Parent Balance Sheet as at 31 March 2025

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2025 £000**	Total at 31 March 2024 £000
Fixed Assets					
Investments	10	403	668	**1,071**	1,040
Total Fixed Assets		**403**	**668**	**1,071**	1,040
Current Assets					
Debtors	13	2	-	**2**	6
Cash and cash equivalents	14	69	68	**137**	213
Total Current Assets		**71**	**68**	**139**	219
Creditors falling due within one year	16	42	59	**101**	110
Net Current Assets		**29**	**9**	**38**	109
Total Assets less Current Liabilities		**432**	**677**	**1,109**	1,149
Total Net Assets		**432**	**677**	**1,109**	1,149
The Funds of the Charity					
Restricted income funds	17.1	-	677	**677**	636
Unrestricted income funds	17.2	432	-	**432**	513
Total Charity Funds		**432**	**677**	**1,109**	1,149

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 16th September 2025 and approved on its behalf by the Charitable Funds Committee.

Signed: SMorrison

Date: 16/09/2025

Consolidated Cash Flow Statement for the year ended 31 March 2025

	Notes	**Total at 31 March 2025 £000**	Total at 31 March 2024 £000
Cash flows from operating activities:			
Net cash used in operating activities	18	**(81)**	**(293)**
Cash flows from investing activities:			
Interest received	3.4	**9**	12
Dividends received	3.4	**17**	16
Proceeds from sale of investments	10.1	**172**	217
Purchase of investments	10.1	**(188)**	(233)
Net cash provided by investing activities:		**10**	12
Change in cash and cash equivalents in the reporting period	15	**(71)**	(281)
Cash and cash equivalents at the beginning of the reporting period	14	**240**	521
Cash and cash equivalents at the end of the reporting period	14	**169**	240

10. Notes to the Financial Statements

1. Accounting policies

1.1 Basis of preparation

The financial statements of the charity are presented in £ Sterling, rounded to the nearest thousand and have been prepared under the historical cost convention, with the exception of investments which are included at fair value.

The accounts (financial statements) have been prepared in accordance with the Statement of recommended practice: accounting and reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The Charity constitutes a public benefit entity as defined by FRS102.

1.2 Going concern

The Trustees have considered all information available to them and are of a view that there are sufficient reserves to secure the immediate future of the Charity for the next 12 to 18 months. On this basis, the charity continues as a going concern.

In future years, the key risks to the charity are a fall in income from donations or investment income but the trustee has arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

1.3 Critical judgements in applying accounting policies

In the application of the Charity's accounting policies, which are described in notes 1.1 to 1.21, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key judgements are those policies relating to incoming resources (notes 1.7 and 1.8), recognition of expenditure and associated liabilities as a result of grant (note 1.11) and fixed asset investments (note 1.15). The Trustee does not consider there are any sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

1.4 Key estimations

The value of potential legacies disclosed in note 19. Contingent assets and liabilities is estimated using information received from solicitors and current property market valuations.

1.5 Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund or an endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.

Lancashire Teaching Hospitals Charity has restricted funds, no endowment funds and one designated unrestricted fund. The material restricted funds held are disclosed in note 17.

Those funds which are neither endowment nor restricted income funds are unrestricted income funds which can be analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors, and unrestricted funds which are at the trustees' discretion.

1.6 Basis of consolidation

The group financial statements consolidate the results of the Charity's trading subsidiary, Baby Beat Limited, on a line by line basis. Advantage has been taken of the SORP and the parent charity's own income and expenditure has not been disclosed in these financial statements. The income of the Lancashire Teaching Hospitals Charity was £785k (2023/24: £627k), giving rise to a deficit of £30k (2023/24: deficit £240k).

Subsidiary companies are exempt from the requirement of the Companies Act 2006 relating to the audit of the individual accounts by virtue of S479A.

1.7 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability. Gifts in kind are recognised as a reasonable estimate of their fair value or the amount actually realised.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty

exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

1.8 Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- confirmation has been received from the representatives of the estate(s) that probate has been granted
- the executors have established that there are sufficient assets in the estate to pay the legacy and
- all the conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated, then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

1.9 Gifts in kind and donated services

Gifts in kind are recognised as a reasonable estimate of their fair value or where the monetary value of gifts cannot be reliably measured, they will be included in the accounts when they are sold and the amount actually realised.

Donated services are measured and included in the accounts on the basis of the value of the gift to the charity. i.e. what the charity would pay in the open market for the services that are being donated.

1.10 Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

Expenditure is recognised when the following criteria are met:

- there is a present legal or constructive obligation resulting from a past event
- it is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- the amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.11 Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third-party NHS bodies and non-NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments 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.

The trustee has control over the amount and timing of grant payments and consequently where approval has been given by the charitable funds committee, on behalf of the trustee, grants are considered commitments. An appropriate designation is made for these commitments in the appropriate fund until payment is due to be made at which point the expenditure and liability is recognised in the accounts. Approved commitments of expected future expenditure are disclosed in note 20.

1.12 Allocation of support costs and overheads

Support costs are those costs which do not relate directly to a single activity, including governance costs, that are costs which relate to the strategic as opposed to the day to day management of a charity.

Support costs include some staff costs, costs of administration and external audit costs. They have been apportioned between the cost of raising funds and charitable activities on the basis of expenditure incurred in relation to each category. The analysis of support costs and the apportionment is shown in note 7.

1.13 Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and salaries and overhead costs paid to a related party, Lancashire Teaching Hospitals NHS Foundation Trust, shown in note 2.

Quarterly management fees are offset against commission charges. Fees that exceed the commission charge are deducted from the funds on deposit are shown in note 4..

1.14 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 5.

1.15 Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at the current market value quoted by the investment analyst, excluding dividend. Other investments are included at the trustee's best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All realised and unrealised gains and losses are combined in the Statement of Financial Activities and are taken as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value, if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value.

1.17 Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount. Prepayments are valued at the amount prepaid.

1.18 Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, held in interest bearing savings accounts.

1.19 Creditors

Creditors and provisions are amounts owed by the charity. They are recognised when 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.

Amounts which are owed in more than a year are shown as long term creditors.

1.20 Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.21 Remuneration and benefits

No staff are directly employed by the Charity. All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. The Charity is recharged for individuals time spent engaged in either charitable activities, raising funds or providing support (e.g. back office functions) to the Charity.

All recharged staff members belong to the NHS Pension Scheme which is an unfunded defined benefit scheme, accounted for as a defined contribution scheme. The recharge from Lancashire Teaching Hospitals NHS Foundation Trust includes the employer contributions to that scheme. For more information on the NHS Pension Scheme refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

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2. Related party transactions

Lancashire Teaching Hospitals Charity is managed by the Corporate Trustee which is also the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust which is the main beneficiary of the charity. During the year the Charity made revenue an capital payments to Lancashire Teaching Hospitals NHS Foundation Trust of £652k (2023/24: £947k), including grants of £455k (2023/24: £480k)

The Charity was recharged £269k (2023/24: £315k) for staff working for the charity throughout the year, whose contracts are paid by Lancashire Teaching Hospitals NHS Foundation Trust. This includes accounting and administrative support provided to the Charity at a cost of £21k (2023/24: £23k).

During the year none of the Trustees or members of the key management staff or parties related to them have undertaken any material transactions with the Lancashire Teaching Hospitals Charity. (2023/24: £nil)

As at 31 March 2025 £49k (2023/24: £91k) was owed to Lancashire Teaching Hospitals NHS Foundation Trust.

The Trustees have purchased trustee indemnity insurance of £3k. (2023/24: £3k)

The Charity's investment portfolio is pooled with that of The Rosemere Cancer Foundation. The Charity receives an apportionment of the income and expenditure related to the investments based on its share (69%) of the portfolio (2023/24: 70%).

3. Incoming resources

3.1 Income from donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Donations	19	138	**157**	154
Corporate Donations	4	20	**24**	25
Legacies	32	-	**32**	5
Grants	6	299	**305**	255
Total	**61**	**457**	**518**	439

Donations of goods £74k (2023/24: £38k) are included in income valued at their market value. All of these donations have been distributed during the year.

3.2 Charitable activities income

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Events	6	49	**55**	34
Community Fundraising Groups	3	96	**99**	48
Other	4	5	**9**	9
Total	**13**	**150**	**163**	91

3.3 Income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Baby Beat Ltd sales total	**-**	**78**	**78**	69

3.4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Dividend income	8	9	**17**	16
Bank account interest	4	5	**9**	12
Total	**12**	**14**	**26**	28

4. Analysis of expenditure on raising funds

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Fundraising team	53	99	**152**	199
Fundraising activities	8	7	**15**	36
Advertising / marketing	6	14	**20**	19
Trading activities	-	44	**44**	44
Investment management fees	1	2	**3**	3
Support costs	15	33	**48**	53
Total	**83**	**199**	**282**	354

5. Analysis of expenditure on charitable activities

The charity pursued its charitable activities by making grants. Support costs have been apportioned across the categories of charitable expenditure on the basis of the associated transaction cost incurred by the charity disclosed in note 7.

	Grant funded Activity £000	Support Costs £000	**2024/2025 Total £000**	Grant funded Activity £000	Support Costs £000	2023/2024 Total £000
Patient Environment and Wellbeing	291	59	**350**	400	71	471
Staff Education and Wellbeing	59	12	**71**	42	7	49
Research	58	12	**70**	13	2	15
Medical Equipment	47	10	**57**	25	4	29
Total	**455**	**93**	**548**	480	85	565

Throughout the year the charity received donated gifts in kind that were distributed to staff and patients. The estimated cost of the donated goods £74k (2023/24: £38k) is included in these figures.

6. Analysis of grants

All grants are made to the Lancashire Teaching Hospitals NHS Foundation Trust. The total cost of making grants, including support costs, is shown on the face of the Statement of Financial Activities, and the actual disbursement for each category of charitable activity is disclosed in note 5.

7. Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs (£37k) (2023/24: £39k), are those support costs which relate to the strategic and day to day management of a charity.

These costs are apportioned across the charitable activities on the basis of expenditure incurred in relation to each category.

7.1 Analysis of total support costs

	Raising funds £000	Charitable Activities £000	**2024/2025 Total £000**	Raising funds £000	Charitable Activities £000	2023/2024 Total £000
Financial Administration	7	14	**21**	9	14	23
Professional Fees	2	4	**6**	2	4	6
Administration Costs	2	3	**5**	1	1	2
Salary Recharges	33	64	**97**	36	57	93
External Audit	4	7	**11**	5	8	13
Bank Charges	-	1	**1**	-	1	1
Total	**48**	**93**	**141**	53	85	138

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Governance costs	16	21	**37**	39
Support costs	29	75	**104**	99
Total	**45**	**96**	**141**	138

7.2 Auditor's remuneration

Total Audit Fees for 2024/25 were £11,250 (excluding VAT) which related solely to the audit with no additional work undertaken (2023/24: £10,610 (excluding VAT)). The audit fee is included within governance costs.

7.3 Support cost allocation

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Raising Funds	15	33	**48**	53
Charitable Activities	30	63	**93**	85
Total	**45**	**96**	**141**	138

8. Trustee remuneration, benefits and expenses

The members of Lancashire Teaching Hospitals NHS Foundation Trust board give their time freely and receive no remuneration for the work that they undertake in relation to the charity. No expense claims were reimbursed to members of the board, by the charity in 2024/25. (2023/24: £nil). For more information on the Board members remuneration refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

9. Analysis of staff costs and remuneration of key management personnel

	2024/2025 Total £000	2023/2024 Total £000
Salaries and wages	**211**	246
Social Security costs	**29**	34
Employer contributions	**30**	35
Total	**270**	315
Fundraising	**152**	199
Finance administration	**21**	23
Administration support	**97**	93
Total	**270**	315

All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. No staff are directly employed by the Charity.

The average number of full-time and part-time employees during the year was 3 and 6 respectively (2023/24: 4/3), an estimated number of full-time equivalent employees of 5 (2023/24: 5). These employees are involved in fundraising and providing support to the charitable activities or the governance of the charity.

Lancashire Teaching Hospitals Charity considers its key management personnel to be the member of the Lancashire Teaching Hospitals NHS Foundation Trust board, acting on behalf of the corporate trustee and the Head of Charities and Fundraising. The total employment benefits included employer pension contributions of the key management personnel, these were £34k (2023/24: £57k).

No employees had emoluments in excess of £60k (2023/24: none).

10. Fixed asset Investments

10.1 Movement in fixed asset investments

	2024/2025 £000	2023/2024 £000
Market value brought forward	**1,040**	972
Add: acquisitions at cost	**188**	233
Less: disposals at carrying value	**(172)**	(217)
Realised and unrealised gain for the year	**15**	52
Market value at 31 March 2025	**1,071**	1,040
Historic cost	**658**	653

	2024/2025 £000	2023/2024 £000
Unrealised (loss) / gain on carrying value of the investments	**(44)**	50
Gain on sale of investments	**59**	2
Total realised and unrealised gain / (loss) for the year	**15**	52

10.2 Fixed asset investments by type

	2024/2025 Market Value £000	2023/2024 Market Value £000
Listed equity investments	**281**	259
Fixed interest investments	**545**	531
Other investment funds	**245**	250
	1,071	1,040

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes. All investments were made in companies listed on a UK stock exchange or incorporated in the UK and therefore all investments are treated as investment assets in the UK.

11. Subsidiaries

Baby Beat Limited (03817502) is registered in England and Wales and is wholly owned by Lancashire Teaching Hospitals NHS Foundation Trust Charity and is a retailer of children's clothing and confectionary. Details of its trading activities are set out below.

11.1 Subsidiary results

	2024/2025 £000	2023/2024 £000
Income	**78**	69
Costs	**(45)**	(45)
Operating profit	**33**	24
Retained in subsidiary at beginning of year	**24**	20
Amount gift aided to Lancashire Teaching Hospitals Charity	**(24)**	(20)
Retained in subsidiary	**33**	24

The £33k profit, retained in the subsidiary will be gift aided to the charity post year end.

11.2 Summarised balance sheet of subsidiary trading company

	2024/2025 £000	2023/2024 £000
Inventories	**4**	4
Cash and cash equivalents	**31**	27
Creditors: amounts falling due within one year	**(2)**	(3)
Creditors: amounts falling due after more than one year	**-**	(4)
Net assets	**33**	24
Capital and reserves	**33**	24

These accounts have been prepared by McMillan & Co LLP, Chartered Accountants, 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA

12. Inventories

Inventories comprise finished goods held for resale.

Group		Parent	
2024/2025 £000	2023/2024 £000	**2024/2025 £000**	2023/2024 £000
4	4	**-**	-

13. Analysis of debtors

Amounts falling due within one year.

	Group		Parent	
	2024/2025 £000	2023/2024 £000	**2024/2025 £000**	2023/2024 £000
Prepayments	**2**	2	**2**	2
Loan due from subsidiary undertaking	**-**	-	**-**	4
Total	**2**	2	**2**	6

14. Analysis of cash and cash equivalents

	Group		Parent	
	2024/2025 £000	2023/2024 £000	**2024/2025 £000**	2023/2024 £000
Charity bank account	**117**	191	**117**	191
Subsidiary bank account	**31**	27	**-**	-
Stockbroker deposit account	**21**	22	**21**	22
Total	**169**	240	**138**	213

15. Analysis of changes in net debt

	At 1 April 2024 £000	Cash flows £000	**At 31 March 2025 £000**
Cash and Cash equivalents	240	(71)	**169**
Total	**240**	**(71)**	**169**

16. Analysis of creditors

Amounts falling due within one year.

	Group		Parent	
	2024/2025 £000	2023/2024 £000	**2024/2025 £000**	2023/2024 £000
Creditors	**50**	94	**48**	91
Accruals and deferred income	**53**	19	**53**	19
Total	**103**	113	**101**	110

The creditor figure represents the sum owed at the end of the year by the charity to a related parties, Lancashire Teaching Hospitals NHS Foundation Trust. There are no creditors falling due after more than one year.

17. Analysis of charitable funds

17.1 Restricted funds

Materiality of restricted funds is considered to be funds with a closing balances greater than £50k for the purpose of this analysis, all other restricted funds are included in other. The £33k retained in the subsidiary has been included in the Baby Beat balance (2023/24 £24k).

	Balance 31 March 2024 £000	Incoming Resources £000	Resources Expended £000	Net Gains on Investment £000	Transfer Between Funds £000	**Balance 31 March 2025 £000**
Baby Beat	153	327	(245)	9	-	**244**
Children's Appeal	76	125	(108)	4	-	**97**
Critical Care	61	24	(34)	3	-	**54**
MND Fund	62	23	(29)	4	-	**60**
Others	308	200	(238)	(13)	(1)	**256**
Total Restricted Funds	660	699	(654)	7	(1)	**711**

17.2 Unrestricted fund

The unrestricted fund is split into designated funds which are used to fund activities that benefit patients of Lancashire Teaching Hospitals NHS Foundation Trust and the staff that deliver patient care to those patients.

	Balance 31 March 2024 £000	Incoming Resources £000	Resources Expended £000	Net Gains on Investment £000	Transfer Between Funds £000	**Balance 31 March 2025 £000**
Unrestricted Funds	513	86	(176)	8	1	**432**
Total Unrestricted Funds	513	86	(176)	8	**1**	**432**

17.3 Unrestricted fund

During the year the Trust has continued to rationalise funds, resulting in movement between funds of net £1k that have been reclassified as unrestricted.

18. Reconciliation of net expenditure to net cash flow from operating activities

	2024/2025 £000	2023/2024 £000
Net expenditure for 2024/25 (as per the SOFA)	**(30)**	(240)
Gain	**(15)**	(52)
Dividends, interest and rents from investments	**(26)**	(28)
Decrease in inventories	**-**	-
Decrease / (Increase) in debtors	**-**	177
Decrease / (Increase) in creditors	**(10)**	(150)
Net cash used in operating activities	**(81)**	(293)

19. Contingent assets and liabilities

	2024/2025 £000	2023/2024 £000
Legacies	**-**	2
Total	**-**	2

These legacies have not been recognised in the financial statements as income as they do not meet the recognition criteria, being subject to conditions outside the charity's control at the reporting date. Legacies will be recognised when the amounts of the legacies can be measured reliably.

The charity has not notified of any entitlements to legacies in 2024/25.

20. Commitments

The Charity has the following outstanding commitments at the end of the year as they have made a provisional agreement to fund various projects and items of equipment. These have not been accounted for in the SOFA.

	Unrestricted Funds £000	Restricted Funds £000	**2024/2025 Total £000**	2023/2024 Total £000
Total commitments as at 31 March 2025	**9**	**245**	**254**	209

As described in note 6, the charity awards a number of grants in the year. Included in commitments are many grants that are awarded and expected to be paid out in the next financial year. The charity has control over the award and timing of payment of grants, they remain commitments until there is certainty about the payment that will be funded from existing and future reserves. No multi-year grants are included in these commitments.

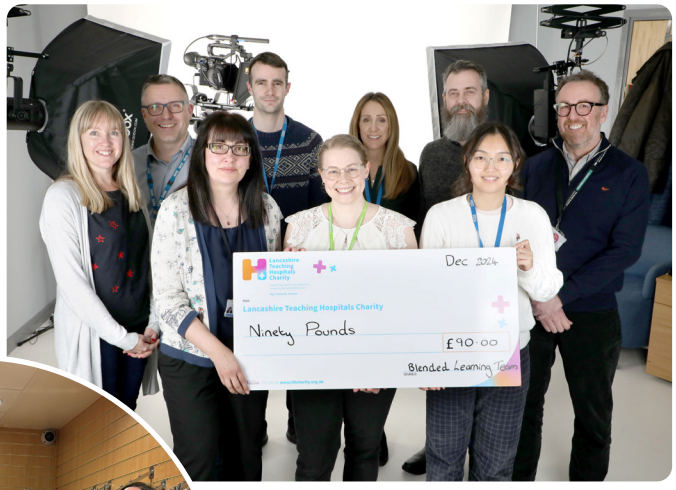
21. Events after the reporting period

There are no adjusting events after the reporting period. However, it should be noted that these accounts have not been consolidated into the main accounts of Lancashire Teaching Hospitals NHS Foundation Trust due to materiality.

The £33k profit, retained in the subsidiary will be gift aided to the charity post year end.

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust











Lancashire Teaching Hospitals Charity

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Follow us on social media
@LancHospCharity
www.lthcharity.org.uk

Reg. Charity No. 1051194

LANCASHIRE TEACHING HOSPITALS CHARITY

England & Wales - Charity number 1051194

Accounts

Lancashire Teaching Hospitals Charity

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust

Annual Report & Accounts 2023/2024

Supporting world class treatment, research and outstanding care









Reg. Charity No. 1051194

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1. Foreword by Chair of Charitable Funds Committee



Welcome to Lancashire Teaching Hospital Charities annual report for 2023/24.

I am proud to welcome you to this annual review, looking back over another successful year for Lancashire Teaching Hospitals Charity and its contribution to our hospitals, patients and staff.

During 2023/24, the Charity's income was £627k, and we spent £565k on making a difference to the lives of patients and their families, as well as supporting a number of staff wellbeing projects. From funding LED Sky Ceiling Tiles to the refurbishment of a Delivery Suite for Women with Complex Pregnancy Needs, we make sure every penny raised makes a difference to the babies, children and adults who use our hospital services.

Over the past year the charity has worked hard to establish its calendar of events, as well as introducing a new charity abseil and Christmas themed Jingle Bell Jog, which will become regular features in our fundraising schedule. We had another great Cross Bay Walk in July, despite the blustery weather, raising £5,549 with 150 walkers crossing the 7-mile stretch from Arnside to Grange in support of our Children's Fund and Baby Beat. We have also noticed an increase in supporter-led community events as awareness of the Charity, and what we do, continues to grow.

We were delighted to receive grants over the past year totalling £255k to fund a variety of charitable projects. The Brabners Foundation and The Medicash Foundation both funded an interactive mobile projector system whilst Risley Medical, Research and Charity Trust Fund made a grant towards butterfly bags for bereaved families of patients.

The support of our donors, fundraisers and volunteers has been unwavering, and we were delighted that the end of the 23-24 financial year saw us in a healthy place with regards to our charitable income.

Thank you, to all of our supporters, who have given generously throughout the year. The donations and legacies we receive are an invaluable source of funds used to purchase additional equipment and services, and support life-changing projects, that cannot be provided by core NHS funds.

Very best wishes,

Kate Smyth

Kate Smyth
Charitable Funds Committee - Chair



2. Who we are

Lancashire Teaching Hospitals Charity is registered with the charity commission (registered number 1051194) and we are constituted under the NHS Charities - Corporate Trustee model (see section 7 for details).

The Charity exists to raise funds and receive donations for the benefits of the patients of Lancashire Teaching Hospitals NHS Foundation Trust. By securing donations, legacies and grants the Charity can provide the 'icing on the cake' to make a real difference for patients, their families and the staff who look after them.

Providing both general and specialist care for the benefit of 1.8m people across Lancashire and South Cumbria, Lancashire Teaching Hospitals NHS Foundation Trust is our key partner in fulfilling our charitable aims.

We welcome all support, as this allows us to invest in clinical excellence and outstanding care, as well as world class research. Please read on to find out more about what we do, what we have achieved and how we invest the money donated to us.

Our Aims and Objectives

Lancashire Teaching Hospitals Charity aims to enhance the services already provided by Lancashire Teaching Hospitals NHS Foundation Trust. Through raising new money and careful management of existing funds, the Charity can provide a public benefit by making grants to the Trust (and the other organisations it works with) to invest in world class research, treatment, and outstanding care. It does this by:

- ✔ **Purchasing the very latest or additional medical equipment**
- ✔ **Providing improvements to patient comfort and wellbeing**
- ✔ **Investing in world class research for the benefit of our patients**
- ✔ **Supporting staff wellbeing in pursuit of their delivery of excellent patient care**

Grants from the Charity to the Trust are made in accordance with the Trust's standing financial instructions as well as charity law, our constitution, and in accordance with the wishes of donors.

When considering where to focus our attention our corporate trustee's board and, particularly, the members of the Charitable Funds Committee, have regard to the Charity Commission for England and Wales's guidance on public benefit and what this means for the Charity.

In making grants, the Charity endeavours to reflect the wishes of patients and staff by directing funds towards areas they tell us are most in need.



Our plans are to continue to increase our level of fundraising to pre-pandemic levels whilst also increasing the opportunity for 'Out of Hospital' investment across the ICS region. Acting as lead charity for Lancashire and South Cumbria and working with NHS Charities Together we have continued to work with not-for-profit organisations to help transform out of hospital health care across the region.

3. How to support us

The Charity would like to thank all that continue to support us during such unprecedented times. The donations you make really do make a difference to patient care and to staff in caring for them.

With many ways in which you can support your local and regional specialist Hospitals, such as running, swimming or cycling, knitting, singing or baking delicious cakes, your donations time or talents, make a world of difference to our patients and their loved ones, when they need it most.

Making a Donation

To make a donation please visit
www.lthcharity.org.uk
or call the fundraising team on **01772 528500**.

Gifts in Memory

Each year we receive thousands of pounds from people who donate in memory of someone special who has sadly passed away. Donations such as these help us to improve patient comforts and buy equipment that will benefit other patients, allowing something positive to come from a sad personal loss.

Legacy Support

Gifts left to the Charity in a Will provide a valuable income source allowing us to plan for the future and benefit as many patients as possible. Even the smallest gift in your will can have a lasting impact. During 2023/24 we received a total of £5k in legacy gifts.





Gift Aid

Is the gift that keeps on giving, last year we claimed thousands of pounds in Gift Aid. If you are a UK tax payer and sign up for gift aid with us, we are able to claim an additional 25p for every £1 you donate.

Get in touch – we'd love to hear from you!

For information about Gift Aid, legacy donations and the many other ways you may wish to support, please visit **www.lthcharity.org.uk**
email **charity@lthtr.nhs.uk**
or call the fundraising team on **01772 528500**.



4. Your support and our achievements and performance

We were delighted to see our calendar of fundraising events continue to grow in 23/24, with the charity introducing its very first Peel Tower Abseil event which saw 21 brave supporters abseiling a drop of 128ft in support of our Children's Fund. We had an incredible day and raised over £3,776.

April also saw the Charity run its National Superhero Day fundraising initiative (28th April) for the second year running. The fundraising day encourages supporters across local nurseries, schools, community groups, and businesses to dress as their favourite superhero and donate towards our Children's Fund. The day saw many supporters take part, including pupils from Penwortham's Whitefield Primary School, helping to raise £1,005 for our Children's Fund.

The Charity once again took part in the NHS Big Tea on 5th July, which this year marked the NHS' 75th Birthday! The event was supported by NHS Charities Together and raised £2,098 on the day with many staff across the hospitals taking part as well as local café, Applestore Café at Wyresdale Park who raised a wonderful £1,274 towards this total.

We had another great Cross Bay Walk in July, despite the blustery weather, raising £5,549 with 150 walkers crossing the 7-mile stretch from Arnside to Grange in support of our Children's Fund and Baby Beat.

In August a 25-strong group of staff from our Renal Dialysis Unit raised a wonderful £5,847 walking the 11 miles from Chorley and South Ribble Hospital to the unit at Royal Preston Hospital.

September was a month of running for the Charity, with 20 adults and five children taking part in the Spar sponsored City of Preston 10k, raising an incredible £2,345 for our hospital charity and Baby Beat combined. Also in September, The Motor Neurone Disease Team for MND Research at Lancashire Teaching Hospitals NHS Foundation Trust raised an impressive £9,153 from their ninth annual walk for Motor Neurone Disease. The walk saw over 60 people walk the Guild Wheel – which is 21 miles around the outskirts of Preston, on Saturday 23rd September 2023.



Baby Beat's annual Baby Loss Awareness Campaign and World Prematurity Day saw £2,742 raised from events including a sponsored walk in Preston's Avenham Park, raffle and the sale of remembrance ribbons and Wave of Light candles.

In December the Charity's Jingle Bell Jog event went ahead for the first time, after being cancelled in 2022 due to snow and ice. The event was a big success which saw over 70 supporters take on a 1-mile, family friendly run at UCLan Sports Arena, raising over £1,000!

We have continued to develop our digital profile, whilst supporter stewardship and engagement remains at the heart of what we do, with a real focus on thanking supporters and promoting our work through our regular newsletter, e-newsletters and end-of-year Thank You mailer.

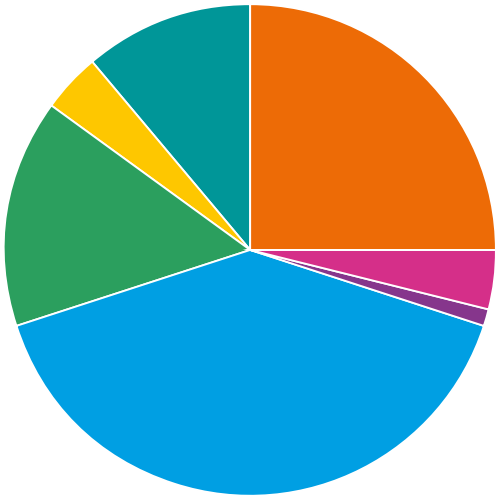
More details on our fundraising events and activities can be seen on our website **www.lthcharity.org.uk**



5. The difference you made

The Charity is only able to support the work of Lancashire Teaching Hospitals NHS Foundation Trust through the money it receives. We use this in furthering our charitable aims and objectives.

The following chart illustrates the breakdown of the £627k charitable income received during this financial year.



- Donations 25%
- Corporate donations 4%
- Legacies 1%
- Grants 40%
- Charitable activities 15%
- Investments 4%
- Trading activities 11%

During 2023/24 total income received from donations and legacies came to £439k (2022/23: £1,139k) with corporate support ending the year at £25k (2022/23: £22k) and legacy income of £5k received (2022/23: £186k). The charity is also very grateful to the many businesses who gave gifts in kind totalling £38k (2022/23: £64k). Income raised by events and community fundraising groups totalled £82k (2022/23: £113k).

Charitable Trust activity is down this last financial year, with a total of £255k received (2022/23: £700k). This is the result of a large NHS Charities Together grant which was received in the previous financial year to support out of hospitals healthcare partnerships.

We were delighted to receive grants from different Trusts towards a variety of other charitable projects, including interactive LED ceiling tiles which were funded by grants received from the DJ Sidebottom/ Glasdon Charitable Programme, and The Shepherd Street Trust.

The Brabners Foundation and The Medicash Foundation both funded an interactive mobile projector system whilst Risley Medical, Research and Charity Trust Fund made a grant towards butterfly bags for bereaved families of patients.

We were able to fund a delivery suite for women with complex pregnancy needs with grants received from the DJ Sidebottom/Glasdon Charitable Programme, and The Duchy of Lancaster Benevolent Fund.

The Charity benchmarks fundraising activity with peers across the region and through the NHS Charities Together, membership monitoring comparative success of campaigns and overall fundraising cost to income ratios.

This year also saw retail trading income of £69k, (2022/23: £48k) which was made possible due to the tenacious support of the 25 Baby Beat Shop volunteers who continue their support year on year.

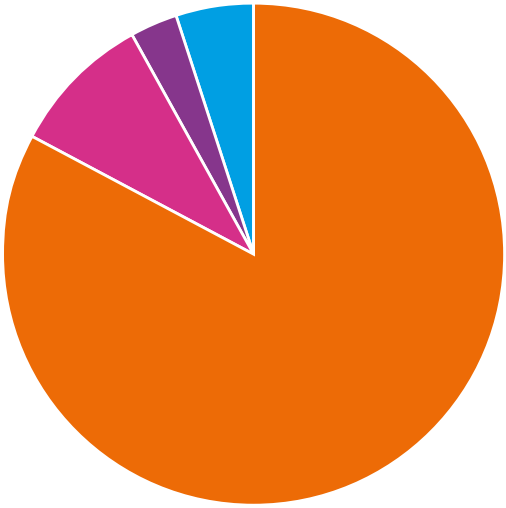
Investment income of £28k, (2022/23: £16k) was received in the form of dividends and bank interest on funds not immediately required.



What we spent the money on

This year the Charity is delighted to report that it has approved 72 grant applications and spent a total of £480k, with investment in the charity's objectives demonstrating the Charity's continued support for patient wellbeing and its focus, through the Children's Fund and Baby Beat, on the Women's and Children division.

Of the total expenditure of £919k (2022/23: £1.378m), the amount spent on charitable activities, excluding support costs, was £480k (2022/23: £977k). Charitable activities spend covers a wide range of programmes from capital projects to medical equipment as well as additional training and rest areas for staff. Checks are in place to ensure that all expenditure is in line with the Trust's Standing financial instructions and in support of charitable objectives i.e., monies spent are used to purchase additional goods and services not normally provided by, or in addition to the normal NHS service. The Charitable Funds Committee keeps the spirit of public benefit at the forefront of its decision making.



- Patient Environment & Wellbeing **83%**
- Staff Education & Wellbeing **9%**
- Research **3%**
- Medical Equipment **5%**

The chart shows our largest area of spend was on charitable activities.

Here are some of the ways in which donations have been used this year:



Mirrors for Laryngectomy patients (£100) to offer on Ward 3 at Royal Preston Hospital, so our laryngectomy patients can care for and clean their Laryngectomees. This is a vital part of their recovery, and patients cannot be discharged until they can complete this. This was thanks to a donation from a previous laryngectomy patient.



New lease of life for patients thanks to Kidney Beam App (£3,477) funded on iPads for our Renal Department to use across seven dialysis units to allow patients receiving dialysis the opportunity to benefit from the Kidney Beam digital health and wellbeing resource - an interactive exercise and lifestyle management app, designed to improve the emotional and physical wellbeing of patients.



Refurbishment of Ward 8 Parent's Room (£10,522) at Royal Preston Hospital which was designed to provide parents with a break-out zone where they can take some time for themselves in a calm environment during their child's time on the Children's Ward. It has soft seating, a wall mural, frosted window and TV to give respite and a kitchen area with a sink, microwave, kettle, cutlery and crockery so parents can make a drink and simple meal.



Refurbishment of a Delivery Suite for Women with Complex Pregnancy Needs (£17,745) at Royal Preston Hospital which has helped to enhance the environment, provide a safe space for women who require obstetric intervention and additional monitoring, and make the room a beautiful space for women with complex pregnancy needs.

LED Sky Ceiling Tiles (£6,587.77) in the Paediatrics Emergency Department at Royal Preston Hospital, to distract youngsters undergoing clinical procedures, helping to provide a calm and tranquil environment, creating a better experience all round, which benefits both staff and parents or carers too.



New Soft Call Buzzers (£1,624) which enable MND patients with minimal or no hand function to call for assistance, often when they are also unable to verbalise. The new buzzers ensure patient safety, help to reduce anxiety, and allow for carers to leave the room. They can also be loaned to the wards when necessary.



The above highlight some of the items and projects funded by your donations.

All items purchased are in addition or above the NHS remit. Visit **lthcharity.org.uk** to see more about the items we fund.

Our fundraising practices

Members of Lancashire Teaching Hospitals Charity team support staff and donors both in the hospital and in the wider community to raise funds on behalf of the Charity. The Charity does not use external professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Charity is signed up to the Fundraising Regulator's Code of Fundraising Practice and is a member of NHS Charities Together. Fundraising staff receive support from and are invited to take part in NHS Charities Together training webinars as well as attend the Institute of Fundraising Conference - Northwest. All staff follow the Trust's fundraising guidance policy and working practices are reviewed regularly to ensure compliance. They are also required to undertake relevant safeguarding mandatory training to help to recognise and protect vulnerable people. Volunteer fundraisers are given a full briefing and appropriate training before they are able to raise funds for the Charity and they also receive regular updates/reminders. Volunteer fundraisers are always supported and briefed fully with a fundraising handbook before they raise funds for the Charity.

All direct marketing is undertaken by the fundraising team to ensure that it is not unreasonably intrusive or persistent. In regard to contact made with supporters through direct marketing, we ensured that permission was requested and that all marketing material contained clear instructions on how a person can be removed from mailing lists.

6. Our Future Plans

As the year came to a close the Charity was again preparing to invest further in enhancing marketing so as to engage more support and increase awareness and income in order that it can continue to support and enhance health care services across the footprint of Lancashire Teaching Hospitals NHS Foundation Trust for the benefit 390,000 local people, as well as the 1.8m people who access our regional specialist services from across the ICS Lancashire and South Cumbria region.

By improving our communications, branding, and marketing we hope to create a compelling charity identity with a strong presence throughout the hospitals and the local community, enabling Lancashire Teaching Hospitals to be seen as a 'charity of choice' locally.

We also hope that improving our communications, branding, and marketing will help to build a 'Hospital Charity Team' that will influence organisational culture and help staff to view the Hospital Charity as their own - therefore engaging with fundraising more.

We will continue to monitor and review our plans, especially in the light of the ongoing war in Ukraine and cost of living crisis.









7. Structure, Governance and Management

Structure

The Charity follows the NHS Corporate Trustee operational model with members of Lancashire Teaching Hospitals NHS Foundation Trust Board being appointed as its Corporate Trustee. The Corporate Trustee members are appointed upon their appointment to the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust.

The overall management and decision-making of the Charity is delegated by the Corporate Trustee to the Charitable Funds Committee.

Charitable Funds Committee

The Charitable Funds Committee meet quarterly and has specific terms of reference; no business may be transacted at a meeting unless three Non-Executive Directors and one Executive Director, who must be the Finance Director (or nominated deputy), are present.

The Charitable Funds Committee is responsible for reviewing and managing its charitable funds in accordance with the Trusts' Standing Financial Instructions and its Scheme of Delegated Powers of Authority.

The Charitable Funds Committee works within the delegated powers granted to it by the Corporate Trustee who retain the right to amend delegated powers and terms of reference as appropriate. As part of its delegated powers, it is responsible for the following:

- To establish a strategy for charitable funds and on the basis of professional advice, determine the investment policy within this strategy.
- To monitor performance and composition of the portfolio to ensure compliance with the investment policy and seek advice from the professional advisor, when required.
- To monitor charitable funds and approve the creation of new funds and ensure a periodic review of existing funds takes place.
- To ensure appropriate procedures are in place to control expenditure and ensure it is in accordance with the objectives of the funds.
- To ensure the requirements of the Charity Commission are complied with.
- To refer any matters arising to the Corporate Trustee.

The Committee is supported in doing so by the Head of Charities and operates within a framework with clear policies on investments, sponsorship, fundraising, expenditure and reserves. Authority to approve expenditure from funds is controlled through delegated limits.

Expenditure	Approval Required
£25k +	Approval also needed from Charitable Funds Committee
£10k to £25k	Approval also needed from Assistant Director of Finance
£5k to £9,999	Approval also needed from Divisional Director
Up to £5k	Approval needed from fund advisors

The Fund Structure

Lancashire Teaching Hospitals Charity is governed by a single Trust Deed. Restricted funds are managed under the restrictions that were specified and are used in accordance with the restrictions imposed.

Unrestricted funds comprise of those funds which the Corporate Trustee has discretion to use for any purpose within the objects of the Charity. The trustee respects the wishes of the donors wherever possible, and all unrestricted funds are spent, as far as possible, in the optimum way to further the wider objectives of the Charity.

Connected Parties and Linked Charities

The Charity holds 100% of the share capital in Baby Beat Limited (Company Registration Number 03817502), a retail outlet based in the Sharoe Green Unit at Royal Preston Hospital. All net profits are donated to the Charity under the Gift Aid scheme and the company's accounts have been consolidated with the Charity's accounts this financial year.

The Charity is linked to the separately registered charity, The Rosemere Cancer Foundation. It was established with the same declaration of trust in November 1995 and shares the same Corporate Trustee. The Charity pools its investments with that of The Rosemere Cancer Foundation to form a single investment portfolio, resulting in greater efficiency in the management of the investments.

Wider networks

The Charity is one of over 230 NHS charities in England and Wales who are members of NHS Charities Together. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and members of the charitable funds committee.

As a member of NHS Charities Together, we are also eligible to apply for and receive grants from them.

Risk Management and Internal Controls

Due to the close relationship between the Trust and the Charity the risk management process is embedded into that of the Trust's assurance framework and risk management systems.

The Board of Directors of the Trust, who are also the Corporate Trustee, have adopted a formal risk management process to assess business risk and implement risk management strategies. Senior management and the trustee have:

- Identified the types of risk the Trust and Charity faces.
- Prioritised the risks in terms of impact and likelihood of materialising.
- Identified means of mitigating these risks.

A risk register has been prepared to assist in managing risk to which the Trust has been exposed. The risk register is monitored by the Trust's Governance framework who request regular updates on any relevant action plans and ensure that all appropriate controls are in place or have been identified.





Principal risks and uncertainty facing the Charity

As part of the business planning exercise carried out during the year, the Charitable Funds Committee has considered the major risks to which the Charity is exposed. They have reviewed systems and identified steps to mitigate three risks that have been identified:

Future Levels of income

The Charity is reliant on donations to allow it to make grants to NHS bodies. If income falls, then the charity would not be able to make as many grants or enter into longer term commitments with the Trust.

The Committee mitigates the risk that income will fall by engaging with the Head of Charities. They regularly review the events calendar to understand what is working well and how things could be done better or, to consider what new events could be introduced.

The cost of living remains a significant pressure on many people's lives. This is continuing to have an impact on the amount that people are able to donate to charity and is being closely monitored.

Fall in investment returns

The Charity generates additional income from investing its cash so a decline in market values resulting in the loss of investment income is considered to be a major financial risk.

This risk is mitigated by retaining expert investment managers and having a diverse portfolio that is regularly reviewed. The current category of risk for the portfolio is five (moderate). The Charity's reserves and investment policies on page 17, are designed to ensure that no unnecessary risks are taken.

Financial challenges of the Trust

Lancashire Teaching Hospital NHS Foundation Trust is financially challenged and currently operating with a financial deficit.

The committee are aware of the financial challenges faced by the Trust and the Executives that sit on the committee are able to provide an insight on any potential changes to services, to ensure this does not have any negative impact on the charity.

Internal controls

The Corporate Trustee has overall responsibility for ensuring that the organisation operates an appropriate system of financial controls and otherwise to provide reasonable assurance that:

- The Charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and that financial information used within the Charity or for publications is reliable.
- The Charity complies with relevant UK laws and regulations.

In this regard, the Corporate Trustee places reliance upon the Trust's Audit Committee whose remit is to examine the effectiveness and appropriateness of the system of internal controls. This is achieved by:

- Reviewing and approving the audit plan, determining the types of internal and external audits to be undertaken, the areas of the organisation which are subject to review, and examining any findings that arise.
- Reviewing the nature and scope of internal and external audit, and any matters raised for the attention of management. Any significant findings or identified risks are examined so that appropriate action can be taken

The systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. These include:

- Regular review of the activities of the fund and of its performance against pre-defined targets set by the Charitable Funds Committee.
- Formal delegation of authority to spend within clearly defined limits
- Identification and management of risks
- Scrutiny of internal and external audit.

Trustee and Advisers and Contact Details for the Charity

As the Charity operates under a Corporate Trustee model, the names of the directors are required to be disclosed:

Name	Responsibility	Post From	To
Silas Nicholls	Chief Executive Officer	08/01/2024	
Faith Button	Interim Chief Executive Officer	01/10/2023	07/01/2024
Kevin McGee	Chief Executive Officer		30/09/2023
Katie Foster-Greenwood	Chief Operating Officer	12/08/2024	
Emma Ince	Interim Chief Operating Officer	10/06/2024	11/08/2024
Imran Devji	Interim Chief Operating Officer	01/10/2023	09/06/2024
Faith Button	Chief Operating Officer (Interim CEO during year as stated above)		16/02/2024
David Stonehouse	Interim Chief Finance Office	02/09/2024	
Jonathan Wood	Chief Finance Officer / Deputy Chief Executive		01/09/2024
Geraldine Skailes	Chief Medical Officer		
Sarah Cullen	Chief Nursing Officer		
Neil Pease	Chief People Officer	01/12/2024	
Nikki Latham	Interim Chief People Officer	01/06/2023	30/11/2023
Karen Swindley	Chief People Officer		31/05/2023
Stephen Dobson	Chief Information Officer		
Ailsa Brotherton	Director of Continuous Improvement		
Gary Doherty	Director of Strategy and Planning		
Naomi Duggan	Director of Communications and Engagement		
Jennifer Foote	Company Secretary		
Peter White	Chair	01/08/2023	
Paul O'Neill	Vice Chair / Non-Executive Director		
Tim Watkinson	Senior Independent Director		
Tim Ballard	Non-Executive Director	01/10/2023	
Victoria Crorken	Non-Executive Director		
Kate Smyth	Non-Executive Director		
Ann Pennell	Non-Executive Director		31/05/2023
Jim Whitaker	Non-Executive Director		01/07/2024
Tricia Whiteside	Non-Executive Director		
Uzair Patel	Associate Non-Executive Director	01/10/2023	
Michael Wearden	Associate Non-Executive Director		09/06/2024
Peter Wilson	Associate Non-Executive Director		15/06/2024

All members have been in post for the whole year unless otherwise stated.

Charitable Funds Committee Members:

Responsibility	Name	Post From	To
Non-Executive Director (Chair of Committee)	Kate Smyth		
Non-Executive Director	Tricia Whiteside		
Non-Executive Director	Victoria Crorken		
Chief Medical Officer	Geraldine Skailes		
Chief Nursing Officer	Sarah Cullen		
Chief Finance Officer/Deputy Chief Executive	Jonathan Wood		01/09/2024
Interim Chief Finance Officer	David Stonehouse	02/09/2024	

All members have been in post since 1 April 2023 unless otherwise stated.

Registered Charity Number and name:	**1051194 Lancashire Teaching Hospitals Charity**
Principal Office address:	Royal Preston Hospital Sharoe Green Lane Fulwood Preston PR2 9HT
Head of Charities and Fundraising:	**Daniel Hill** **e: Daniel.Hill@lthtr.nhs.uk**
Finance Office address:	Preston Business Centre Watling Street Road Preston PR2 8DY

The following advisors were retained by the Charity in 2023/24:

Bankers
National Westminster Bank PLC
35 Fishergate
Preston
PR1 2BY

Auditors
Beever and Struthers
Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Investment Advisors
RBC Brewin Dolphin
1 The Avenue
Spinningfields Square
Manchester
M3 3AP

Solicitors
Hempsons
Windmill Green
24 Mount Street
Manchester
M2 3NX

8. Financial Review

The Charity's annual accounts have been produced in accordance with FRS102 as were the previous years. Therefore, no adjusting entries were required for the comparative year.

The charity is reporting a deficit for the year before adjustments for market value gains and losses on investments of £292k. (2022/23: deficit of £56k)

The investment portfolio has continued to experience volatility throughout the year due to national and economic factors. An increase in market values in the second half of the year, gave rise to an unrealised gain of £50k this offset the earlier unrealised loss and the actual net gain on the sale of investments of £2k that resulted in a net gain on investments of £52k (2022/23: loss of £39k) for the year.

Incoming resources of £627k were £695k lower than 2022/23. This represents a 47% decrease.

- Income from donations, legacies and grants of £439k was £700k less than the previous year largely due to the £584k received from NHS Charities Together (NHSCT) in 2022/23 to support our out of hospital healthcare partnerships project and a £181k decrease in legacy gifts.
- Other trading income was £69k, £21k higher than 2022/23. This increase reflects continued increased trading in 2023/24. During the year, the shops opening hours have continued to increase with the support of our volunteers.
- Investment income was £8k higher than last year due to the bank interest rate increases. The charity received a reduced share of the dividend income as per the apportionment that is based on the balance of funds for the charities in the investment pool.
- Income from charitable activities of £91k has decreased compared to 2022/23. The majority of this difference is within our community fundraising groups. Another busy event calendar has generated £3k more than the previous year across events.

Support costs of £138k were £8k lower than 2022/23. This is due to less expenditure within IT services and subscriptions.

Net current assets of £133k were £308k lower than the prior year as a consequence of the reduced cash balance at the end of 2023/24. This is due to increased charitable activities expenditure incurred during the year.

Total Charity funds at the end of the year were £240k lower than 2022/23 at a level of £1,173k; required to fund the Charity's outstanding commitments for various projects and items of equipment.

Going Concern

The trustee considers that there are no material uncertainties about Lancashire Teaching Hospitals Charity's ability to continue as a going concern. Fundraising income is back to pre-pandemic levels but continues to be affected by the cost-of-living crisis.

As a grant making charity with few on-going commitments, this will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. It is expected that the amount of grants that can be made will continue to be reduced in 2024/25. However, there are no material uncertainties affecting the current year's accounts.





Reserves Policy

The charity has a reserves policy which was reviewed in March 2022. The Charity has considered the level of reserves to be held for the prudent management of its working assets, commitments and contingencies.

Reserves are defined as funds that are freely available to fund the day-to-day operation of the charity and are not subject to commitments or other restrictions. The trustee requires that reserves are available to cover the following:

- Unrealised gains or losses on investments recognised in the accounts
- Provision for short-term commitments and ongoing programmes and
- 6 months of operating expenditure

At the 31st March 2024 the Charity held total reserves of £1,173k (2022/23: £1,413k) of which £660k (2022/23: £842k) are held in restricted reserves. The balance held in unrestricted funds is £513k (2022/23: £571k).

The total realised and unrealised gain recognised in 2023/24 is £52k (2022/23: loss £39k). This is the result of a gain on the sale of investments of £2k (2022/23: loss of £11k) and a gain on the carrying value of the investments of £50k (2022/23: loss of £28k).

The Charity currently has commitments of £209k of which £205k is to be funded from restricted reserves and £4k from unrestricted reserves. The trustee aims to maintain free reserves in unrestricted funds at a level which equates to approximately six months of planned operating expenditure £212k, plus £24k for fundraising costs for the Children's appeal. The trustee considers that this level will provide sufficient funds to respond to delays or changes in applications for grants and to ensure that support and governance cost are covered.

The level of reserves is continually monitored by the Trustee and the policy will be reviewed at least every 3 years.

Investment Policy

The policy is reviewed annually; it was last reviewed at the Charitable Funds Committee meeting that took place in September 2023.

The Charity's investments are held in stocks and shares and are managed by a well-respected investment management company, RBC Brewin Dolphin. The Trust maintains a strict control over investments, laying down a well-structured framework within which Brewin Dolphin must operate in order to minimise the risks associated with investments.

Overseas equities should not exceed 15% of the total holding of equities and investments in negotiable instruments known as "derivatives" are not permitted in any circumstances.

Investment in tobacco, alcohol and armaments is prohibited. If it should come to light that a company has become involved in unethical practices the Corporate Trustee should be consulted with a view to selling the investment.

The market value of managed funds shall not exceed 75% of the total charitable fund reserves.



Corporate Trustee Responsibilities Statement

The Corporate Trustee are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). They are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for the period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the charities SORP (FRS 102)
- 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Corporate Trustee is responsible for the maintenance and integrity of the Charity and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Corporate Trustee confirms that there is no relevant audit information of which the Charity's auditors are unaware and they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Corporate Trustee

Signed:

Peter White
Chair
Date: 17/09/2024

Sarah Cullen
Trustee
Date: 17/09/2024







Independent Auditor's report

Independent Auditor's Report to the trustee of Lancashire Teaching Hospitals Charity.

Opinion

We have audited the financial statements of Lancashire Teaching Hospitals Charity "the parent charity" and its subsidiary "the group" for the year ended 31 March 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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, including its income and expenditure 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 conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.





Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustee's report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Corporate Trustee Responsibilities Statement set out on **page 18**, the trustee is responsible for the preparation of the group and parent charity financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine what 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.





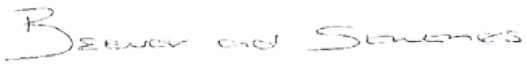
Use of our report

This report is made solely to the parent charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.





S Lomax FCA
(Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date: 24 September 2024

9. Financial Statements

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

	Notes	2023/2024 Unrestricted Funds £000	2023/2024 Restricted Funds £000	**2023/2024 Total Funds £000**	2022/2023 Unrestricted Funds £000	2022/2023 Restricted Funds £000	2022/2023 Total Funds £000
Income and endowments from:							
Donations and legacies	3.1	80	359	**439**	193	946	1,139
Charitable activites	3.2	5	86	**91**	5	114	119
Other trading activities	3.3	-	69	**69**	-	48	48
Income from Investments	3.4	12	16	**28**	7	9	16
Total incoming resources		**97**	**530**	**627**	205	1,117	1,322
Expenditure on:							
Raising funds	4	113	241	**354**	77	206	283
Charitable activities	5	79	486	**565**	102	993	1,095
Total Expenditure		**192**	**727**	**919**	179	1,199	1,378
Net gain on investments	10.1	23	29	**52**	(88)	49	(39)
Net (expenditure)		**(72)**	**(168)**	**(240)**	(62)	(33)	(95)
Transfer between funds	17.3	14	(14)	-	-	-	-
Net movement in funds		**(58)**	**(182)**	**(240)**	(62)	(33)	(95)
Reconciliation of Funds							
Total funds brought forward	17	571	842	**1,413**	633	875	1,508
Total Funds carried forward	17	**513**	**660**	**1,173**	571	842	1,413

Consolidated Balance Sheet as at 31 March 2024

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2024 £000**	Total at 31 March 2023 £000
Fixed Assets					
Investments	10	379	661	**1,040**	972
Total Fixed Assets		**379**	**661**	**1,040**	972
Current Assets					
Inventories	12	-	4	**4**	4
Debtors	13	2	-	**2**	179
Cash and cash equivalents	14	156	84	**240**	521
Total Current Assets		**158**	**88**	**246**	704
Liabilities					
Creditors falling due within one year	16	24	89	**113**	263
Net Current Assets		**134**	**(1)**	**133**	441
Total Assets less Current Liabilities		**513**	**660**	**1,173**	1,413
Total Net Assets		**513**	**660**	**1,173**	1,413
The Funds of the Charity					
Restricted income funds	17.1	-	660	**660**	842
Unrestricted income funds	17.2	513	-	**513**	571
Total Charity Funds		**513**	**660**	**1,173**	1,413

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 17th September 2024 and approved on its behalf by the Charitable Funds Committee.

Signed: SCullen
Sarah Cullen, Trustee
Date: 17/09/2024

Parent Balance Sheet as at 31 March 2024

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2024 £000**	Total at 31 March 2023 £000
Fixed Assets					
Investments	10	379	661	**1,040**	972
Total Fixed Assets		**379**	**661**	**1,040**	972
Current Assets					
Debtors	13	2	4	**6**	183
Cash and cash equivalents	14	156	57	**213**	499
Total Current Assets		**158**	**61**	**219**	682
Creditors falling due within one year	16	24	86	**110**	421
Net Current Assets		**134**	**(25)**	**109**	421
Total Assets less Current Liabilities		**513**	**636**	**1,149**	1,393
Total Net Assets		**513**	**636**	**1,149**	1,393
The Funds of the Charity					
Restricted income funds	17.1	-	636	**636**	822
Unrestricted income funds	17.2	513	-	**513**	571
Total Charity Funds		**513**	**636**	**1,149**	1,393

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 17th September 2024 and approved on its behalf by the Charitable Funds Committee.

Signed: SCullen
Sarah Cullen, Trustee
Date: 17/09/2024

Consolidated Cash Flow Statement for the year ended 31 March 2024

	Notes	**Total at 31 March 2024 £000**	Total at 31 March 2023 £000
Cash flows from operating activities:			
Net cash (used) in operating activities	18	**(293)**	**(77)**
Cash flows from investing activities:			
Interest received	3.4	**12**	5
Dividends received	3.4	**16**	11
Proceeds from sale of investments	10.1	**217**	339
Purchase of investments	10.1	**(233)**	(356)
Net cash provided by investing activities:		**12**	(1)
Change in cash and cash equivalents in the reporting period	15	**(281)**	(78)
Cash and cash equivalents at the beginning of the reporting period	14	**521**	599
Cash and cash equivalents at the end of the reporting period	14	**240**	521

10. Notes to the Financial Statements

1. Accounting policies

1.1 Basis of preparation

The financial statements of the charity are presented in £ Sterling, rounded to the nearest thousand and have been prepared under the historical cost convention, with the exception of investments which are included at fair value.

The accounts (financial statements) have been prepared in accordance with the Statement of recommended practice: accounting and reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019. The Charity constitutes a public benefit entity as defined by FRS102.

1.2 Going concern

The trustee considers that there are no material uncertainties about the Lancashire Teaching Hospitals Charities' ability to continue as a going concern. Fundraising income is back to pre-pandemic levels but continues to be affected by the cost-of-living crisis.

As a grant making charity with few on-going commitments, reduced income will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. It is expected that the amount of grants that can be made will reduce in 2024/25. However, there are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the charity are a fall in income from donations or investment income but the trustee has arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

1.3 Critical judgements in applying accounting policies

In the application of the Charity's accounting policies, which are described in notes 1.1 to 1.21, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key judgements are those policies relating to incoming resources (notes 1.7 and 1.8), recognition of expenditure and associated liabilities as a result of grant (note 1.11) and fixed asset investments (note 1.15). The Trustee does not consider there are any sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

1.4 Key estimations

The value of potential legacies disclosed in note 19. Contingent assets and liabilities is estimated using information received from solicitors and current property market valuations.

1.5 Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restrictedfund or an endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.

Lancashire Teaching Hospitals Charity has restricted funds, no endowment funds and one designated unrestricted fund. The material restricted funds held are disclosed in note 17.

Those funds which are neither endowment nor restricted income funds are unrestricted income funds which can be analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors, and unrestricted funds which are at the trustees' discretion.

1.6 Basis of consolidation

The group financial statements consolidate the results of the Charity's trading subsidiary, Baby Beat Limited, on a line by line basis. Advantage has been taken of the SORP and the parent charity's own income and expenditure has not been disclosed in these financial statements. The income of the Lancashire Teaching Hospitals Charity was £627k (2022/23: £1,322k), giving rise to a deficit of £240k (2022/23: deficit £95k).

Subsidiary companies are exempt from the requirement of the Companies Act 2006 relating to the audit of the individual accounts by virtue of S479A.

1.7 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability. Gifts in kind are recognised as a reasonable estimate of their fair value or the amount actually realised.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

1.8 Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- confirmation has been received from the representatives of the estate(s) that probate has been granted
- the executors have established that there are sufficient assets in the estate to pay the legacy and
- all the conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated, then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

1.9 Gifts in kind and donated services

Gifts in kind are recognised as a reasonable estimate of their fair value or where the monetary value of gifts cannot be reliably measured, they will be included in the accounts when they are sold and the amount actually realised.

Donated services are measured and included in the accounts on the basis of the value of the gift to the charity. i.e. what the charity would pay in the open market for the services that are being donated.

1.10 Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

Expenditure is recognised when the following criteria are met:

- there is a present legal or constructive obligation resulting from a past event
- it is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- the amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.11 Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third-party NHS bodies and non-NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments 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.

The trustee has control over the amount and timing of grant payments and consequently where approval has been given by the charitable funds committee, on behalf of the trustee, grants are considered commitments. An appropriate designation is made for these commitments in the appropriate fund until payment is due to be made at which point the expenditure and liability is recognised in the accounts. Approved commitments of expected future expenditure are disclosed in note 20.

1.12 Allocation of support costs and overheads

Support costs are those costs which do not relate directly to a single activity, including governance costs, that are costs which relate to the strategic as opposed to the day to day management of a charity.

Support costs include some staff costs, costs of administration and external audit costs. They have been

apportioned between the cost of raising funds and charitable activities on the basis of expenditure incurred in relation to each category. The analysis of support costs and the apportionment is shown in note 7.

1.13 Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and salaries and overhead costs paid to a related party, Lancashire Teaching Hospitals NHS Foundation Trust, shown in note 2.

Quarterly management fees are offset against commission charges. Fees that exceed the commission charge are deducted from the funds on deposit are shown in note 4.

1.14 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 5.

1.15 Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at the current market value quoted by the investment analyst, excluding dividend. Other investments are included at the trustee's best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All realised and unrealised gains and losses are combined in the Statement of Financial Activities and are taken as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value, if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value.

1.17 Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

1.18 Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, held in interest bearing savings accounts.

1.19 Creditors

Creditors and provisions are amounts owed by the charity. They are recognised when 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.

Amounts which are owed in more than a year are shown as long term creditors.

1.20 Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.21 Remuneration and benefits

No staff are directly employed by the Charity. All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. The Charity is recharged for individuals time spent engaged in either charitable activities, raising funds or providing support (e.g. back office functions) to the Charity.

All recharged staff members belong to the NHS Pension Scheme which is an unfunded defined benefit scheme, accounted for as a defined contribution scheme. The recharge from Lancashire Teaching Hospitals NHS Foundation Trust includes the employer contributions to that scheme. For more information on the NHS Pension Scheme refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

2. Related party transactions

Lancashire Teaching Hospitals Charity is managed by the Corporate Trustee which is also the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust which is the main beneficiary of the charity. During the year the Charity made revenue and capital payments to Lancashire Teaching Hospitals NHS Foundation Trust of £947k (2022/23: £1,086k), including grants of £480k (2022/23: £977k)

The Charity was recharged £315k (2022/23: £321k) for staff working for the charity throughout the year, whose contracts are paid by Lancashire Teaching Hospitals NHS Foundation Trust. This includes accounting and administrative support provided to the Charity at a cost of £23k (2022/23: £22k).

During the year none of the Trustees or members of the key management staff or parties related to them have undertaken any material transactions with the Lancashire Teaching Hospitals Charity. (2022/23: £nil)

As at 31 March 2024 £91k (2022/23: £44k) was owed to Lancashire Teaching Hospitals NHS Foundation Trust.

The Trustees have purchased trustee indemnity insurance of £3k. (2022/23: £3k)

The Charity's investment portfolio is pooled with that of The Rosemere Cancer Foundation. The Charity receives an apportionment of the income and expenditure related to the investments based on its share (70%) of the portfolio (2022/23: 72%).

3. Incoming resources

3.1 Income from donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	**2023/2024 Total £000**	2022/2023 Total £000
Donations	44	110	**154**	231
Corporate Donations	2	23	**25**	22
Legacies	5	-	**5**	186
Grants	29	226	**255**	700
Total	**80**	**359**	**439**	1,139

Donations of goods £38k (2022/23: £64k) are included in income valued at their market value. All of these donations have been distributed during the year.

3.2 Charitable activities income

	Unrestricted Funds £000	Restricted Funds £000	**2023/2024 Total £000**	2022/2023 Total £000
Events	1	33	**34**	31
Community Fundraising Groups	1	47	**48**	82
Other	3	6	**9**	6
Total	**5**	**86**	**91**	119

3.3 Income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	**2023/2024 Total £000**	2022/2023 Total £000
Baby Beat Ltd shop sales total	**-**	**69**	**69**	48

3.4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	**2023/2023 Total £000**	2022/2023 Total £000
Dividend income	7	9	**16**	11
Bank account interest	5	7	**12**	5
Total	**12**	**16**	**28**	16

4. Analysis of expenditure on raising funds

	Unrestricted Funds £000	Restricted Funds £000	**2023/2024 Total £000**	2022/2023 Total £000
Fundraising team	64	135	**199**	200
Fundraising activities	21	15	**36**	6
Advertising / marketing	9	10	**19**	18
Trading activities	-	44	**44**	28
Investment management fees	1	2	**3**	3
Support costs	18	35	**53**	28
Total	**113**	**241**	**354**	283

5. Analysis of expenditure on charitable activities

The charity pursued its charitable activities by making grants. Support costs have been apportioned across the categories of charitable expenditure on the basis of the associated transaction cost incurred by the charity disclosed in note 7.

	Grant funded Activity £000	Support Costs £000	**2023/2024 Total £000**	Grant funded Activity £000	Support Costs £000	2022/2023 Total £000
Patient Environment and Wellbeing	400	71	**471**	172	21	193
Staff Education and Wellbeing	42	7	**49**	143	17	160
Research	13	2	**15**	17	2	19
Medical Equipment	25	4	**29**	66	8	74
Grants	-	-	**-**	579	70	649
Total	**480**	**85**	**565**	977	118	1,095

Throughout the year the charity received donated gifts in kind that were distributed to staff and patients. The estimated cost of the donated goods £38k (2022/23: £64k) is included in these figures.

6. Analysis of grants

All grants are made to the Lancashire Teaching Hospitals NHS Foundation Trust. The total cost of making grants, including support costs, is shown on the face of the Statement of Financial Activities, and the actual disbursement for each category of charitable activity is disclosed in note 5.

7. Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs (£39k) (2022/23: £43k), are those support costs which relate to the strategic and day to day management of a charity.

These costs are apportioned across the charitable activities on the basis of expenditure incurred in relation to each category.

7.1 Analysis of total support costs

	Raising funds £000	Charitable Activities £000	**2023/2024 Total £000**	Raising funds £000	Charitable Activities £000	2022/2023 Total £000
Financial Administration	9	14	**23**	4	18	22
Information Technology	-	-	**-**	-	2	2
Professional fees	2	4	**6**	2	4	6
Administration costs	1	1	**2**	-	1	1
Salary recharges	36	57	**93**	20	79	99
External Audit	5	8	**13**	2	10	12
Subscriptions / memberships	-	-	**-**	-	3	3
Bank Charges	-	1	**1**	-	1	1
Total	**53**	**85**	**138**	28	118	146

	Unrestricted Funds £000	Restricted Funds £000	**2023/2024 Total £000**	2022/2023 Total £000
Governance costs	18	21	**39**	43
Support costs	29	70	**99**	103
Total	**47**	**91**	**138**	146

7.2 Auditor's remuneration

Total Audit Fees for 2023/24 were £10,610 (excluding VAT) which related solely to the audit with no additional work undertaken (2022/23: £9,950). The audit fee is included within governance costs.

7.3 Support cost allocation

	Unrestricted Funds £000	Restricted Funds £000	**2023/2024 Total £000**	2022/2023 Total £000
Raising Funds	18	35	**53**	28
Charitable Activities	29	56	**85**	118
Total	**47**	**91**	**138**	146

8. Trustee remuneration, benefits and expenses

The members of Lancashire Teaching Hospitals NHS Foundation Trust board give their time freely and receive no remuneration for the work that they undertake in relation to the charity. No expense claims were reimbursed to members of the board, by the charity in 2023/24. (2022/23: £nil). For more information on the Board members remuneration refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

9. Analysis of staff costs and remuneration of key management personnel

	2023/2024 Total £000	2022/2023 Total £000
Salaries and wages	**246**	250
Social Security costs	**34**	35
Employer contributions	**35**	36
Total	**315**	321
Fundraising	**199**	200
Finance administration	**23**	22
Administration support	**93**	99
Total	**315**	321

All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. No staff are directly employed by the Charity.

The average number of full-time and part-time employees during the year was 4 and 3 respectively (2022/23: 4/4), an estimated number of full-time equivalent employees of 5 (2022/23: 4). These employees are involved in fundraising and providing support to the charitable activities or the governance of the charity.

Lancashire Teaching Hospitals Charity considers its key management personnel to be the member of the Lancashire Teaching Hospitals NHS Foundation Trust board, acting on behalf of the corporate trustee and the Head of Charities and Fundraising. The total employment benefits included employer pension contributions of the key management personnel, these were £57k (2022/23: £59k).

No employees had emoluments in excess of £60k (2022/23: none).

10. Fixed asset Investments

10.1 Movement in fixed asset investments - group and parent

	2023/2024 £000	2022/2023 £000
Market value brought forward	**972**	994
Add : acquisitions at cost	**233**	356
Less: disposals at carrying value	**(217)**	(339)
Realised and unrealised gain / (loss) for the year	**52**	(39)
Market value at 31 March 2024	**1,040**	972
Historic cost	**653**	973

	2023/2024 £000	2022/2023 £000
Unrealised gain / (loss) on carrying value of the investments	**50**	(28)
Gain / (loss) on sale of investments	**2**	(11)
Total realised and unrealised gain / (loss) for the year	**52**	(39)

10.2 Fixed asset investments by type - group and parent

	2023/2024 Market Value £000	2022/2023 Market Value £000
Listed equity investments	**259**	227
Fixed interest investments	**531**	485
Other investment funds	**250**	260
	1,040	972

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes. All investments were made in companies listed on a UK stock exchange or incorporated in the UK and therefore all investments are treated as investment assets in the UK.

11. Subsidiaries

Baby Beat Limited (03817502) is registered in England and Wales and is wholly owned by Lancashire Teaching Hospitals NHS Foundation Trust Charity and is a retailer of children's clothing and confectionary. Details of its trading activities are set out below.

11.1 Subsidiary results

	2023/2024 £000	2022/2023 £000
Income	**69**	48
Costs	**(45)**	(28)
Operating profit	**24**	20
Retained in subsidiary at beginning of year	**20**	17
Amount gift aided to Lancashire Teaching Hospitals Charity	**(20)**	(17)
Retained in subsidiary	**24**	20

11.2 Summarised balance sheet of subsidiary trading company

	2023/2024 £000	2022/2023 £000
Inventories	**4**	4
Debtors	**-**	1
Cash and cash equivalents	**27**	22
Creditors: amounts falling due within one year	**(3)**	(2)
Creditors: amounts falling due after more than one year	**(4)**	(5)
Net assets	**24**	20
Capital and reserves	**24**	20

These accounts have been prepared by McMillan & Co LLP, Chartered Accountants, 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA

12. Inventories

Inventories comprise finished goods held for resale.

Group		Parent	
2023/2024 £000	2022/2023 £000	**2023/2024 £000**	2022/2023 £000
4	4	**-**	-

13. Analysis of debtors

Amounts falling due within one year.

	Group		Parent	
	2023/2024 £000	2022/2023 £000	**2023/2024 £000**	2022/2023 £000
Accrued income	**-**	174	**-**	174
Prepayments	**2**	4	**2**	4
Subsidiary debtors	**-**	1	**-**	-
Loan due from subsidiary undertaking	**-**	-	**4**	5
Total	**2**	179	**6**	183

14. Analysis of cash and cash equivalents

	Group		Parent	
	2023/2024 £000	2022/2023 £000	**2023/2024 £000**	2022/2023 £000
Charity bank account	**218**	474	**191**	474
Subsidiary bank account	**-**	22	**-**	-
Stockbroker deposit account	**22**	25	**22**	25
Total	**240**	521	**213**	499

15. Analysis of changes in net debt

	At 1 April 2023 £000	Cash flows £000	**At 31 March 2024 £000**
Cash and Cash equivalents	521	(281)	**240**
Total	**521**	**(281)**	**240**

16. Analysis of creditors

Amounts falling due within one year.

	Group		Parent	
	2023/2024 £000	2022/2023 £000	**2023/2024 £000**	2022/2023 £000
Creditors	**94**	45	**91**	44
Accruals and deferred income	**19**	218	**19**	217
Total	**113**	263	**110**	261

The creditor figure represents the sum owed at the end of the year by the charity to a related parties, Lancashire Teaching Hospitals NHS Foundation Trust. There are no creditors falling due after more than one year.

17. Analysis of charitable funds

17.1 Restricted funds

In 2022 the Charity received approval from the Charity Commission to dissolve the twelve special purpose charities that had previously been recognised as separate entities under the same charity registration number. All of the funds related to these special purpose Charites continue to be managed as restricted funds.

	Balance 31 March 2023 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	**Balance 31 March 2024 £000**
Baby Beat	197	188	(232)	-	**153**
Children's Appeal	129	75	(128)	-	**76**
Critical Care Patient Fund	69	13	(21)	-	**61**
MND Fund	46	42	(26)	-	**62**
Others	401	212	(320)	(14)	**279**
Unrealised Gains and Losses	-	37	(8)	-	**29**
Total Restricted Funds	842	567	(735)	(14)	**660**

Materiality of restricted funds is considered to be funds with a closing balances greater than £50k for the purpose of this analysis, all other restricted funds are included in other. The £24k retained in the subsidiary has been included in the Baby Beat balance (2022/23 £20k).

Fund balances are shown after the allocation of unrealised gains and losses.

17.2 Unrestricted fund

The unrestricted fund is split into designated funds which are used to fund activities that benefit patients of Lancashire Teaching Hospitals NHS Foundation Trust and the staff that deliver patient care to those patients.

	Balance 31 March 2023 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	**Balance 31 March 2024 £000**
Unrestricted Funds	571	97	(192)	14	**490**
Unrealised Gains and Losses	-	30	(7)	-	**23**
Total Restricted Funds	571	127	(199)	14	**513**

Fund balances are shown after the allocation of unrealised gains and losses.

17.3 Unrestricted fund

During the year the Trust has continued to rationalise funds, resulting in movement between funds of £14k that have been reclassified as unrestricted.

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023/2024 £000	2022/2023 £000
Net (expenditure) / income for 2023/24 (as per the SOFA)	**(240)**	(95)
(Gain) / loss on investments	**(52)**	39
Dividends and interest from investments	**(28)**	(16)
Decrease in inventories	**-**	1
Decrease / (increase) in debtors	**177**	(176)
Decrease / (increase) in creditors	**(150)**	170
Net cash used in operating activities	**(293)**	(77)

19. Analysis of net assets between funds

	Unrestricted Funds £000	Restricted Funds £000	**31 March 2024 Total Funds £000**
Tangible fixed assets	379	661	**1,040**
Current assets	158	88	**246**
Current liabilities	(24)	(89)	**(113)**
Total net assets	**513**	**660**	**1,173**

	Unrestricted Funds £000	Restricted Funds £000	**31 March 2023 Total Funds £000**
Tangible fixed assets	340	632	**972**
Current assets	261	443	**704**
Current liabilities	(30)	(233)	**(263)**
Total net assets	**571**	**842**	**1,413**

20. Contingent assets and liabilities

	2023/2024 £000	2022/2023 £000
Legacies	**2**	40
Total	**2**	40

Potential legacies not yet received and which are probable, that have been identified from Wills and Testaments, have an estimated value of £2k.

21. Commitments

The Charity has the following outstanding commitments at the end of the year as they have made a provisional agreement to fund various projects and items of equipment. These have not been accounted for in the SOFA.

	Unrestricted Funds £000	Restricted Funds £000	**2023/2024 Total £000**	2022/2023 Total £000
Total commitments as at 31 March 2024	**4**	**205**	**209**	155

As described in note 6, the charity awards a number of grants in the year. Included in commitments are many grants that are awarded and expected to be paid out in the next financial year. The charity has control over the award and timing of payment of grants, they remain commitments until there is certainty about the payment that will be funded from existing and future reserves. No multi-year grants are included in these commitments.

22. Events after the reporting period

There are no adjusting events after the reporting period. However, it should be noted that these accounts have not been consolidated into the main accounts of Lancashire Teaching Hospitals NHS Foundation Trust due to materiality..

The £24k profit, retained in the subsidiary will be gift aided to the charity post year end.

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust





Lancashire Teaching Hospitals Charity

Lancashire Teaching Hospitals Charity
Royal Preston Hospital
Fulwood, Preston, PR2 9HT
T: 01772 528500
E: Charity@lthtr.nhs.uk

Follow us on social media
@LancHospCharity
www.lthcharity.org.uk

Reg. Charity No. 1051194

LANCASHIRE TEACHING HOSPITALS CHARITY

England & Wales - Charity number 1051194

Accounts

Lancashire Teaching Hospitals Charity

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust

Annual Report & Accounts 2022/23

Supporting world class treatment, research and outstanding care









Reg. Charity No. 1051194

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1. Foreword by Chair of Charitable Funds Committee



Welcome to Lancashire Teaching Hospital Charities annual report for 2022/23.

I am proud to welcome you to this annual review, looking back over a successful year for Lancashire Teaching Hospitals Charity and its amazing contribution to our hospitals, patients and staff.

During 2022/23, the Charity's income from fundraising was £1.322m, and we spent £1,095m on making a difference to the lives of patients and their families, as well as supporting a number of staff wellbeing projects. From funding mobility and rehabilitation equipment to improvements to the Neonatal Intensive Care Unit, we make sure every penny raised makes a difference to the babies, children and adults who use our hospital services.

Over the year the charity has steadily been growing its calendar of events, introducing a Superhero Day, as well as a number of 3rd party runs including the City of Preston 10k, and has seen an amazing response from our supporters, for which we are hugely thankful. We had another fantastic Cross Bay Walk in July, raising a wonderful £9.8k with nearly 200 walkers crossing the sands in support of the Children's Appeal and Baby Beat. We have also noticed an increase in supporter-led community events as awareness of the Charity, and what we do, continues to grow.

Over the year we were delighted to receive grants of over £700k from different Trusts towards a variety of charitable projects. As part of our Children's Appeal, The Delamere Dairy Foundation and the Screwfix Foundation both funded LED sky ceiling panels for the Children's Clinic, whilst the Harold and Alice Bridges Charity, Our Space Your Place Fund, the Shepherd Street Trust, and St James Place Foundation gave grants towards an interactive projector system.

The support of our donors, fundraisers and volunteers has been unwavering, and we were delighted that the end of the 2022-2023 financial year saw us in a healthy place with regards to our charitable income.

Thank you, to all of our supporters, for your continued commitment to the cause. With your generosity, you enable us to make a real difference for local patients to our hospitals, now and in the future. Thank you, for your continued support.

Very best wishes,

Kate Smyth

Kate Smyth
Charitable Funds Committee - Chair



2. Who we are

Lancashire Teaching Hospitals Charity is registered with the charity commission (registered number 1051194) and we are constituted under the NHS Charities - Corporate Trustee model (see section 7 for details).

The Charity exists to raise funds and receive donations for the benefit of the patients of Lancashire Teaching Hospitals NHS Foundation Trust. By securing donations, legacies and grants the Charity can provide the 'icing on the cake' to make a real difference for patients, their families and the staff who look after them.

Providing both general and specialist care for the benefit of 1.8m people across Lancashire and South Cumbria, Lancashire Teaching Hospitals NHS Foundation Trust is our key partner in fulfilling our charitable aims.

We welcome a wide range of support, as this allows us to invest in clinical excellence and outstanding care, as well as world class research. Please read on to find out more about what we do, what we have achieved and how we invest the money donated to us.



Our Aims and Objectives

Lancashire Teaching Hospitals Charity aims to enhance the services already provided by Lancashire Teaching Hospitals NHS Foundation Trust. Through raising money and careful management of existing funds, the Charity can provide a public benefit by funding grants to the Trust (and the other organisations it works with) to invest in world class research, treatment, and outstanding care. It does this by:

- ✔ **Purchasing the very latest or additional medical equipment.**
- ✔ **Providing improvements to patient comfort and wellbeing**
- ✔ **Investing in world class research for the benefit of our patients**
- ✔ **Supporting staff wellbeing in pursuit of their delivery of excellent patient care**

Grants from the Charity to the Trust are made in accordance with the Trust's standing financial instructions as well as charity law, our constitution, and in accordance with the wishes of donors.

When considering where to focus our attention our corporate trustee's board and, particularly, the members of the charitable funds committee, have regard to the Charity Commission for England and Wales's guidance on public benefit and what this means for the Charity.

In making grants, the Charity endeavours to reflect the wishes of patients and staff by directing funds towards areas they tell us are most in need.

Our plans are to continue to increase our level of fundraising to pre-pandemic levels whilst also increasing the opportunity for 'Out of Hospital' investment across the ICS region. By acting as lead charity for Lancashire and South Cumbria and working with NHS Charities Together we will work with not-for-profit organisations to help transform out of hospital health care across the region.

3. How to support us

The Charity would like to thank all that continue to support us during such unprecedented times. The donations you make really do make a difference to patient care and to staff in caring for them.

With many ways in which you can support your local and regional specialist Hospitals, such as running, swimming or cycling, knitting, singing or baking delicious cakes, your donations, time or talents can make a world of difference to our patients and their loved ones, when they need it most.

Making a Donation

To make a donation please visit
www.lthcharity.org.uk
or call the fundraising team on **01772 528500**.

Gifts in Memory

Each year we receive thousands of pounds from people who donate in memory of someone special who has sadly passed away. Donations such as these help us to improve patient comforts and buy equipment that will benefit other patients, allowing something positive to come from a sad personal loss.

Legacy Support

Gifts left to the Charity in a Will provide a valuable income source allowing us to plan for the future and benefit as many patients as possible. Even the smallest gift in your will can have a lasting impact. During 2022/23 we received a total of £186k in legacy gifts.





Gift Aid

Is the gift that keeps on giving, last year we benefitted from thousands of pounds due to this government in Gift Aid. If you are a UK tax payer and sign up for gift aid with us, we are able to claim and additional 25p for every £1 you donate.

Get in touch – we'd love to hear from you!

For information about Gift Aid, legacy donations and the many other ways you may wish to support, please visit **www.lthcharity.org.uk**
or email **charity@lthtr.nhs.uk**
or call the fundraising team on **01772 528500**.



4. Your support and our achievements and performance

We were delighted to introduce a variety of new fundraising events to our events calendar in 2022/2023, as Covid-19 restrictions had greatly impacted the charity's ability to deliver fully on its fundraising plans in previous years.

April saw the Charity launch a fundraising initiative linked to National Superhero Day (28th April) – encouraging supporters across local nurseries, schools, community groups, and businesses to dress as their favourite superhero and donate towards our Children's Appeal. The day raised many smiles and a total of £3,605 for the Children's Appeal. In May we joined forces with Derian House for a Family Fun Day which was a fantastic day which saw hundreds of people turn out to support both causes and raised £631 between the two charities.

A quartet of outdoor swimmers raised a wonderful £4,280 for Lancashire Teaching Hospitals NHS Foundation Trust Charity's Children's Appeal by pulling off a master stroke after the Great North Swim was cancelled last minute. The charity took part in the NHS Big Tea on 5th July, supported by NHS Charities Together, raising £713 with many staff across the hospitals taking part as well as corporates such as Frank Whittle Partnership.

We had another fantastic Cross Bay Walk in July, raising £9.8k with nearly 200 walkers crossing the sands in support of the Children's Appeal and Baby Beat. The next month, a six-strong team of first-time skydivers, who all had parachuting from an aeroplane at more than 10,000 ft on their bucket list, raised £3,883 for Lancashire Teaching Hospitals Charity's Children's Appeal.

September was a month of running for the charity, with five participants taking place in the Great North Run raising £1,200 and 17 adults and children taking part in the Spar sponsored Preston 10k, raising an incredible £17,000. Also in September, The Motor Neurone Disease Team for MND Research at Lancashire Teaching Hospitals NHS Foundation Trust raised an incredible £4,129 from their eighth annual walk for Motor Neurone Disease. The walk saw around 50 people walk the Guild Wheel – which is 21 miles around the outskirts of Preston, on Saturday 24th September 2022.



Baby Beat's Baby Loss Awareness Campaign and World Prematurity Day saw an increase on fundraised income year on year with £4,500 raised from events including a sponsored walk, raffle, bowling night and the recent 'Light Up Garstang' campaign.

Unfortunately, in December the charity's newest event, the Jingle Bell Jog was cancelled due to snow and ice, however the generosity of supporters meant that the event still raised £802. This is an event which we look forward to re-introducing in December 2023 and are confident will be a big success for the charity.

More details on our fundraising events and activities can be seen on our website **www.lthcharity.org.uk**

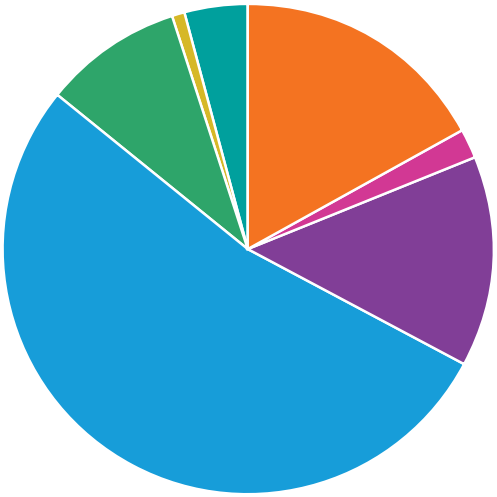




5. The difference you made

The Charity is only able to support the work of Lancashire Teaching Hospitals NHS Foundation Trust through the money it receives. We use this in furthering our charitable aims and objectives.

The following chart illustrates the breakdown of the £1.322m charitable income received during this financial year.



- Donations 17%
- Corporate donations 2%
- Legacies 14%
- Grants 53%
- Charitable activities 9%
- Investments 1%
- Trading activities 4%

During 2022/23 total income received from donations and legacies came to £1.139m (2021/22: £429k) with corporate support ending the year at £22k (2021/22: £32k) and legacy income of £186k received (2021/22: £69k). The charity is also very grateful to the many businesses and individuals who gave gifts in kind totalling £64k (2021/22: £71k). Income raised by events and community fundraising groups also continued to grow, this year by £47k to £119k (2021/22: £72k).

Charitable Trust activity continued to perform well over this last financial year, with a total of £700k received (2021/22: £107k) which included £584k from NHS Charities Together (NHSCT) to support out of hospital healthcare partnerships.

We were delighted to receive grants of over £450k from different Trusts towards a variety of charitable projects.

As part of our Children's Appeal, Rockin 'R' medical gaming carts were funded by grants received from the D J Sidebottom/Glasdon Charitable Programme, the Harris Charity, the Hedley Foundation, and Wallace and Gromit's Children's Charity.

The Delamere Dairy Foundation and the Screwfix Foundation both funded LED sky ceiling panels for the Children's Clinic, whilst the Harold and Alice Bridges Charity, Our Space Your Place Fund, the Shepherd Street Trust, and St James Place Foundation gave grants towards an interactive projector system. We were able to fund specialist MND feeding equipment thanks to grants from the Alan Davidson Foundation, Daniel's and Houghton's Charity, and the Hospital Saturday Fund.

Baby Beat received grants towards specialist cots from the D J Sidebottom/Glasdon Charitable Programme and the Medicash Foundation, as well as grants towards a panda warming unit for the Neonatal Intensive Care Unit (NICU) from the Harold and Alice Bridges Charity and Risley Medical, Research and Charity Trust Fund. We were able to fund specialist foetal monitoring equipment with grants received from the D J Sidebottom/Glasdon Charitable Programme, the Fitton Trust, and Tesco Little Helps Scheme. The Shepherd Street Trust also contributed to improvements made to the NICU entrance and family room, and MedEquip 4 Kids funded two sound ears for the Children's Ward.

The Charity benchmarks fundraising activity with peers across the region and through the NHS Charities Together membership we can monitor comparative success of campaigns and overall fundraising cost to income ratios. We continue to perform well with a low cost to income ratio compared to the average. We underperform for the overall value of donations against the average for an NHS charity with a focus on research. We are therefore seeking to improve in this area.

Retail trading income came to £48k, (2021/22: £38k) which was made possible due to the tenacious support of the 90 Baby Beat Shop volunteers who continue their support year on year.

Investment income of £16k (2021/22: £11k) was received in the form of dividends and bank interest on funds not immediately required.

What we spent the money on

This year the Charity is delighted to report that it has approved 77 grant applications totalling £977k, with investment in the charity's objectives demonstrating the charity's continued support for patient wellbeing and its focus, through the Children's Appeal and Baby Beat, on the Women's and Children division.

Included in this figure is the £757k awarded from NHS Charities Together (NHSCT) to support three ICS wide community partnership projects: two aimed at supporting children and young people with their mental health challenges and one aimed at supporting end of life, 'hospital at home' care. Income for these projects is being received from NHSCT on a phased basis.

Of the total expenditure of £1.378m (2021/22: £747k), the amount spent on charitable activities, excluding support costs, was £977k (2021/22: £388k). Charitable activities spend covers a wide range of programmes from capital projects to medical equipment as well as additional training and rest areas for staff. Checks are in place to ensure that all expenditure is in line with the Trusts standing financial instructions and in support of charitable objectives i.e., monies spent are used to purchase additional goods and services not normally provided by, or in addition to the normal NHS service. The Charitable Funds Committee keeps the spirit of public benefit at the forefront of its decision making.



- Grants for Patient Environment & Wellbeing **25%**
- Grants for Staff Education & Wellbeing **10%**
- Grants for Research **1%**
- Grants for Medical Equipment **5%**
- Grants - Other **30%**
- Raising Funds **20%**
- Charitable Activities Support Costs **9%**

The chart shows our largest area of spend was on charitable activities. Here are some of the ways in which donations have been used this year:



Refreshed Break Rooms (£28,800) to offer comfort and relaxation spaces for colleagues in Pathology, Ward 18 and Ward 24 at Royal Preston Hospital, all of which played a vital role in the Trust's response to the Covid 19 pandemic. The upgrades included re-decoration, new furniture, electrical appliances, and minor changes - all of which will make a huge difference to colleagues.



Mobility and Rehabilitation Equipment for Ward 17 (£7,792) which cares for elderly patients, many of whom require assistance with their mobility. The equipment – which includes specialist recliner chairs and mobilising equipment - will help patients to perform sit to stand and transfers from bed to chair.

State-of-the-art Gym and Rehab Equipment (£21,042) at Chorley and South Ribble Hospital to aid recovery for Core Therapy patients rehabilitating from traumatic injury, surgery or ill-health including those who still suffer from the impact of Covid 19.





New facilities to comfort grieving families (£7,388) The Mortuary viewing rooms hadn't been updated for some time, they were tired and uncomfortable. Thanks to the help of Lancashire Teaching Hospitals Charity, the spaces have been transformed with beautiful wall murals.



LED Sky Ceiling Tiles (£6,588) in three of the Children's Clinic treatment rooms to distract youngsters undergoing clinical procedures, helping to provide a calm and tranquil environment and a better clinic experience all round, which benefits both staff and parents or carers too.

Improvements to the Neonatal Intensive Care Unit (£24,879) which included the purchase of comfortable new furniture and the installation of uplifting wall artwork at the entrance and in the parent's sitting room, and improvements to the parent bedrooms and ensuite bathrooms. Families are encouraged to spend as much time on the unit as they can to bond with their new baby while they are receiving the specialist care that they need, and we want their time in hospital to be as comfortable and as stress-free as it possibly can be in the circumstances.



The opposite highlight some of the items and projects funded by your donations.

All items purchased are in addition or above the NHS remit. Go to **charity.org.uk** to see more about the items we fund.

Our fundraising practices

Members of Lancashire Teaching Hospitals Charity team support staff and donors both in the hospital and in the wider community to raise funds on behalf of the Charity. The Charity does not use external professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Charity is signed up to the Fundraising Regulator's Code of Fundraising Practice and is a member of NHS Charities Together. Fundraising staff receive support from and are invited to take part in NHS Charities Together training webinars as well as attend the Institute of Fundraising Conference - Northwest. All staff follow the Trust's fundraising guidance policy and working practices are reviewed regularly to ensure compliance. They are also required to undertake relevant safeguarding mandatory training to help to recognise and protect vulnerable people. Volunteer fundraisers are given a full briefing and appropriate training before they are able to raise funds for the Charity and they also receive regular updates/ reminders.

Volunteer fundraisers are always supported and briefed fully with a fundraising handbook before they raise funds for the Charity. This year we were able to resume in person fundraising events with the support of volunteer fundraisers.

All direct marketing is undertaken by the fundraising team to ensure that it is not unreasonably intrusive or persistent. Contact made with supporters started this year through direct marketing - we ensured that permission was requested and that all marketing material contained clear instructions on how a person can be removed from mailing lists.

6. Our Future Plans

As the year came to a close, the Charity was preparing to invest further in enhancing marketing so as to engage more support and increase awareness and income in order to continue to support and enhance health care services across the footprint of Lancashire Teaching Hospitals NHS Foundation Trust for the benefit 390,000 local people, as well as the 1.8m people who access our regional specialist services from across the ICS Lancashire and South Cumbria region.

By improving our communications, branding, and marketing we hope to create a compelling charity identity with a strong presence throughout the hospitals that we support and the local community, enabling Lancashire Teaching Hospitals to be seen as a 'charity of choice' locally.

We also hope that improving our communications, branding, and marketing will help to build a 'Hospital Charity Team' that will influence organisational culture and help staff to view the Hospital Charity as their own - therefore engaging with fundraising more.

We will continue to monitor and review our plans, especially in the light of the ongoing war in Ukraine and cost of living crisis.









7. Structure, Governance and Management

Structure

The Charity follows the NHS Corporate Trustee operational model with members of Lancashire Teaching Hospitals NHS Foundation Trust Board being appointed as its Corporate Trustee. The Corporate Trustee members are appointed upon their appointment to the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust.

The overall management and decision-making of the Charity is delegated by the Corporate Trustee to the Charitable Funds Committee.

Charitable Funds Committee

The Charitable Funds Committee meet quarterly and has specific terms of reference; no business may be transacted at a meeting unless three Non-Executive Directors and one Executive Director, who must be the Finance Director (or nominated deputy), are present.

The Charitable Funds Committee is responsible for reviewing and managing its charitable funds in accordance with the Trusts' Standing Financial Instructions and its Scheme of Delegated Powers of Authority.

The Charitable Funds Committee works within the delegated powers granted to it by the Corporate Trustee who retain the right to amend delegated powers and terms of reference as appropriate. As part of its delegated powers, it is responsible for the following:

- To establish a strategy for charitable funds and on the basis of professional advice, determine the investment policy within this strategy.
- To monitor performance and composition of the portfolio to ensure compliance with the investment policy and seek advice from the professional advisor, when required.
- To monitor charitable funds and approve the creation of new funds and ensure a periodic review of existing funds takes place.
- To ensure appropriate procedures are in place to control expenditure and ensure it is in accordance with the objectives of the funds.
- To ensure the requirements of the Charity Commission are complied with.
- To refer any matters arising to the Corporate Trustee.

The Committee is supported in doing so by the Head of Charities and operates within a framework with clear policies on investments, sponsorship, fundraising, expenditure and reserves. Authority to approve expenditure from funds is controlled through delegated limits.

Expenditure	Approval Required
£30,000 +	Approval also needed from Charitable Funds Committee
£10,000 to £30,000	Approval also needed from Assistant Director of Finance
£5,000 to £9,999	Approval also needed from Divisional Director
Up to £5k	Approval needed from fund advisors

The Fund Structure

Lancashire Teaching Hospitals Charity is governed by a single Trust Deed. Restricted funds are managed under the restrictions that were specified and are used in accordance with the restrictions imposed.

Unrestricted funds comprise of those funds which the Corporate Trustee has discretion to use for any purpose within the objects of the Charity. The trustee respects the wishes of the donors wherever possible, and all unrestricted funds are spent, as far as possible, in the optimum way to further the wider objectives of the Charity.

Connected Parties and Linked Charities

The Charity holds 100% of the share capital in Baby Beat Limited (Company Registration Number 03817502), a retail outlet based in the Sharoe Green Unit at Royal Preston Hospital. All net profits are donated to the Charity under the Gift Aid scheme and the company's accounts have been consolidated with the Charity's accounts this financial year.

The Charity is linked to the separately registered charity, The Rosemere Cancer Foundation. It was established with the same declaration of trust in November 1995 and shares the same Corporate Trustee. The Charity pools its investments with that of The Rosemere Cancer Foundation to form a single investment portfolio, resulting in greater efficiency in the management of the investments.

Wider networks

The Charity is one of over 240 NHS charities in England and Wales who are members of NHS Charities Together. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and members of the charitable funds committee.

As a member of NHS Charities Together, we are also invited to apply for and receive grants from them.

Risk Management and Internal Controls

Due to the close relationship between the Trust and the Charity the risk management process is embedded into that of the Trust's assurance framework and risk management systems.

The Board of Directors of the Trust, who are also the Corporate Trustee, have adopted a formal risk management process to assess business risk and implement risk management strategies. Senior management and the trustee have:

- Identified the types of risk the Trust and Charity faces.
- Prioritised the risks in terms of impact and likelihood of materialising.
- Identified means of mitigating these risks.

A risk register has been prepared to assist in managing risk to which the Trust has been exposed. The risk register is monitored by the Trust's Governance framework who request regular updates on any relevant action plans and ensure that all appropriate controls are in place or have been identified.







Principal risks and uncertainty facing the Charity

Due to the Covid-19 pandemic and the ongoing cost-of-living crisis, the impact on the charity's ability to fundraise over the last few years has been significant. However, this has been offset by the impact of the nation's love of the NHS and the support this has engendered. The Charity's reserves policy is designed to ensure that it can continue to meet its objectives under circumstances such as these, which are carefully considered at all times.

The Charity considers the valuation of its investments and any decline in market values that would negatively affect fund balances, as a risk. The Charitable Funds Committee meet regularly with the investment advisors and receive quarterly updates to allow them to review the performance of the investments and the risk level associated with them as well as how the Ukraine conflict continues to affect the markets. The current category of risk is 5 (moderate). The Charity's reserves and investment policies are designed to ensure that no unnecessary risks are taken, and the investments continue to support the Charity to meet its objectives.

Internal controls

The Corporate Trustee has overall responsibility for ensuring that the organisation operates an appropriate system of controls financial and otherwise to provide reasonable assurance that:

- The Charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and that financial information used within the Charity or for publications is reliable.
- The Charity complies with relevant UK laws and regulations.

The Corporate Trustee places reliance upon the Trust's Audit Committee whose remit is to examine the effectiveness and appropriateness of the system of internal controls. This is achieved by:

- Reviewing and approving the audit plan, determining the types of internal and external audits to be undertaken, the areas of the organisation which are subject to review, and examining any findings that arise.
- Reviewing the nature and scope of internal and external audit, and any matters raised for the attention of management. Any significant findings or identified risks are examined so that appropriate action can be taken.

The systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. These include:

- Regular review of the activities of the Fund and of its performance against pre-defined targets set by the Charitable Funds Committee.
- Formal delegation of authority to spend within clearly defined limits
- Identification and management of risks
- Scrutiny of internal and external audit.

Trustee and Advisers and Contact Details for the Charity

As the Charity operates under a Corporate Trustee model, the names of the directors are required to be disclosed:

Charitable Funds Committee Members:

Name	Responsibility	Post From	To
Kevin McGee	Chief Executive Officer		
Faith Button	Chief Operating Officer		
Jonathan Wood	Chief Finance Officer / Deputy Chief Executive Officer		
Geraldine Skailes	Chief Medical Officer		
Sarah Cullen	Chief Nursing, Midwifery and AHP Officer		
Nicki Latham	Interim Chief People Officer	01/06/2023	
Karen Swindley	Chief People Officer		31/05/2023
Ailsa Brotherton	Director of Continuous Improvement		
Stephen Dobson	Chief Information Officer		
Gary Doherty	Director of Strategy and Planning		
Naomi Duggan	Director of Communications and Engagement		
Jennifer Foote	Company Secretary	01/07/2022	
Peter White	Chair	01/08/2023	
Ebrahim Adia	Chair		31/08/2022
Paul O'Neill	Interim Chair (from 1st September 2022 to 31st July 2023) / Vice Chair / Non-Executive Director		
Tricia Whiteside	Acting Vice Chair (from 6th October 2022 to 31st July 2023) / Non-Executive Director		
Tim Watkinson	Senior Independent Director (from 20th September) / Non-Executive Director		
Ann Pennell	Non-Executive Director		31/05/2023
Jim Whitaker	Non-Executive Director		
Kate Smyth	Non-Executive Director		
Victoria Crorken	Non-Executive Director		
Michael Wearden	Associate Non-Executive Director	10/06/2022	
Peter Wilson	Associate Non-Executive Director	16/06/2022	

All members have been in post since 1 April 2022 unless otherwise stated.

Registered Charity Number and name:	**1051194 Lancashire Teaching Hospitals Charity**
Principal Office address:	Royal Preston Hospital Sharoe Green Lane Fulwood Preston PR2 9HT
Head of Charities and Fundraising:	**Daniel Hill** **e: Daniel.Hill@lthtr.nhs.uk**
Finance Office address:	Preston Business Centre Watling Street Road Preston PR2 8DY

The following advisors were retained by the Charity in 2022/223:

Bankers
National Westminster Bank PLC
35 Fishergate
Preston
PR1 2BY

Auditors
Beever and Struthers
Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Investment Advisors
Brewin Dolphin Securities Ltd
PO Box 512
National House
36 St Anne House
Manchester
M60 2EP

Solicitors
Hempsons
Portland Tower
Portland Street
Manchester
M1 3LF

8. Financial Review

The Charity's annual accounts have been produced in accordance with FRS102 as were the previous years. Therefore, no adjusting entries were required for the comparative year.

The charity is reporting a deficit for the year before adjustments for market value gains and losses on investments of £56k. (2021/22: deficit of £197k)

The investment portfolio has continued to experience volatility throughout the year due to national and economic factors. An increase in market values in the second half of the year, gave rise to an unrealised gain of £25k this offset the earlier unrealised loss of £53k and the actual net loss on the sale of investments of £11k that resulted in a net loss on investments of £39k (2021/22: gain of £13k) for the year.

Incoming resources of £1,322k were £772k higher than 2021/22. This represents a 140% increase.

- Income from donations, legacies and grants of £1,139k was £710k more than the previous year largely due to the £584k received from NHS Charities Together (NHSCT) to support our out of hospital healthcare partnerships project and an increase in legacy gifts.
- Other trading income was £48k, £10k higher than 2021/22. This increase of 26% reflects a return to trading in 2021/22. During the year, the shops opening hours have continued to increase with the support of our volunteers.
- Investment income was £5k higher than last year due to the bank interest rate increases. The charity received a reduced share of the dividend income as per the apportionment that is based on the balance of funds for the charities in the investment pool.
- Income from charitable activities of £119k has continued to grow in 2022/23. A return to face-to-face fundraising and a busy event calendar has generated £47k more than the previous year.

Support costs of £146k were £9k lower than 2021/22. This is due to a reduction in the hours of the Head of Charities and a reorganisation of administration staff to support fundraising due to maternity leave within the team.

Net current assets of £441k were £73k lower than the prior year as a consequence of the reduced cash balance at the end of 2022/23. This is due to increased charitable activities expenditure incurred during the year.

Total Charity funds at the end of the year were £95k lower than 2021/22 at a level of £1,413k; required to fund the Charity's outstanding commitments for various projects and items of equipment.

Going Concern

The trustee considers that there are no material uncertainties about Lancashire Teaching Hospitals Charity's ability to continue as a going concern. Fundraising income is back to pre-pandemic levels but continues to be affected by the cost-of-living crisis.

As a grant making charity with few on-going commitments, this will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. It is expected that the amount of grants that can be made will continue to be reduced in 2023/24. However, there are no material uncertainties affecting the current year's accounts.





Reserves Policy

The charity has a reserves policy which was reviewed in March 2022. The Charity has considered the level of reserves to be held for the prudent management of its working assets, commitments and contingencies.

Reserves are defined as funds that are freely available to fund the day-to-day operation of the charity and are not subject to commitments or other restrictions. The trustee requires that reserves are available to cover the following:

- Unrealised gains on investments recognised in the accounts
- Provision for short-term commitments and ongoing programmes and
- 6 months of operating expenditure

At the 31st March 2023 the Charity held total reserves of £1,413k (2021/22: £1,508k) of which £842k (2021/22: £875k) are held in restricted reserves. The balance held in unrestricted funds is £571k (2021/22: £633k).

The total realised and unrealised loss recognised in 2022/23 is £39k (2021/22: gain £13k). This is the result of a loss on the sale of investments of £11k (2021/22: gain of £40k) and a loss on the carrying value of the investments of £28k (2021/22: loss of £27k).

The Charity currently has commitments of £155k of which £106k is to be funded from restricted reserves and £49k from unrestricted reserves. The trustee aims to maintain free reserves in unrestricted funds at a level which equates to approximately six months of planned operating expenditure £207k, plus £24k for fundraising costs for the Children's appeal. The trustee considers that this level will provide sufficient funds to respond to delays or changes in applications for grants and to ensure that support and governance cost are covered.

The level of reserves is continually monitored by the Trustee and the policy will be reviewed at least every two years.

Investment Policy

The policy is reviewed annually; it was last reviewed at the Charitable Funds Committee meeting that took place in September 2022.

The Charity's investments are held in stocks and shares and are managed by a well-respected investment management company, Brewin Dolphin. The Trust maintains a strict control over investments, laying down a well-structured framework within which Brewin Dolphin must operate in order to minimise the risks associated with investments.

Overseas equities should not exceed 15% of the total holding of equities and investments in negotiable instruments known as "derivatives" are not permitted in any circumstances.

Investment in tobacco, alcohol and armaments is prohibited. If it should come to light that a company has become involved in unethical practices the Corporate Trustee should be consulted with a view to selling the investment.

The market value of managed funds shall not exceed 75% of the total charitable fund reserves.



Corporate Trustee Responsibilities Statement

The Corporate Trustee are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). They are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for the period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the charities SORP (FRS 102)
- 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Corporate Trustee is responsible for the maintenance and integrity of the Charity and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Corporate Trustee confirms that there is no relevant audit information of which the Charity's auditors are unaware and they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Corporate Trustee

Signed:



Paul O'Neill
Vice Chair

Date: 19 September 2023



Jonathan Wood

Trustee

Date: 19 September 2023







Independent Auditor's report

Independent Auditor's Report to the trustee of Lancashire Teaching Hospitals Charity.

Opinion

We have audited the financial statements of Lancashire Teaching Hospitals Charity "the parent charity" and its subsidiary "the group" for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure 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 conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.





Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustee's report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Corporate Trustee Responsibilities Statement set out on page 18, the trustee is responsible for the preparation of the group and parent charity financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine what 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.







Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Beever and Struthers

S Lomax FCA
(Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date: 22/9/2023

9. Financial Statements

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

	Notes	2022/2023 Unrestricted Funds £000	2022/2023 Restricted Funds £000	**2022/2023 Total Funds £000**	2021/2022 Unrestricted Funds £000	2021/2022 Restricted Funds £000	2021/2022 Total Funds £000
Income and endowments from:							
Donations and legacies	3.1	193	946	**1,139**	101	328	**429**
Charitable activites	3.2	5	114	**119**	11	61	**72**
Other trading activities	3.3	-	48	**48**	-	38	**38**
Income from Investments	3.4	7	9	**16**	5	6	**11**
Total incoming resources		**205**	**1,117**	**1,322**	117	433	550
Expenditure on:							
Raising funds	4	77	206	**283**	70	186	256
Charitable activities	5	102	993	**1,095**	128	363	491
Total Expenditure		**179**	**1,199**	**1,378**	198	549	747
Net gain on investments	10.1	(88)	49	**(39)**	47	(34)	13
Net (expenditure)		**(62)**	**(33)**	**(95)**	(34)	(150)	(184)
Transfer between funds	17	-	-	-	48	(48)	-
Net movement in funds		**(62)**	**(33)**	**(95)**	14	(198)	(184)
Reconciliation of Funds							
Total funds brought forward	17	633	875	**1,508**	619	1,073	1,692
Total Funds carried forward	17	**571**	**842**	**1,413**	633	875	1,508

Consolidated Balance Sheet as at 31 March 2023

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2023 £000**	Total at 31 March 2022 £000
Fixed Assets					
Investments	10	340	632	**972**	994
Total Fixed Assets		**340**	**632**	**972**	994
Current Assets					
Inventories	12	-	4	**4**	5
Debtors	13	4	175	**179**	3
Cash and cash equivalents	14	257	264	**521**	599
Total Current Assets		**261**	**443**	**704**	607
Liabilities					
Creditors falling due within one year	16	30	233	**263**	93
Net Current Assets		**231**	**210**	**441**	514
Total Assets less Current Liabilities		**571**	**842**	**1,413**	1,508
Total Net Assets		**571**	**842**	**1,413**	1,508
The Funds of the Charity					
Restricted income funds	17.1	-	842	**842**	875
Unrestricted income funds	17.2	571	-	**571**	633
Total Charity Funds		**571**	**842**	**1,413**	1,508

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 19th September 2023 and approved on its behalf by the Charitable Funds Committee.

Signed: 

Date: 19 September 2023

Parent Balance Sheet as at 31 March 2023

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2023 £000**	Total at 31 March 2022 £000
Fixed Assets					
Investments	10	340	632	**972**	994
Total Fixed Assets		**340**	**632**	**972**	994
Current Assets					
Debtors	13	4	179	**183**	10
Cash and cash equivalents	14	257	242	**499**	577
Total Current Assets		**261**	**421**	**682**	587
Creditors falling due within one year	16	30	231	**261**	90
Net Current Assets		**231**	**190**	**421**	497
Total Assets less Current Liabilities		**571**	**822**	**1,393**	1,491
Total Net Assets		**571**	**822**	**1,393**	1,491
The Funds of the Charity					
Restricted income funds	17.1	-	822	**822**	858
Unrestricted income funds	17.2	571	-	**571**	633
Total Charity Funds		**571**	**822**	**1,393**	1,491

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 19th September 2023 and approved on its behalf by the Charitable Funds Committee.

Signed:

Date: 19 September 2023

Consolidated Cash Flow Statement for the year ended 31 March 2023

	Notes	**Total at 31 March 2023 £000**	Total at 31 March 2022 £000
Cash flows from operating activities:			
Net cash (used) in operating activities	18	**(77)**	**(899)**
Cash flows from investing activities:			
Interest received	3.4	**5**	-
Dividends received	3.4	**11**	11
Proceeds from sale of investments	10.1	**339**	312
Purchase of investments	10.1	**(356)**	(310)
Net cash provided by investing activities:		**(1)**	13
Change in cash and cash equivalents in the reporting period	15	**(78)**	(886)
Cash and cash equivalents at the beginning of the reporting period	14	**599**	1,485
Cash and cash equivalents at the end of the reporting period	14	**521**	599

10. Notes to the Financial Statements

1. Accounting policies

1.1 Basis of preparation

The financial statements of the charity are presented in £ Sterling, rounded to the nearest thousand and have been prepared under the historical cost convention, with the exception of investments which are included at fair value.

The financial statements have been prepared in accordance with the 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 (FRS102) (effective 1 January 2015) - Charities SORP (FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011. The Charity constitutes a public benefit entity as defined by FRS102.

1.2 Going concern

The trustee considers that there are no material uncertainties about the Lancashire Teaching Hospitals Charities' ability to continue as a going concern. Fundraising income is back to pre-pandemic levels but continues to be affected by the cost-of-living crisis.

As a grant making charity with few on-going commitments, this will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. It is expected that the amount of grants that can be made will reduce in 2023/24. However, there are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the charity are a fall in income from donations or investment income but the trustee has arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

1.3 Critical judgements in applying accounting policies

In the application of the Charity's accounting policies, which are described in notes 1.1 to 1.21, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key judgements are those policies relating to incoming resources (notes 1.7 and 1.8), recognition of expenditure and associated liabilities as a result of grant (note 1.11) and fixed asset investments (note 1.15). The Trustee does not consider there are any sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

1.4 Key estimations

The value of potential legacies disclosed in note 19. Contingent assets and liabilities is estimated using information received from solicitors and current property market valuations.

1.5 Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund or an endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.

Lancashire Teaching Hospitals Charity has restricted funds, no endowment funds and one designated unrestricted fund. The material restricted funds held are disclosed in note 17.

Those funds which are neither endowment nor restricted income funds are unrestricted income funds which can be analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors, and unrestricted funds which are at the trustees' discretion

1.6 Basis of consolidation

The group financial statements consolidate the results of the Charity's trading subsidiary, Baby Beat Limited, on a line by line basis. Advantage has been taken of the SORP and the parent charity's own income and expenditure has not been disclosed in these financial statements. The income of the Lancashire Teaching Hospitals Charity was £1,322k (2021/22: £550k), giving rise to a deficit of £96k (2021/22: deficit £184k).

Subsidiary companies are exempt from the requirement of the Companies Act 2006 relating to the audit of the individual accounts by virtue of S479A.

1.7 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability. Gifts in kind are recognised as a reasonable estimate of their fair value or the amount actually realised.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

1.8 Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- confirmation has been received from the representatives of the estate(s) that probate has been granted
- the executors have established that there are sufficient assets in the estate to pay the legacy and
- all the conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated, then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

1.9 Gifts in kind and donated services

Gifts in kind are recognised as a reasonable estimate of their fair value or where the monetary value of gifts cannot be reliably measured, they will be included in the accounts when they are sold and the amount actually realised.

Donated services are measured and included in the accounts on the basis of the value of the gift to the charity. i.e. what the charity would pay in the open market for the services that are being donated.

1.10 Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

Expenditure is recognised when the following criteria are met:

- there is a present legal or constructive obligation resulting from a past event
- it is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- the amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.11 Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third-party NHS bodies and non-NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments 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.

The trustee has control over the amount and timing of grant payments and consequently where approval has been given by the charitable funds committee, on behalf of the trustee, grants are considered commitments. An appropriate designation is made for these commitments in the appropriate fund until payment is due to be made at which point the expenditure and liability is recognised in the accounts. Approved commitments of expected future expenditure are disclosed in note 20.

1.12 Allocation of support costs and overheads

Support costs are those costs which do not relate directly to a single activity, including governance costs, that are costs which relate to the strategic as opposed to the day to day management of a charity.

Support costs include some staff costs, costs of administration and external audit costs. They have been apportioned between the cost of raising funds and charitable activities on the basis of expenditure incurred in relation to each category. The analysis of support costs and the apportionment is shown in note 7.

1.13 Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and salaries and overhead costs paid to a related party, Lancashire Teaching Hospitals NHS Foundation Trust, shown in note 2.

Quarterly management fees are offset against commission charges. Fees that exceed the commission charge are deducted from the funds on deposit are shown in note 4.

1.14 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 5.

1.15 Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at the current market value quoted by the investment analyst, excluding dividend. Other investments are included at the trustee's best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All realised and unrealised gains and losses are combined in the Statement of Financial Activities and are taken as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value, if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value.

1.17 Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount. Prepayments are valued at the amount prepaid.

1.18 Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, held in interest bearing savings accounts.

1.19 Creditors

Creditors and provisions are amounts owed by the charity. They are recognised when 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.

Amounts which are owed in more than a year are shown as long term creditors.

1.20 Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.21 Remuneration and benefits

No staff are directly employed by the Charity. All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. The Charity is recharged for individuals time spent engaged in either charitable activities, raising funds or providing support (e.g. back office functions) to the Charity.

All recharged staff members belong to the NHS Pension Scheme which is an unfunded defined benefit scheme, accounted for as a defined contribution scheme. The recharge from Lancashire Teaching Hospitals NHS Foundation Trust includes the employer contributions to that scheme. For more information on the NHS Pension Scheme refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

2. Related party transactions

Lancashire Teaching Hospitals Charity is managed by the Corporate Trustee which is also the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust which is the main beneficiary of the charity. During the year the Charity made revenue and capital payments to Lancashire Teaching Hospitals NHS Foundation Trust of £1,086k (2021/22: £1,351k), including grants of £982k (2021/22: £388k)

The Charity was recharged £321k (2021/22: £301k) for staff working for the charity throughout the year, whose contracts are paid by Lancashire Teaching Hospitals NHS Foundation Trust. This includes accounting and administrative support provided to the Charity at a cost of £22k (2021/22: £21k).

During the year none of the Trustees or members of the key management staff or parties related to them have undertaken any material transactions with the Lancashire Teaching Hospitals Charity. (2021/22: £nil)

As at 31 March 2023 £44k (2021/22: £52k) was owed to Lancashire Teaching Hospitals NHS Foundation Trust.

The Trustee have purchased trustee indemnity insurance of £3k. (2021/221: £3k)

The Charity's investment portfolio is pooled with that of The Rosemere Cancer Foundation. The Charity receives an apportionment of the income and expenditure related to the investments based on its share (72%) of the portfolio (2021/22: 71%).

3. Incoming resources

3.1 Income from donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Donations	77	154	**231**	221
Corporate Donations	-	22	**22**	32
Legacies	116	70	**186**	69
Grants	-	700	**700**	107
Total	**193**	**946**	**1,139**	429

Donations of goods £64k (2021:22: £71k) are included in income valued at their market value. All of these donations have been distributed during the year.

3.2 Charitable activities income

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Events	-	31	**31**	30
Community Fundraising Groups	4	78	**82**	36
Other	1	5	**6**	6
Total	**5**	**114**	**119**	72

3.3 Income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Baby Beat Ltd shop sales total	**-**	**48**	**48**	38

3.4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Dividend income	5	6	**11**	11
Bank account interest	2	3	5	-
Total	**7**	**9**	**16**	11

4. Analysis of expenditure on raising funds

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Fundraising team	62	138	**200**	160
Fundraising activities	2	4	**6**	7
Advertising / marketing	5	13	**18**	11
Trading activities	-	28	**28**	21
Investment management fees	1	2	**3**	5
Support costs	7	21	**28**	52
Total	**77**	**206**	**283**	256

5. Analysis of expenditure on charitable activities

The charity pursued its charitable activities by making grants. Support costs have been apportioned across the categories of charitable expenditure on the basis of the associated transaction cost incurred by the charity disclosed in note 7.

	Grant funded Activity £000	Support Costs £000	**2022/2023 Total £000**	Grant funded Activity £000	Support Costs £000	2021/2022 Total £000
Patient Environment and Wellbeing	172	21	**193**	233	62	295
Staff Education and Wellbeing	143	17	**160**	55	15	70
Research	17	2	**19**	13	3	16
Medical Equipment	66	8	**74**	87	23	110
Grants	579	70	**649**	-	-	-
Total	**977**	**118**	**1,095**	388	103	491

Throughout the year the charity received donated gifts in kind that were distributed to staff and patients. The estimated cost of the donated goods £64k (2021/22: £71k) is included in these figures.

6. Analysis of grants

All grants are made to the Lancashire Teaching Hospitals NHS Foundation Trust. The total cost of making grants, including support costs, is shown on the face of the Statement of Financial Activities, and the actual disbursement for each category of charitable activity is disclosed in note 5.

7. Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs (£43k) (2021:22: £44k), are those support costs which relate to the strategic and day to day management of a charity.

These costs are apportioned across the charitable activities on the basis of expenditure incurred in relation to each category.

7.1 Analysis of total support costs

	Raising funds £000	Charitable Activities £000	**2022/2023 Total £000**	Raising funds £000	Charitable Activities £000	2021/2022 Total £000
Financial Administration	4	18	**22**	7	14	21
Information Technology	-	2	**2**	-	1	1
Professional fees	2	4	**6**	1	3	4
Administration costs	-	1	**1**	-	1	1
Salary recharges	20	79	**99**	42	79	121
External Audit	2	10	**12**	2	3	5
Subscriptions / memberships	-	3	**3**	-	1	1
Bank Charges	-	1	**1**	-	1	1
Total	**28**	**118**	**146**	52	103	155

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Governance costs	6	36	**43**	44
Support costs	28	75	**103**	111
Total	**35**	**111**	**146**	155

7.2 Auditor's remuneration

Total Audit Fees for 2022/23 were £9,950 (excluding VAT) which related solely to the audit with no additional work undertaken (2021/22: £3,850). The audit fee is included within governance costs.

7.3 Support cost allocation

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Raising Funds	7	21	**28**	52
Charitable Activities	28	90	**118**	103
Total	**35**	**111**	**146**	155

8. Trustee remuneration, benefits and expenses

The members of Lancashire Teaching Hospitals NHS Foundation Trust board give their time freely and receive no remuneration for the work that they undertake in relation to the charity. No expense claims were reimbursed to members of the board, by the charity in 2022/23. (2021/22: £nil). For more information on the Board members remuneration refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

9. Analysis of staff costs and remuneration of key management personnel

	2022/2023 Total £000	2021/2022 Total £000
Salaries and wages	**250**	235
Social Security costs	**35**	32
Employer contributions	**36**	34
Total	**321**	301
Fundraising	**200**	159
Finance administration	**22**	21
Administration support	**99**	121
Total	**321**	301

All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. No staff are directly employed by the Charity.

The average number of full-time and part-time employees during the year was 4 and 4 respectively (2021/221: 2 / 7), an estimated number of full-time equivalent employees of 4 (2021/22: 2). These employees are involved in fundraising and providing support to the charitable activities or the governance of the charity.

Lancashire Teaching Hospitals Charity considers its key management personnel to be the member of the Lancashire Teaching Hospitals NHS Foundation Trust board, acting on behalf of the corporate trustee and the Head of Charities and Fundraising. The total employment benefits included employer pension contributions of the key management personnel were £59k (2021/22: £54k).

No employees had emoluments in excess of £60k (2021/22: none).

10. Fixed asset Investments

10.1 Movement in fixed asset investments

	2022/2023 £000	2021/2022 £000
Market value brought forward	**994**	983
Add : acquisitions at cost	**356**	310
Less: disposals at cost	**(339)**	(312)
Realised and unrealised gain / (loss) for the year	**(39)**	13
Market value at 31 March	**972**	994
Historic cost	**973**	950

	2022/2023 £000	2021/2022 £000
Unrealised gain on carrying value of the investments	**(28)**	(27)
Loss on sale of investments	**(11)**	40
Total realised and unrealised gain for year	**(39)**	13

10.2 Fixed asset investments by type

	2022/2023 Market Value £000	2021/2022 Market Value £000
Listed equity investments	**227**	225
Fixed interest investments	**485**	590
Other investment funds	**260**	179
	972	994

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes. All investments were made in companies listed on a UK stock exchange or incorporated in the UK and therefore all investments are treated as investment assets in the UK.

11. Subsidiaries

Baby Beat Limited (03817502) is registered in England and Wales and is wholly owned by Lancashire Teaching Hospitals NHS Foundation Trust Charity and is a retailer of children's clothing and confectionary. Details of its trading activities are set out below.

11.1 Subsidiary results

	2022/2023 £000	2021/2022 £000
Income	**48**	38
Costs	**(28)**	(21)
Operating profit	**20**	17
Amount gift aided to Lancashire Teaching Hospitals Charity	**(17)**	
Retained in subsidiary	**20**	17

The £20k profit, retained in the subsidary will be gift aided to the charity post year end.

11.2 Summarised balance sheet of subsidiary trading company

	2022/2023 £000	2021/2022 £000
Inventories	**4**	5
Debtors	**1**	-
Cash and cash equivalents	**22**	22
Creditors: amounts falling due within one year	**(2)**	(2)
Creditors: amounts falling due after more than one year	**(5)**	(8)
Net assets	**20**	17
Capital and reserves	**20**	17

These accounts have been prepared by McMillan & Co LLP, Chartered Accountants, 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA

12. Inventories

Inventories comprise finished goods held for resale.

Group		Parent	
2022/2023 £000	2021/2022 £000	**2022/2023 £000**	2021/2022 £000
4	5	**-**	-

13. Analysis of debtors

Amounts falling due within one year.

	Group		Parent	
	2022/2023 £000	2021/2022 £000	**2022/2023 £000**	2021/2022 £000
Accrued income	**174**	-	**174**	-
Prepayments	**4**	2	**4**	2
Subsidiary debtors	**1**	1	**-**	-
Loan due from subsidiary undertaking	**-**	-	**5**	8
Total	**179**	3	**183**	10

14. Analysis of cash and cash equivalents

	Group		Parent	
	2022/2023 £000	2021/2022 £000	**2022/2023 £000**	2021/2022 £000
Charity bank account	**474**	545	**474**	545
Subsidiary bank account	**22**	22	**-**	-
Stockbroker deposit account	**25**	32	**25**	32
Total	**521**	599	**499**	577

15. Analysis of changes in net debt

	At 1 April 2022 £000	Cash flows £000	**At 31 March 2023 £000**
Cash and Cash equivalents	599	(78)	**521**
Total	**599**	**(78)**	**521**

16. Analysis of creditors

Amounts falling due within one year.

	Group		Parent	
	2022/2023 £000	2021/2022 £000	**2022/2023 £000**	2021/2022 £000
Creditors	**45**	53	**44**	51
Accruals and deferred income	**218**	40	**217**	39
Total	**263**	93	**261**	90

The creditor figure represents the sum owed at the end of the year by the charity to a related parties, Lancashire Teaching Hospitals NHS Foundation Trust. There are no creditors falling due after more than one year.

17. Analysis of charitable funds

17.1 Restricted funds

Last year the Charity has received approval from the Charity Commission to dissolve the twelve special purpose charities that had previously been recognised as seperate entities under the same charity registration number. All of the funds related to these special purpose charites continue to be managed as restricted funds.

	Balance 31 March 2022 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	**Balance 31 March 2023 £000**
Baby Beat	181	191	(174)	-	**197**
Children's Appeal	61	177	(109)	-	**129**
Community Partnership	52	584	(636)	-	**0**
Critical Care Patient Fund	56	35	(21)	-	**69**
Staff Wellbeing Fund	142	7	(110)	-	**39**
Others	415	61	(68)	-	**408**
Unrealised Gains and Losses	(32)	62	(31)	-	**-**
Total Restricted Funds	875	1,117	(1,150)	-	**842**

Materiality of restricted funds is considered to be funds with a closing balances greater than £50k for the purpose of this analysis, all other restricted funds are included in other. The £20k retained in the subisdiary has been included in the Baby Beat balance (2021/22 £17k).

Fund balances are shown after the allocation of unrealised gains and losses.

17.2 Unrestricted fund

The Unrestricted Fund is split into designated funds which are used to fund activities that benefit patients of Lancashire Teaching Hospitals NHS Foundation Trust and the staff that deliver patient care to those patients.

	Balance 31 March 2022 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	**Balance 31 March 2023 £000**
Unrestricted Funds	593	222	(244)	-	**571**
Unrealised Gains and Losses	40	(17)	(23)	-	**-**
Total Restricted Funds	633	205	(267)	**-**	**571**

Fund balances are shown after the allocation of unrealised gains and losses.

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022/2023 £000	2021/2022 £000
Net (expenditure) / income for 2022/23 (as per the SOFA)	**(95)**	(184)
(Gain) / loss on investments	**39**	(13)
Dividends, interest and rents from investments	**(16)**	(11)
Decrease in inventories	**1**	1
Decrease / (increase) in debtors	**(176)**	-
Increase / (decrease) in creditors	**170**	(692)
Net cash used in operating activities	**(77)**	(899)

19. Contingent assets and liabilities

	2022/2023 £000	2021/2022 £000
Legacies	**40**	135
Total	**40**	135

Potential legacies not yet received that have been identified from Wills and Testaments have an estimated value of £40k.

20. Commitments

The Charity has the following outstanding commitments at the end of the year as they have made a provisional agreement to fund various projects and items of equipment. These have not been accounted for in the SOFA.

	Unrestricted Funds £000	Restricted Funds £000	**2022/2023 Total £000**	2021/2022 Total £000
Total commitments as at 31 March 2023	**49**	**106**	**155**	349

As described in note 6, the charity awards a number of grants in the year. Included in commitments are many grants that are awarded and expected to be paid out in the next financial year. The charity has control over the award and timing of payment of grants, they remain commitments until there is certainty about the payment that will be funded from existing and future reserves. No multi-year grants are included in these commitments.

21. Events after the reporting period

There are no adjusting events after the reporting period. However, it should be noted that these accounts have not been consolidated into the main accounts of Lancashire Teaching Hospitals NHS Foundation Trust due to materiality.

The £20k profit, retained in the subsidary will be gift aided to the charity post year end.

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust



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Reg. Charity No. 1051194

LANCASHIRE TEACHING HOSPITALS CHARITY

England & Wales - Charity number 1051194

Accounts

Lancashire Teaching Hospitals Charity

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust

Annual Report & Accounts 2021/22

Supporting world class treatment, research and outstanding care









Reg. Charity No. 1051194

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1. Foreword by Chair of Charitable Funds Committee



Welcome to Lancashire Teaching Hospital Charities annual report for 2021/22.

As an NHS Corporate Trustee Charity, we are delighted to be able to support NHS patients and their families across Lancashire and South Cumbria working closely with Lancashire Teaching Hospitals NHS Foundation Trust as well as other NHS bodies across the region. We are committed to supporting world-class treatment, research, and outstanding care and can do this, thanks to the many generous donations and support from grateful patients and their families as well as from community groups, schools, local businesses, and grant funders.

As we emerge from the effects of the last 2 years, Covid-19 brought with it unprecedented challenges for colleagues and also impacted on fundraising plans which has resulted in reduced income, so this year we have carefully balanced the need to invest in new projects to support staff wellbeing, as well as supporting patient care.

We have also restarted some projects from the stage 3 and second wave covid grants from NHS Charities Together. These had to be suspended in 2020 due to restrictions and due to being the nominated 'nightingale' for the Northwest.

I would like to extend my sincere thanks to all who have given generously, donating both time and money, to support their local hospitals during the most difficult of times. I would also like to thank the 90 long serving Baby Beat Shop volunteers, who stayed loyal throughout the changing covid restrictions, to support us in our work, we really could not do what we do without them!

A special mention goes to those who are no longer with us, who very kindly chose to leave us a gift in their will. Their lasting legacies, together with your donations, grants and fundraising efforts have helped raise a total of £549,412, this is hugely appreciated by our clinical colleagues who continue to work tirelessly under enormous post covid pressures to be the very best they can be in caring for our patients and their families.

I am delighted to report that this year we have invested £54,759 in staff wellbeing projects including additional rest areas and memorial gardens. We have also invested £319,818 in patient comforts, additional equipment and support for families and £13,175 in research.

As we end the year, I am confident that the Charity is in great shape to move forward and we have now restarted fundraising activities, we also launched our first £1m Children's Appeal this year which is exciting news for local families. The improvements will make a huge difference to our youngest patients, some of whom face lengthy stays with us.

If you would like to know more about us or any other aspect of our work, do get in touch. When it comes to healthcare, every £ counts!

Very best wishes,

Kate Smyth

Kate Smyth
Charitable Funds Committee - Chair

2. Who we are

Lancashire Teaching Hospitals Charity is registered with the charity commission (registered number 1051194) and we are constituted under the NHS Charities - Corporate Trustee model (see section 7 for details).

The Charity exists to raise funds and receive donations for the benefits of the patients of Lancashire Teaching Hospitals NHS Foundation Trust. By securing donations, legacies and grants the Charity can provide the 'icing on the cake' to make a real difference for patients, their families and the staff who look after them.

Providing both general and specialist care for the benefit of 1.8m people across Lancashire and South Cumbria, Lancashire Teaching Hospitals NHS Foundation Trust is our key partner in fulfilling our charitable aims.

We welcome all support, as this allows us to invest in clinical excellence and outstanding care, as well as world class research. Please read on to find out more about what we do, what we have achieved and how we invest the money donated to us.

Our Aims and objectives

Lancashire Teaching Hospitals Charity aims to enhance the services already provided by Lancashire Teaching Hospitals NHS Foundation Trust. Through raising new money and careful management of existing funds, the Charity can provide a public benefit by making grants to the Trust (and the other organisations it works with) to invest in world class research, treatment and outstanding care. It does this by:

- ✔ **Purchasing the very latest or additional medical equipment.**
- ✔ **Providing improvements to patient comfort and wellbeing**
- ✔ **Investing in world class research for the benefit of our patients**
- ✔ **Supporting staff wellbeing in pursuit of their delivery of excellent patient care**

Grants from the Charity to the Trust are made in accordance with the Trust's standing financial instructions as well as charity law, our constitution and in accordance with the wishes of donors.

When considering where to focus our attention our corporate trustee's board and, particularly, the members of the charitable funds committee have regard to the Charity Commission for England and Wales's guidance on public benefit and what this means for the Charity.



In making grants, the charity endeavours to reflect the wishes of patients and staff by directing funds towards areas they tell us are most in need.

Our plans are to continue to increase our level of fundraising to pre pandemic levels whilst also increasing the opportunity for 'Out of Hospital' investment across the ICS region. By acting as lead charity for Lancashire and South Cumbria and working with NHS Charities Together we will work with not-for-profit organisations to help transform out of hospital health care across the region.

3. How to support us

The Charity would like to thank all those who support us during such unprecedented times. The donations you make really do make a difference to patient care and to staff in caring for them.

With many ways in which you can support your local and regional specialist Hospitals, such as running, swimming or cycling, knitting, singing or baking delicious cakes, your donations time or talents, make a world of difference to our patients and their loved ones, when they need it most.



Making a Donation

To make a donation please visit **www.lthcharity.org.uk** or call the fundraising team on **01772 528500**.

Gifts in Memory

Each year we receive thousands of pounds from people who donate in memory of someone special who has sadly passed away. Donations such as these help us to improve patient comforts and buy equipment that will benefit other patients, allowing something positive to come from a sad personal loss.

Legacy Support

Gifts left to the Charity in a Will provide a valuable income source allowing us to plan for the future and benefit as many patients as possible. Even the smallest gift in your will can have a lasting impact. During 2021/22 we received a total of £68,913 in legacy gifts.

Gift Aid

Is the gift that keeps on giving, last year we claimed thousands of pounds in Gift Aid. If you are a UK tax payer and sign up for gift aid with us, we are able to claim and additional 25p for every £1 you donate.

Get in touch – we'd love to hear from you!

For information about Gift Aid, legacy donations and the many other ways you may wish to support, please visit **www.lthcharity.org.uk** or email **charity@lthtr.nhs.uk** or call the fundraising team on **01772 528500**.





4. Your support and our achievements and performance

With a second year of Covid-19 restrictions impacting the charity's ability to deliver fully on its fundraising plans, income is understandably lower than predicted. However, the launch of the £1m Children's Appeal in May resulted in an increase in community support from staff as well as the community. Fundraising highlights included a sponsored 24 hour virtual cycling challenge raising £2,300, community Tractor Run's raising combined total of £9,400 and a local Primary School (Brookfield) who raised £2,900 from an organised sponsored run.

With a new fundraising team and Covid-19 restrictions affecting parts of the year, fundraising plans, had to adapt. The Charity switched from 'in person' events to a series of virtual events. The community, NHS colleagues and local businesses rallied to support us with our first ever virtual events such as the Super Spring Challenge which raised a wonderful £2,589; the NHS Big Tea, which recognises the NHS birthday in July, raised £518 and our virtual Rainbow Run which raised £2,849. Thank you to all who took part.



With events such as the Great North Run being cancelled in 2020 and rolled over to 2021, we had 5 amazing runners who did us proud, raising a fabulous £3,420. As restrictions on lock down began to lift, our first ever Cross Bay Walk was able to go ahead, this was a welcome relief to all who took part, with 150 walkers signing up to cross the infamous sands of Morecambe Bay, and in so doing, raising £2,321. More details on our fundraising events and activities can be seen on our website **www.lthcharity.org.uk**.



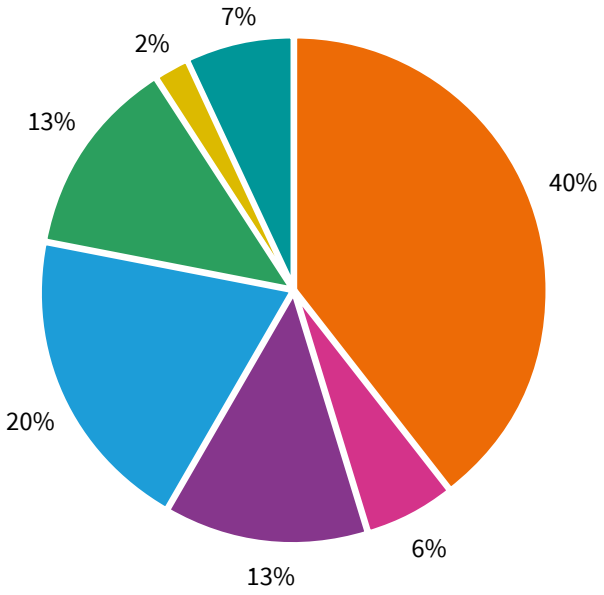


5. The difference you made



The Charity is only able to support the work of Lancashire Teaching Hospitals NHS Foundation Trust through the money it receives. We use this in furthering our charitable aims and objectives.

The following chart illustrates the breakdown of the £549,411 charitable income received during this financial year.



We restarted fundraising again in 2021/22 but the pandemic restrictions continued to affect our income. However, total income raised by events and community fundraising groups increased by £64k to £72k (2020/21: £8k).

During 2021/22 the total received from donations and legacies came to £429k (2020/21: £1,040k) with corporate support ending the year at £32k (2020/21: £334k) and legacy income of £69k received (2020/21: £71k). The charity is also very grateful to the many businesses who gave gifts in kind totalling £71k (2021/22: £341k).

Following the Grant income received in 2020/21 from NHS Charities Togethers, a new Grants Officer role was introduced. This has increased fundraised income from other grants and trust with a total of £107k (2020/21: £92k) received which also included £76k from NHS Charities to prepare for community partnerships grant income to support out of hospital healthcare partnerships.

Retail trading has increased year on year with income of £38k (2020/21: £18k) which was made possible due to the tenacious support of the 90 Baby Beat Shop volunteers who continued to help, working flexibly around the various covid restrictions.

Investment income of £11k, (2020/21: £13k) was received in the form of dividends and bank interest on funds not immediately required.

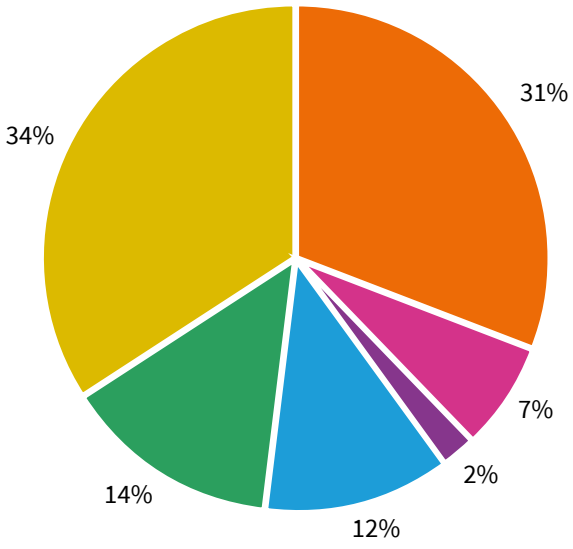




What we spent the money on

This year the Charity is delighted to report that it has approved grant applications totalling £207k. Restrictions due to the pandemic prevented access to all areas to fulfil all planned investments, however work is now underway and should be completed by the end of 2022.

Of the total expenditure of £747k (2020/21: £1,755k), the amount spent on charitable activities, excluding support costs, was £388k (2020/21: £1,474k). Charitable activities spend covers a wide range of programmes from capital projects to medical equipment as well as additional training and rest areas for staff. Checks are in place to ensure that all expenditure is in line with the Trusts Standing financial instructions and in support of charitable objectives i.e. monies spent are used to purchase additional goods and services not normally provided by, or in addition to the normal NHS service. The Charitable Funds Committee keeps the spirit of public benefit at the forefront of its decision making.



- Grants for patient environment and wellbeing
- Grants for staff education and wellbeing
- Grants for medical research
- Grants for medical equipment
- Charitable activities support costs
- Raising funds

The chart shows our largest area of spend was on charitable activities.

Here are some of the ways in which donations have been used this year:



Pregnancy Loss Counselling Room (£8,000) a calm, safe and easily accessible room in the Gynaecology Assessment Unit at Royal Preston Hospital, offering parents some privacy and space to privately start to come to terms with their loss, receive counselling and discuss their next steps.

The Panda Resusitaire (£15,006) optimises life-saving care to babies born in the Emergency Department, its innovative radiant heating technology keeps babies safe and warm as they await transition to our specialist neonatal intensive care unit.



The Maternity Engagement Research project (£8,040) will enhance care provided to mothers who experience multiple pregnancies and secure the best outcomes for mum and babies, reducing still-births, neonatal admissions, and emergency C-section rates.





Memorial Gardens (£85,000) provide a lasting legacy and a source of comfort to all who lost colleagues, family and friends during the COVID-19 pandemic and weren't able to say goodbye. They also honour those who have generously given the gift of life to others through organ donation.



RockingR Gaming Carts (£4,730) Specially made for healthcare environments, these gaming carts come per loaded with games and help our younger patients manage pain, boredom, anxiety and sadness. They can also shorten hospital stays.

The above highlight some of the items and projects funded by your donations. All items purchased are in addition or above the NHS remit. Go to **www.lthcharity.org.uk** to see more about the items we fund.

Our fundraising practices

Members of Lancashire Teaching Hospitals Charity team support staff and donors both in the hospital and in the wider community to raise funds on behalf of the Charity. The Charity does not use external professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Charity is signed up to the Fundraising Regulator's Code of Fundraising Practice and is a member of NHS Charities Together. Fundraising staff receive support from and are invited to take part in NHS Charities Together training webinars as well as attend the Institute of Fundraising Conference - Northwest. All staff follow the Trust's fundraising guidance policy and working practices are reviewed regularly to ensure compliance. They are also required to undertake relevant safeguarding mandatory training to help to recognise and protect vulnerable people. Volunteer fundraisers are given a full briefing and appropriate training before they are able to raise funds for the Charity and they also receive regular updates / reminders.

Volunteer fundraisers are always supported and briefed fully with the fundraising handbook before they raise funds for the Charity. During 2020/21 volunteer fundraisers were asked not to run any face-to-face events and we moved to online events. In 2021/22, a mixture of online and in person fundraising events took place and it is envisaged that this will continue until we are fully out of the threat of further restrictions.

All direct marketing is undertaken by the fundraising team to ensure that it is not unreasonably intrusive or persistent. Contact made with supporters started this year through direct marketing, we ensured that permission was requested and that all marketing material contained clear instructions on how a person can be removed from mailing lists.

6. Our Future Plans

As the year came to a close the Charity was preparing to invest further in enhancing marketing so as to engage more support and increase awareness and income in order that it can continue to support and enhance health care services across the footprint of Lancashire Teaching Hospitals NHS Foundation Trust for the benefit of 390,000 local people, as well as the 1.8m people who access our regional specialist services from across the ICS Lancashire and South Cumbria region.

Plans for the year ahead will also see further improvements to structures as the charity expands and to governance so as to be able to link more closely with the voluntary and third sector in fulfilling the strategic direction of the Trust as well as the ICS.

We will continue to monitor and review our plans, especially in the light of the ongoing war in Ukraine and increasing cost of living at the end of the current financial year.









7. Structure, Governance and Management

The Charity follows the NHS Corporate Trustee operational model with members of Lancashire Teaching Hospitals NHS Foundation Trust Board being appointed as its Corporate Trustee. The Corporate Trustee members are appointed upon their appointment to the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust.

The overall management and decision-making of the Charity is delegated by the Corporate Trustee to the Charitable Funds Committee.

Charitable Funds Committee

The Charitable Funds Committee meet quarterly and has specific terms of reference; no business may be transacted at a meeting unless three Non-Executive Directors and one Executive Director, who must be the Finance Director (or nominated deputy), are present.

The Charitable Funds Committee is responsible for reviewing and managing its charitable funds in accordance with the Trusts' Standing Financial Instructions and its Scheme of Delegated Powers of Authority.

The Charitable Funds Committee works within the delegated powers granted to it by the Corporate Trustee who retain the right to amend delegated powers and terms of reference as appropriate. As part of its delegated powers, it is responsible for the following:

- To establish a strategy for charitable funds and on the basis of professional advice, determine the investment policy within this strategy.
- To monitor performance and composition of the portfolio to ensure compliance with the investment policy and seek advice from the professional advisor, when required.
- To monitor charitable funds and approve the creation of new funds and ensure a periodic review of existing funds takes place.
- To ensure appropriate procedures are in place to control expenditure and ensure it is in accordance with the objectives of the funds.
- To ensure the requirements of the Charity Commission are complied with.
- To refer any matters arising to the Corporate Trustee.

The Committee is supported in doing so by the Head of Charities and operates within a framework with clear policies on investments, sponsorship, fundraising, expenditure and reserves. Authority to approve expenditure from funds is controlled through delegated limits.

Value of Expenditure (£)	Approval Required
0 – 9,999	Fund Advisor, Divisional Director and Head of Charities
10,000 – 30,000	Fund Advisor, Divisional Director and Head of Charities and Fundraising and Associate Director of Finance
Above 30,000	Charitable Funds Committee

The Fund Structure

Lancashire Teaching Hospitals Charity is now governed by a single Trust Deed. On the 16th June 2021 the Charity Commission approved to dissolve the twelve special purpose charities that shared the same registered number as the Charity but were recognised as separate entities. These funds continue to be managed under the restrictions that were specified and are used in accordance with the restrictions imposed.

Unrestricted funds comprise of those funds which the Corporate Trustee has discretion to use for any purpose within the objects of the Charity. The trustee respects the wishes of the donors wherever possible and all unrestricted funds are spent, as far as possible, in the optimum way to further the wider objectives of the Charity.

Connected Parties and Linked Charities

The Charity holds 100% of the share capital in Baby Beat Limited (Company Registration Number 03817502), a retail outlet based in the Sharoe Green Unit at Royal Preston Hospital. All net profits are donated to the Charity under the Gift Aid scheme and the company's accounts have been consolidated with the Charity's accounts this financial year.

The Charity is linked to the separately registered charity, The Rosemere Cancer Foundation. It was established with the same declaration of trust in November 1995 and shares the same Corporate Trustee. The Charity pools its investments with that of The Rosemere Cancer Foundation to form a single investment portfolio, resulting in greater efficiency in the management of the investments.

Wider networks

The Charity is one of over 240 NHS charities in England and Wales who are members of NHS Charities Together. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and members of the charitable funds committee.

As a member of NHS Charities Together, we were also invited to apply for and receive grants from them.

Risk Management and Internal Controls

Due to the close relationship between the Trust and the Charity the risk management process is embedded into that of the Trust's assurance framework and risk management systems.

The Board of Directors of the Trust, who are also the Corporate Trustee, have adopted a formal risk management process to assess business risk and implement risk management strategies. Senior management and the trustee have:

- Identified the types of risk the Trust and Charity faces.
- Prioritised the risks in terms of impact and likelihood of materialising.
- Identified means of mitigating these risks.

A risk register has been prepared to assist in managing risk to which the Trust has been exposed. The risk register is monitored by the Trust's Governance framework who request regular updates of the relevant action plans and ensure that all appropriate controls are in place or have been identified.







Principal risks and uncertainty facing the Charity

Due to the Covid-19 pandemic the impact on the charity's ability to fundraise over the last 2 years has been significant. However, this has been offset by the impact of the nation's love of the NHS and the support this has engendered. Consideration is also being given to the impact that the current the cost of living crisis may have on the Charity's ability to raise funds. The Charity's reserves policy is designed to ensure that it can continue to meet its objectives under these circumstances.

The Charity considers the valuation of its investments and any decline in market values that would negatively affect fund balances, as a risk. The Charitable Funds Committee meet regularly with the investment advisors and receive quarterly updates to allow them to review the performance of the investments and the risk level associated with them as well as how the Ukraine conflict continues to affect the markets. The current category of risk is 4 to 5 (low to moderate). The Charity's reserves and investment policies are designed to ensure that no unnecessary risks are taken and the investments continue to support the Charity to meet its objectives.

Internal controls

The Corporate Trustee has overall responsibility for ensuring that the organisation operates an appropriate system of controls financial and otherwise to provide reasonable assurance that:

- The Charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and that financial information used within the Charity or for publications is reliable.
- The Charity complies with relevant UK laws and regulations.

In this regard, the Corporate Trustee places reliance upon the Trust's Audit Committee whose remit is to examine the effectiveness and appropriateness of the system of internal controls. This is achieved by:

- Reviewing and approving the audit plan, determining the types of internal and external audits to be undertaken, the areas of the organisation which are subject to review, and examining any findings that arise.
- Reviewing the nature and scope of internal and external audit, and any matters raised for the attention of management. Any significant findings or identified risks are examined so that appropriate action can be taken.

The systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. These include:

- Regular review of the activities of the Fund and of its performance against pre-defined targets set by the Charitable Funds Committee.
- Formal delegation of authority to spend within clearly defined limits
- Identification and management of risks
- Scrutiny of internal and external audit.

Trustee and Advisers and Contact Details for the Charity

As the Charity operates under a Corporate Trustee model, the names of the directors are required to be disclosed:

Charitable Funds Committee Members:

Responsibility	Name	Post From	To
Chair	Ebrahim Adia		31/08/2022
Vice Chair	Paul O'Neill	12/08/2022	
Vice Chair	Tim Watkinson		12/08/2022
Non-Executive Director	Tim Watkinson	13/08/2022	
Non-Executive Director	Ann Pennell		
Non-Executive Director	Geoff Rossington		30/09/2021
Non-Executive Director	Kate Smyth		
Non-Executive Director	Paul O'Neill		11/08/2022
Non-Executive Director	Jim Whitaker		
Non-Executive Director	Tricia Whiteside		
Non-Executive Director	Victoria Crorken	24/01/2022	
Chief Executive Officer	Kevin McGee	01/09/2021	
Chief Executive Officer	Karen Partington		31/08/2021
Finance Director/Deputy Chief Executive	Jonathan Wood		
Chief Operating Officer	Faith Button		
Medical Director	Geraldine Skailes		
Nursing, Midwifery and AHP Director	Sarah Cullen		
Strategy and Workforce and Education Director	Karen Swindley		
Chief Information Officer	Stephen Dobson		
Director of Continuous Improvement	Ailsa Brotherton		
Director of Service Development	Gary Doherty		
Director of Communications and Engagement	Naomi Duggan	04/11/2021	

Charitable Funds Committee Members:

Responsibility	Name	Post From	To
Non-Executive Director (Chair of Committee)	Kate Smyth	01/10/2021	
Non-Executive Director (Chair of Committee)	Geoff Rossington		30/09/2021
Non-Executive Director	Tricia Whiteside		
Non-Executive Director	Kate Smyth		30/09/2021
Non-Executive Director	Victoria Crorken	24/01/2022	
Medical Director	Geraldine Skailes		
Nursing, Midwifery and AHP Director	Sarah Cullen		
Finance Director/Deputy Chief Executive	Jonathan Wood		

All members have been in post since 1 April 2021 unless otherwise stated.

Registered Charity Number and name:	**1051194, Lancashire Teaching Hospitals Charity**
Principal Office address:	Royal Preston Hospital Sharoe Green Lane Fulwood Preston PR2 9HT
Head of Charities and Fundraising:	**Paula Wilson** **e: paula.wilson@lthtr.nhs.uk**
Finance Office address:	Lingmell House Water Street Chorley PR7 1EJ

The following advisors were retained by the Charity in 2021/22:

Bankers
National Westminster Bank PLC
35 Fishergate
Preston
PR1 2BY

Auditors
Beever and Struthers
Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Investment Advisors
Brewin Dolphin Securities Ltd
PO Box 512
National House
36 St Anne House
Manchester
M60 2EP

Solicitors
Hempsons
Portland Tower
Portland Street
Manchester
M1 3LF

8. Financial Review

The Charity's annual accounts have been produced in accordance with FRS102 as were the previous years. Therefore, no adjusting entries were required for the comparative year.

The charity is reporting a deficit for the year before adjustments for market value gains or losses on investments of £197k. (2020/21: deficit of £281k)

The investment portfolio performed well during the year until the final quarter when the market value of investments fell due to the Ukraine conflict. An unrealised gain of £35k at the end of 2020/21 reduced during the year due to an unrealised loss of £27k this year that is offset by an actual gain on the sale of investments of £40k.

Incoming resources of £550k were £924k lower than 2020/21. This represents a 63% decrease.

- Income from donations, legacies and grants of £429k was £611k less than the previous year due to the outpouring of support for the NHS and a significant increase in corporate donations received in 2020/21.
- Other trading income was £38k, £20k higher than 2020/21. This increase of 111% reflects a return to trading in 2021/22. During the year, the shops opening hours increased when lockdown restrictions eased.
- Investment income was £2k lower than last year as interest rates remained low and the charity received a reduced share of the dividend income as per the apportionment that is based on the balance of funds for the charities in the investment pool.
- Income from charitable activities of £72k was £331k lower than 2020/21 largely due to the grants received from NHS Charities Together (£395k) in the previous year. In 2021/22, a return to face-to-face fundraising has generated £72k compared to £8k in the previous year.

Support costs of £155k were £5k higher than 2020/21. This is due to the increase in staff costs as additional resource was required to support the charity following the launch of the Children's appeal and return to fundraising activity.

Net current assets of £514k were £195k lower than the previous year as a consequence of the reduced cash balance at the end of 2021/22. This is due to charitable activities expenditure incurred and payments to creditors owed at the end of 2020/21.

Total Charity funds were therefore £184k lower than 2020/21 at a level of £1,508k; required to fund the Charity's outstanding commitments for various projects and items of equipment.

Going Concern

The trustee considers that there are no material uncertainties about Lancashire Teaching Hospitals Charity's ability to continue as a going concern. The Covid-19 pandemic continues to affect the charity and fundraising income remains low with the added concern that the cost-of-living crisis will also affect future giving. However, as a grant making charity with few on-going commitments, this will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. It is expected that the amount of grants that can be made will continue to be reduced in 2022/23. However, there are no material uncertainties affecting the current year's accounts.





Reserves Policy

The charity has a reserves policy which was reviewed in March 2022. The Charity has considered the level of reserves to be held for the prudent management of its working assets, commitments and contingencies.

Reserves are defined as funds that are freely available to fund the day-to-day operation of the charity and are not subject to commitments or other restrictions. The trustee requires that reserves are available to cover the following:

- Unrealised gains on investments recognised in the accounts
- Provision for short-term commitments and ongoing programmes and
- 6 months of operating expenditure

At the 31st March 2022 the Charity held total reserves of £1,508k (2020/21: £1,692k) of which £875k (2020/21: £1,073k) are held in restricted reserves. The balance held in unrestricted funds is £633k (2020/21: £ 619k).

The cumulative unrealised gain on investments that has been recorded in the accounts for the Charity is £27k (2020/21 £133k) with a realised and unrealised gain recognised in 2021/22 of £13k (2020/21: £129k).

The Charity currently has commitments of £349k of which £271k is to be funded from restricted reserves and £78k from unrestricted reserves. The trustee aims to maintain free reserves in unrestricted funds at a level which equates to approximately six months of planned operating expenditure £175k, plus £32k for fundraising costs for the Children's appeal. The trustee considers that this level will provide sufficient funds to respond to delays or changes in applications for grants and to ensure that support and governance cost are covered.

The level of reserves is continually monitored by the Trustee and the policy will be reviewed at least every two years.

Investment Policy

The policy is reviewed annually; it was last reviewed at the Charitable Funds Committee meeting that took place in June 2022, when Brewin Dolphin were in attendance.

The Charity's investments are held in stocks and shares and are managed by a well-respected investment management company, Brewin Dolphin. The Trust maintains a strict control over investments, laying down a well-structured framework within which Brewin Dolphin must operate in order to minimise the risks associated with investments.

Overseas equities should not exceed 15% of the total holding of equities and investments in negotiable instruments known as "derivatives" are not permitted in any circumstances.

Investment in tobacco, alcohol and armaments is prohibited. If it should come to light that a company has become involved in unethical practices the Corporate Trustee should be consulted with a view to selling the investment.

The market value of managed funds shall not exceed 75% of the total charitable fund reserves.



Corporate Trustee Responsibilities Statement

The Corporate Trustee are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). They are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for the period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the charities SORP (FRS 102)
- 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Corporate Trustee is responsible for the maintenance and integrity of the Charity and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Corporate Trustee confirms that there is no relevant audit information of which the Charity's auditors are unaware and they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Corporate Trustee

Signed:

Paul O'Neill
Vice Chair

Date: 21 September 2022

Jonathan Wood
Trustee

Date: 21 September 2022







Independent Auditor's report

Independent Auditor's Report to the trustee of Lancashire Teaching Hospitals Charity.

Opinion

We have audited the financial statements of Lancashire Teaching Hospitals Charity "the parent charity" and its subsidiary "the group" for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure 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 conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.





Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustee's report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Corporate Trustee Responsibilities Statement set out on page 18, the trustee is responsible for the preparation of the group and parent charity financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine what 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.







Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

S Lomax FCA (Senior Statutory Auditor)
For and on behalf of Beever and Struthers

Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date: 28 September 2022

9. Financial Statements

Consolidated Statement of Financial Activities for the year ended 31 March 2022

	Notes	2021/2022 Unrestricted Funds £000	2021/2022 Restricted Funds £000	**2021/2022 Total Funds £000**	2020/2021 Unrestricted Funds £000	2020/2021 Restricted Funds £000	2020/2021 Total Funds £000
Income and endowments from:							
Donations and legacies	3.1	101	328	**429**	224	816	**1,040**
Charitable activites	3.2	11	61	**72**	5	398	**403**
Other trading activities	3.3	-	38	**38**	-	18	**18**
Income from Investments	3.4	5	6	**11**	5	8	**13**
Total incoming resources		**117**	**433**	**550**	234	1,240	1,474
Expenditure on:							
Raising funds	4	70	186	**256**	37	105	142
Charitable activities	5	128	363	**491**	250	1,363	1,613
Total Expenditure		**198**	**549**	**747**	287	1,468	1,755
Net gain on investments	10.1	47	(34)	**13**	37	92	129
Net (expenditure)		**(34)**	**(150)**	**(184)**	(16)	(136)	(152)
Transfer between funds	17	48	(48)	-	-	-	-
Net movement in funds		**14**	**(198)**	**(184)**	(16)	(136)	(152)
Reconciliation of Funds							
Total funds brought forward	17	619	1,073	**1,692**	635	1,209	1,844
Total Funds carried forward	17	**633**	**875**	**1,508**	619	1,073	1,692

Consolidated Balance Sheet as at 31 March 2022

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2022 £000**	Total at 31 March 2021 £000
Fixed Assets					
Investments	10	412	582	**994**	983
Total Fixed Assets		**412**	**582**	**994**	983
Current Assets					
Inventories	12	-	5	**5**	6
Debtors	13	2	1	**3**	3
Cash and cash equivalents	14	249	350	**599**	1,485
Total Current Assets		**251**	**356**	**607**	1,494
Liabilities					
Creditors falling due within one year	16	30	63	**93**	785
Net Current Assets		**221**	**293**	**514**	709
Total Assets less Current Liabilities		**633**	**875**	**1,508**	1,692
Total Net Assets		**633**	**875**	**1,508**	1,692
The Funds of the Charity					
Restricted income funds	17	-	875	875	1,073
Unrestricted income funds	17.1	633	-	633	619
Total Charity Funds	17.2	**633**	**875**	**1,508**	1,692

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 20th September 2022 and approved on its behalf by the Charitable Funds Committee.

Signed:

Date: 21st September 2022

Parent Balance Sheet as at 31 March 2022

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2022 £000**	Total at 31 March 2021 £000
Fixed Assets					
Investments	10	412	582	**994**	983
Total Fixed Assets		**412**	**582**	**994**	983
Current Assets					
Debtors	13	2	8	**10**	10
Cash and cash equivalents	14	249	328	**577**	1,483
Total Current Assets		**251**	**336**	**587**	1,493
Creditors falling due within one year	16	30	60	**90**	784
Net Current Assets		**221**	**276**	**497**	709
Total Assets less Current Liabilities		**633**	**858**	**1,491**	1,692
Total Net Assets		**633**	**858**	**1,491**	1,692
The Funds of the Charity					
Restricted income funds	17.1	-	858	**858**	1,110
Unrestricted income funds	17.2	633	-	**633**	582
Total Charity Funds		**633**	**858**	**1,491**	1,692

The financial statements on pages 22 to 37 were approved and authorised for issue by the Board of Trustees on the 20th September 2022 and approved on its behalf by the Charitable Funds Committee.

Signed:

Date: 21st September 2022

Consolidated Cash Flow Statement for the year ended 31 March

	Notes	**Total at 31 March 2022 £000**	Total at 31 March 2021 £000
Cash flows from operating activities:			
Net cash (used) in operating activities	18	**(899)**	**(294)**
Cash flows from investing activities:			
Interest received	3.4	**-**	-
Dividends received	3.4	**11**	13
Proceeds from sale of investments	10.1	**(312)**	(94)
Purchase of investments	10.1	**310**	84
Net cash provided by investing activities:		**13**	23
Change in cash and cash equivalents in the reporting period	15	**(886)**	(271)
Cash and cash equivalents at the beginning of the reporting period	14	**1,485**	916
Cash and cash equivalents at the end of the reporting period	14	**599**	1,485

10. Notes to the Financial Statements

1. Accounting policies

1.1 Basis of preparation

The financial statements of the charity are presented in £ Sterling, rounded to the nearest thousand and have been prepared under the historical cost convention, with the exception of investments which are included at fair value.

The financial statements have been prepared in accordance with the 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 (FRS102) (effective 1 January 2015) - Charities SORP (FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.The Charity constitutes a public benefit entity as defined by FRS102.

1.2 Going concern

The trustee considers that there are no material uncertainties about the Lancashire Teaching Hospitals Charities' ability to continue as a going concern. The Covid-19 pandemic continues to affect the charity and fundraising income remains low with the added concern that the cost-of-living crisis will affect future giving.

As a grant making charity with few on-going commitments, this will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. It is expected that the amount of grants that can be made will continue to be reduced in 2022/23. However, there are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the charity are a fall in income from donations or investment income but the trustee has arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

1.3 Critical judgements in applying accounting policies

In the application of the Charity's accounting policies, which are described in notes 1.1 to 1.21, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

"The key judgements are those policies relating to incoming resources (notes 1.7 and 1.8), recognition of expenditure and associated liabilities as a result of grant (note 1.11) and fixed asset investments (note 1.15). The Trustee does not consider there are any sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below."

1.4 Key estimations

The value of potential legacies disclosed in note 19. Contingent assets and liabilities is estimated using information received from solicitors and current property market valuations.

1.5 Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund or an endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.

Lancashire Teaching Hospitals Charity has restricted funds, no endowment funds and one designated unrestricted fund. The material restricted funds held are disclosed in note 17.

Those funds which are neither endowment nor restricted income funds are unrestricted income funds which can be analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors, and unrestricted funds which are at the trustees' discretion.

1.6 Basis of consolidation

The group financial statements consolidate the results of the Charity's trading subsidiary, Baby Beat Limited, on a line by line basis. Advantage has been taken of the SORP and the parent charity's own income and expenditure has not been disclosed in these financial statements. The income of the Lancashire Teaching Hospitals Charity was £549k (2020/21: £1,474k), giving rise to a deficit of £185k (2020/21: deficit £152k).

Subsidiary companies are exempt from the requirement of the Companies Act 2006 relating to the audit of the individual accounts by virtue of S479A.

1.7 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability. Gifts in kind are recognised as a reasonable estimate of their fair value or the amount actually realised.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

1.8 Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable

Receipt is probable when:

- confirmation has been received from the representatives of the estate(s) that probate has been granted
- the executors have established that there are sufficient assets in the estate to pay the legacy and
- all the conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated, then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

1.9 Gifts in kind and donated services

Gifts in kind are recognised as a reasonable estimate of their fair value or where the monetary value of gifts cannot be reliably measured, they will be included in the accounts when the they are sold and the amount actually realised.

Donated services are measured and included in the accounts on the basis of the value of the gift to the charity. i.e. what the charity would pay in the open market for the services that are being donated.

1.10 Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

Expenditure is recognised when the following criteria are met:

- there is a present legal or constructive obligation resulting from a past event
- it is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- the amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.11 Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third-party NHS bodies and non-NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments 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.

The trustee has control over the amount and timing of grant payments and consequently where approval has been given by the charitable funds committee, on behalf of the trustee, grants are considered commitments. An appropriate designation is made for these commitments in the appropriate fund until payment is due to be made at which point the expenditure and liability is recognised in the accounts. Approved commitments of expected future expenditure are disclosed in note 20.

1.12 Allocation of support costs and overheads

Support costs are those costs which do not relate directly to a single activity, including governance costs, that are costs which relate to the strategic as opposed to the day to day management of a charity.

Support costs include some staff costs, costs of administration and external audit costs. They have been apportioned between the cost of raising funds and charitable activities on the basis of expenditure incurred in relation to each category. The analysis of support costs and the apportionment is shown in note 7.

1.13 Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and salaries and overhead costs paid to a related party, Lancashire Teaching Hospitals NHS Foundation Trust, shown in note 2.

Quarterly management fees are offset against commission charges. Fees that exceed the commission charge are deducted from the funds on deposit are shown in note 4.

1.14 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 5.

1.15 Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at the current market value quoted by the investment analyst, excluding dividend. Other investments are included at the trustee's best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All realised and unrealised gains and losses are combined in the Statement of Financial Activities and are taken as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value, if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value.

1.17 Debtors

21s September 2022

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount. Prepayments are valued at the amount prepaid.

1.18 Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, held in interest bearing savings accounts.

1.19 Creditors

Creditors and provisions are amounts owed by the charity. They are recognised when 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.

Amounts which are owed in more than a year are shown as long term creditors.

1.20 Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.21 Remuneration and benefits

No staff are directly employed by the Charity. All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. The Charity is recharged for individuals time spent engaged in either charitable activities, raising funds or providing support (e.g. back office functions) to the Charity.

All recharged staff members belong to the NHS Pension Scheme which is an unfunded defined benefit scheme, accounted for as a defined contribution scheme. The recharge from Lancashire Teaching Hospitals NHS Foundation Trust includes the employer contributions to that scheme. For more information on the NHS Pension Scheme refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

2. Related party transactions

Lancashire Teaching Hospitals Charity is managed by the Corporate Trustee which is also the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust which is the main beneficiary of the charity. During the year the Charity made revenue and capital payments to Lancashire Teaching Hospitals NHS Foundation Trust of £1,351k (2020/21: £631k), including grants of £388k (2020/21: £1,474k).

The Charity was recharged £301k (2020/21: £223k) for staff working for the charity throughout the year, whose contracts are paid by Lancashire Teaching Hospitals NHS Foundation Trust. This includes accounting and administrative support provided to the Charity at a cost of £21k (2020/21: £21k).

During the year none of the Trustees or members of the key management staff or parties related to them have undertaken any material transactions with the Lancashire Teaching Hospitals Charity (2020/21: £nil).

As at 31 March 2022 £52k (2020/21: £31k) was owed to Lancashire Teaching Hospitals NHS Foundation Trust.

The Trustee have purchased trustee indemnity insurance of £3k. (2020/21: £nil)

The Charity's investment portfolio is pooled with that of The Rosemere Cancer Foundation. The Charity receives an apportionment of the income and expenditure related to the investments based on its share (71%) of the portfolio (2020/21: 72%).

3. Incoming resources

3.1 Income from donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
Donations	51	170	**221**	543
Corporate Donations	3	29	**32**	334
Legacies	42	27	**69**	71
Grants	5	102	**107**	92
Total	**101**	**328**	**429**	1,040

Donations of goods £71k (2020/21: £341k) are included in income valued at their market value. All of these donations have been distributed during the year.

3.2 Charitable activities income

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
NHS Charities Together grant (stage 1)	-	-	**-**	145
NHS Charities Together grant for Covid 2nd wave	-	-	**-**	50
NHS Charities Together Starbucks grant		-	**-**	2
NHS Charities Together grant (stage 3)	-	-	**-**	198
Events	1	29	**30**	8
Community Fundraising Groups	10	26	**36**	-
Other	-	6	**6**	-
Total	**11**	**61**	**72**	403

The charity received grants from the NHS Charities Together Covid-19 emergency appeal in 2020/21

3.3 Income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
Baby Beat Ltd shop sales total	**-**	**38**	**38**	18

3.4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
Dividend income	5	6	**11**	13
Bank account interest	-	-	-	-
Total	**5**	**6**	**11**	13

4. Analysis of expenditure on raising funds

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
Fundraising team	48	112	**160**	104
Fundraising activities	3	4	**7**	3
Advertising / marketing	2	9	**11**	7
Trading activities	-	21	**21**	12
Investment management fees	2	3	**5**	5
Support costs	15	37	**52**	11
Total	**70**	**186**	**256**	142

5. Analysis of expenditure on charitable activities

The charity pursued its charitable activities by making grants. Support costs have been apportioned across the categories of charitable expenditure on the basis of the associated transaction cost incurred by the charity disclosed in note 7.

	Grant funded Activity £000	Support Costs £000	**2021/2022 Total £000**	Grant funded Activity £000	Support Costs £000	2020/2021 Total £000
Patient Environment and Wellbeing	233	62	**295**	563	53	616
Staff Education and Wellbeing	55	15	**70**	672	63	735
Research	13	3	**16**	27	3	30
Medical Equipment	87	23	**110**	212	20	232
Total	**388**	**103**	**491**	1,474	139	1,613

Throughout the year the charity received donated gifts in kind that were distributed to staff and patients that. The estimated cost of the donated goods £71k (2020/21: £341k) is included in these figures.

6. Analysis of grants

All grants are made to the Lancashire Teaching Hospitals NHS Foundation Trust. The total cost of making grants, including support costs, is shown on the face of the Statement of Financial Activities, and the actual disbursement for each category of charitable activity is disclosed in note 5.

7. Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs (£44k) (2020:21: £37k), are those support costs which relate to the strategic and day to day management of a charity.

These costs are apportioned across the charitable activities on the basis of expenditure incurred in relation to each category.

7.1 Analysis of total support costs

	Raising funds £000	Charitable Activities £000	**2021/2022 Total £000**	Raising funds £000	Charitable Activities £000	2020/2021 Total £000
Financial Administration	7	14	**21**	2	19	21
Information Technology	-	1	**1**	-	3	3
Professional fees	1	3	**4**	1	17	18
Administration costs	-	1	**1**	-	1	1
Salary recharges	42	79	**121**	8	91	99
External Audit	2	3	**5**	-	4	4
Subscriptions / memberships	-	1	**1**	-	3	3
Bank Charges	-	1	**1**	-	1	1
Total	**52**	**103**	**155**	11	139	150

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
Governance costs	18	26	**44**	37
Support costs	27	84	**111**	113
Total	**45**	**110**	**155**	150

7.2 Auditor's remuneration

Total Audit Fees for 2021/22 were £3,850 (excluding VAT) which related solely to the audit with no additional work undertaken (2020/21: £3,654). The audit fee is included within governance costs.

7.3 Support cost allocation

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
Raising Funds	15	37	**52**	11
Charitable Activities	30	73	**103**	139
Total	**45**	**110**	**155**	150

8. Trustee remuneration, benefits and expenses

The members of Lancashire Teaching Hospitals NHS Foundation Trust board give their time freely and receive no remuneration for the work that they undertake in relation to the charity. No expense claims were reimbursed to members of the board, by the charity in 2021/22. (2020/21: £nil). For more information on the Board members remuneration refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

9. Analysis of staff costs and remuneration of key management personnel

	2021/2022 Total £000	2020/2021 Total £000
Salaries and wages	**235**	175
Social Security costs	**32**	24
Employer contributions	**34**	25
Total	**301**	224
Fundraising	**159**	104
Finance administration	**21**	21
Administration support	**121**	99
Total	**301**	224

All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. No staff are directly employed by the Charity.

The average number of full-time and part-time employees during the year was 2 and 7 respectively (2020/21: 2 / 5), an estimated number of full-time equivalent employees of 2 (2020/21: 2). These employees are involved in fundraising and providing support to the charitable activities or the governance of the charity.

Lancashire Teaching Hospitals Charity considers its key management personnel to be the member of the Lancashire Teaching Hospitals NHS Foundation Trust board, acting on behalf of the corporate trustee and the Head of Charities and Fundraising. The total employment benefits included employer pension contributions of the key management personnel were £54k (2020/21: £56k).

No employees had emoluments in excess of £60k (2020/21: none).

10. Trustee remuneration, benefits and expenses

The members of Lancashire Teaching Hospitals NHS Foundation Trust board give their time freely and receive no remuneration for the work that they undertake in relation to the charity. No expense claims were reimbursed to members of the board, by the charity in 2021/22. (2020/21: £nil). For more information on the Board members remuneration refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

10.1 Movement in fixed asset investments

	2021/2022	2020/2021
	£000	£000
Market value brought forward	**983**	864
Add : acquisitions at cost	**310**	84
Less: disposals at cost	**(312)**	(94)
Realised and unrealised gain / (loss) for the year	**13**	129
Market value at 31 March 2022	**994**	983
Historic cost	**950**	898

	2021/2022	2020/2021
	£000	£000
Unrealised gain on carrying value of the investments	**(27)**	133
Loss on sale of investments	**40**	(4)
Total realised and unrealised gain for year	**13**	129

10.2 Fixed asset investments by type

	2021/2022	2020/2021
	Market Value	Market Value
	£000	£000
Listed equity investments	**225**	221
Fixed interest investments	**590**	645
Other investment funds	**179**	117
	994	983

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes. All investments were made in companies listed on a UK stock exchange or incorporated in the UK and therefore all investments are treated as investment assets in the UK.

11. Subsidiaries

Baby Beat Limited (03817502) is registered in England and Wales and is wholly owned by Lancashire Teaching Hospitals NHS Foundation Trust Charity and is a retailer of children's clothing and confectionary. Details of its trading activities are set out below.

11.1 Subsidiary results

	2021/2022	2020/2021
	£000	£000
Income	38	18
Costs	**(21)**	(12)
Operating profit	**17**	6
Amount gift aided to Lancashire Teaching Hospitals Charity	**-**	(6)
Retained in subsidiary	**(17)**	-

11.2 Summarised balance sheet of subsidiary trading company

	2021/2022 £000	2020/2021 £000
Inventories	**5**	6
Debtors	**-**	-
Cash and cash equivalents	**22**	2
Creditors: amounts falling due within one year	**(2)**	-
Creditors: amounts falling due after more than one year	**(8)**	(8)
Net assets	**17**	-
Capital and reserves	**17**	-

The £17k profit, retained in the subsidary will be gift aided to the charity post year end.

These accounts have been prepared by McMillan & Co LLP, Chartered Accountants, 28 Eaton Avenue, Matrix Office Park, Buckshaw Village, Chorley, Lancashire, PR7 7NA.

12. Inventories

Inventories comprise finished goods held for resale.

Group		Parent	
2021/2022 £000	2020/2021 £000	**2021/2022 £000**	2020/2021 £000
5	6	**-**	-

13. Analysis of debtors

Amounts falling due within one year.

	Group		Parent	
	2021/2022 £000	2020/2021 £000	**2021/2022 £000**	2020/2021 £000
Accrued income	**-**	-	**-**	-
Prepayments	**2**	2	**2**	2
Subsidiary debtors	**1**	1	**-**	-
Loan due from subsidiary undertaking	**-**	-	**8**	8
Total	**3**	3	**10**	10

14. Analysis of cash and cash equivalents

	Group		Parent	
	2021/2022 £000	2020/2021 £000	**2021/2022 £000**	2020/2021 £000
Charity bank account	545	1,455	545	1,455
Subsidiary bank account	22	2	-	-
Stockbroker deposit account	32	28	32	28
Total	599	1,485	577	1,483

15. Analysis of changes in net debt

	At 1 April 2021 £000	Cash flows £000	**At 31 March 2022 £000**
Cash and Cash equivalents	1,485	(886)	**599**
Total	**1,485**	**(886)**	**599**

16. Analysis of creditors

Amounts falling due within one year.

	Group		Parent	
	2021/2022 £000	2020/2021 £000	**2021/2022 £000**	2020/2021 £000
Creditors	**53**	31	**51**	31
Accruals and deferred income	**40**	754	**39**	753
Total	**93**	785	**90**	784

The creditor figure represents the sum owed at the end of the year by the charity to a related parties, Lancashire Teaching Hospitals NHS Foundation Trust. There are no creditors falling due after more than one year.

17. Analysis of charitable funds

17.1 Restricted funds

This year the Charity has received approval from the Charity Commission to dissolve the twelve special purpose charities that had previously been recognised as seperate entities under the same charity registration number. All of the funds related to these special purpose charites continue to be managed as restricted funds.

	Balance 31 March 2021 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	**Balance 31 March 2022 £000**
Baby Beat	266	123	(208)	-	**181**
Children's Appeal	8	97	(44)	-	**61**
Community Partnership	-	75	(23)	-	**52**
Critical Care Patient Fund	65	(2)	(7)	-	**56**
Staff Wellbeing Fund	207	2	(67)	-	**142**
Others	546	117	(200)	(48)	**415**
Unrealised Gains and Losses	(19)	21	(34)	-	**(32)**
Total Restricted Funds	1,073	433	(583)	(48)	**875**

Materiality of restricted funds is considered to be funds with a closing balances greater than £50k for the purpose of this analysis, all other restricted funds are included in other.

Fund balances are shown before the allocation of unrealised gains and losses.

17.2 Restricted funds

The Unrestricted Fund is split into designated funds which are used to fund activities that benefit patients of Lancashire Teaching Hospitals NHS Foundation Trust and the staff that deliver patient care to those patients.

	Balance 31 March 2021 £000	Incoming Resources £000	Resources Expended £000	Transfer Between Funds £000	**Balance 31 March 2022 £000**
Unrestricted Funds	564	108	(127)	48	**593**
Unrealised Gains and Losses	55	9	(24)	-	**40**
Total Restricted Funds	1,073	433	(583)	**(48)**	**875**

Fund balances are shown before the allocation of unrealised gains and losses.

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2021/2022 £000	2020/2021 £000
Net (expenditure) / income for 2021/22 (as per the SOFA)	**(184)**	(152)
(Gain) / loss on investments	**(13)**	(129)
Dividends, interest and rents from investments	**(11)**	(13)
Decrease in inventories	**1**	-
Increase in debtors	**-**	-
Decrease / (increase) in creditors	**(692)**	-
Net cash used in operating activities	**(899)**	(294)

19. Contingent assets and liabilities

	2021/2022 £000	2020/2021 £000
Legacies	**135**	111
Total	**135**	111

Potential legacies not yet received that have been identified from Wills and Testaments have an estimated value of £135k.

20. Commitments

The Charity has the following outstanding commitments at the end of the year as they have made a provisional agreement to fund various projects and items of equipment. These have not been accounted for in the SOFA.

	Unrestricted Funds £000	Restricted Funds £000	**2021/2022 Total £000**	2020/2021 Total £000
Total commitments as at 31 March 2022	**78**	**271**	**349**	372

As described in note 6, the charity awards a number of grants in the year. Included in commitments are many grants that are awarded and expected to be paid out in the next financial year. The charity has control over the award and timing of payment of grants, they remain commitments until there is certainty about the payment that will be funded from existing and future reserves. No multi-year grants are included in these commitments.

21. Events after the reporting period

There are no adjusting events after the reporting period. However, it should be noted that these accounts have not been consolidated into the main accounts of Lancashire Teaching Hospitals NHS Foundation Trust due to materiality.

The £17k profit, retained in the subsidary will be gift aided to the charity post year end.

NHS
Lancashire Teaching Hospitals
NHS Foundation Trust





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Reg. Charity No. 1051194

LANCASHIRE TEACHING HOSPITALS CHARITY

England & Wales - Charity number 1051194

Accounts

Lancashire Teaching Hospitals Charity

Supporting world class treatment, research and outstanding care

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NHS
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NHS Foundation Trust

Annual Report & Accounts

2020/21





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Lancashire Teaching Hospital Charity

Annual Report & Accounts 2020/21

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1. Chair's welcome

This has certainly been a year like no other. Covid-19 brought with it unprecedented challenges both for our NHS Colleagues as well as the Charity. I would like to extend my sincere thanks to all who have who have generously donated, both time and money, to help support our local hospitals during what has undoubtedly been a most difficult time. I would particularly like to recognise the outstanding achievements of the late Sir Captain Tom Moore, who inspired a fantastic movement of fundraising – helping NHS Charities Together to raise over £140 million in support of local NHS Charities across the country. I would also like to thank the 130 strong team of long serving Baby Beat volunteers, who stoically stepped up and stood down in line with restrictions, to support maternity and neonatal services, they really are incredible!

Lancashire Teaching Hospitals Charity continues to be absolutely committed to supporting world class treatment, research and outstanding care for the 1.5 million people from across Lancashire and South Cumbria. We are able to do this thanks to very generous donations and support from our grateful patients and their families as well as from community groups, businesses and grant funders (including NHS Charities Together). I would also like to pay tribute to those people who very kindly chose to leave us gifts in their will, their legacies together with your donations, grants and fundraising efforts have helped raise a total of £1,473,672. I can honestly say, hand on heart, that this is hugely appreciated by all our staff who have worked tirelessly all year to fight this terrible virus that continues to affect us all. Your appreciation has gone a long way to keep staff morale up and the facilities that will be funded, will help keep them at their very best, so that they can be there for us all when we need it most.

Since the arrival of our Head of Charities, Lancashire Teaching Hospitals Charity has a solid foundation from which to grow, a Fundraiser, Administrator and a part time Digital Communications officer have been appointed and I am proud to report that due to the increase in charitable income during 2020/21 the charity has been able to invest £1,474,357 in clinical excellence and outstanding care. The following report gives more details about where we have invested your money.

As we close this year, it is evident now, more than ever before, how important NHS Charities are in supporting the nations beloved NHS, my sincere thanks to all who have helped, fundraised or supported over the year, please continue to stay safe and look out for each other.

Very best wishes,

Signed: G. Rossington

Chair: Geoff Rossington



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2. Who we are

Lancashire Teaching Hospitals NHS Foundation Trust Charity is a registered charity (registered number 1051194). The Charity was established by a declaration of trust dated 9 November 1995, as amended by supplemental minutes dated 30 June 2003, 27 October 2003 and 21 October 2005.

Following the rebranding of the charity in March 2020, the Charity Commission have since approved the charities' request to shorten its name; the Charity is now known as Lancashire Teaching Hospitals Charity (formerly Lancashire Teaching Hospitals NHS Foundation Trust Charity).

We exist to raise funds and receive donations for the benefits of the patients of Lancashire Teaching Hospitals NHS Foundation Trust. By securing donations, legacies and grants the Charity can provide the 'icing on the cake' to make a real difference for the patients, their families and the staff who look after them.

Providing both general and specialist care for the benefit of people across Lancashire and South Cumbria, Lancashire Teaching Hospitals NHS Foundation Trust is our key partner in fulfilling our charitable aims.

We are now actively engaging support for our work and encourage you to read on to find out more about us, what we do, what we have achieved and how we go about spending the money entrusted to us.

Our Aims and objectives

The object of the charity as summed up in its governing document on the charity commission website is:

'for any charitable purposes or purposes relating to the National Health Service'

The Charity aims to enhance the services provided by Lancashire Teaching Hospitals NHS Foundation Trust through raising funds and investing in world class research, treatment and outstanding care, it does this by funding the following areas:

- Provision of the very latest or additional medical equipment
- Provision of items or improvements to improve patient comfort and wellbeing
- Investment in world class research and latest thinking for benefit of our patients
- Support staff wellbeing in pursuit of the delivery of excellent patient care

3. How to support us

The Charity would like to thank all that have supported us during such unprecedented times. Your donations really have made a difference to patient care and to staff in caring for them.

There are many ways in which people can support their local and regional specialist Hospitals through donations of money, time or talents.

Making a Donation

To make a donation please visit www.lthcharity.org.uk or call the fundraising team on **01772 528500**

Lancashire Teaching Hospitals Charity
Royal Preston Hospital
Fulwood, Preston, PR2 9HT
T: **01772 528500**
E: **Charity@lthtr.nhs.uk**

Gifts in Memory

Each year we receive thousands of pounds from people who donate in memory of someone special who has sadly passed away. Donations such as these help us to improve patient comforts and buy equipment that will benefit other patients, allowing something positive to come from a sad personal loss.

Legacy Support

Gifts left to the Charity in a Will provide a valuable income source allowing us to plan for the future and benefit as many patients as possible. Even the smallest gift in your will can have a lasting impact. During 2020/21 we received a total of £71k in legacy gifts.

Gift Aid

Is the gift that keeps on giving, last year we claimed thousands of pounds in Gift Aid. If you are a UK tax payer and sign up for gift aid with us, we are able to claim and additional 25p for every £1 you donate.

Get In touch

For information about Gift Aid, legacy donations and the many other ways you may wish to support, please visit www.lthcharity.org.uk or email charity@lthtr.nhs.uk or call the fundraising team on 01772 528500.

We would love to hear from you.

4. Your support – our achievements and performance

Covid-19 brought about an unprecedented start to the year with nations support for NHS charities having a positive effect on the newly launched Lancashire Teaching Hospitals Charity; however Coronavirus restrictions negatively impacted traditional fundraising activities. Social gatherings and events were prohibited, contactless payments replaced cash, businesses were closed or working from home and schools found themselves adapting to virtual schooling.

Plans to launch an appeal for £150,000 to support the new Critical Care unit at the beginning of the year were accelerated due to the pressures brought by the emerging pandemic. The charity was overwhelmed with an influx of donations from local business families wanting to do their 'bit' to help, this led to some strong corporate relationships being developed which helped to achieve the appeal target 6 months earlier than expected.

The charity received considerable corporate support totalling £334,035 and included a very generous £250,000 donation from James Hall Co Ltd (Distributors for Spar North) towards state of the art staff sleep pods and changing facilities area (including a purpose designed breast feeding room for staff). This donation and the impact that Covid was having on staff and their wellbeing, was a contributory factor in the decision to switching the focus of fundraising into supporting Staff Wellbeing.

Captain Sir Tom captured the hearts of many and public shows of support for the NHS had a positive effect, one such example is the Tractor Run organised in a Covid safe way by new supporter Bryan Eccleston that raised a few smiles during lockdown and £4,535 for the charity. As a new Charity we were able to adapt quickly to change and our focus switched to digital campaigns such as balloon races and raffles and our first virtual challenge event– The NHS Rainbow Run which raised £5,051. All online fundraising is in line with the fundraising regulator guidance, as well as compliant with data protection rulings.

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The charity also received many offers of 'gifts in kind', totalling £341,473 in value, this included help such as industrial sized storage, logistics solutions and offers of PPE, hand sanitiser, toiletries and food. During the height of the pandemic the Charity focused on finding safe storage and stewarding new offers into a central 'NHS HEROES HUB organised and run by an amazing Volunteer, Naeem Din, who has since been shortlisted for 'Pride of Lancashire' Award. Together with an army of supporters, he made sure that a fair share of all donated provisions were made available for all staff who needed it or were struggling to access provisions, due finishing late shifts and finding empty shelves in supermarkets.

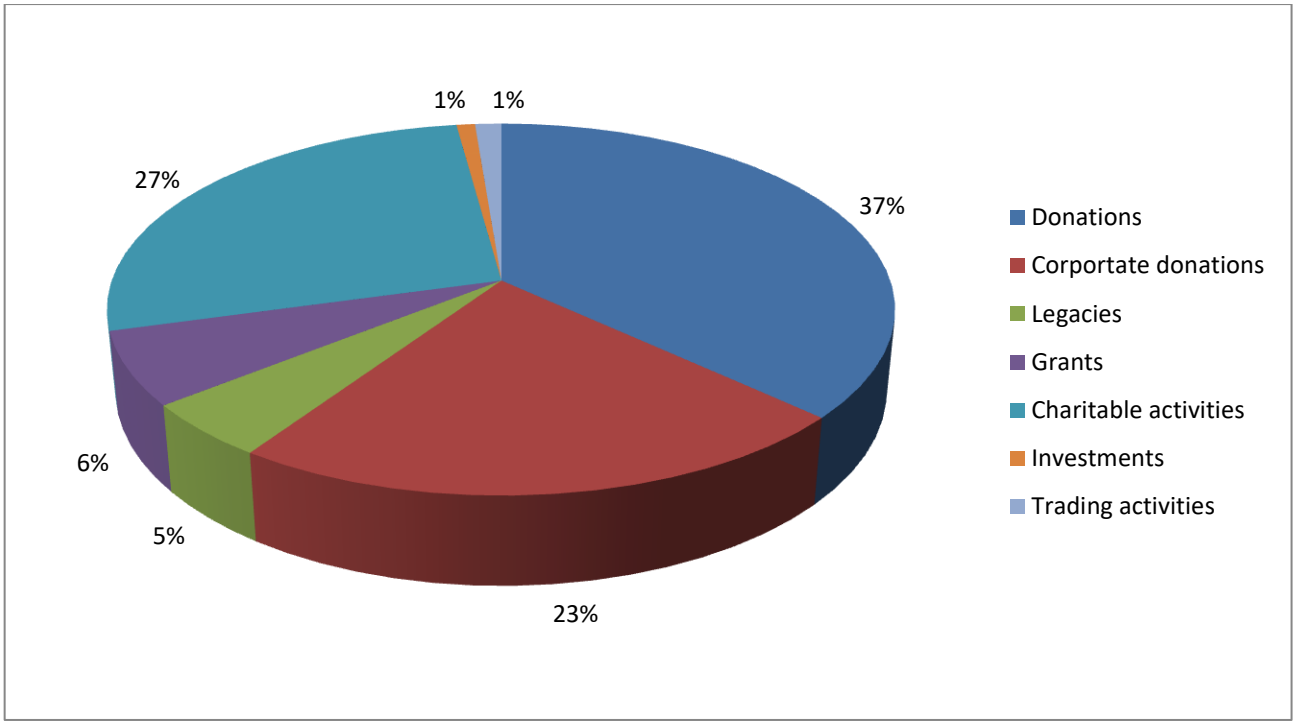
Another 'act of kindness' in support of the fight against Covid was made by the Bhailok family, who had already given a donation of £20,000 for staff wellbeing packs and £30,000 to the critical care appeal. They also funded 7,000 'point of test' antibody testing kits, at a cost to them of £50,000. These were extremely beneficial to the Trust's Research facility in the national Covid research efforts.

Charitable Trust activity has received a huge amount of support over the last twelve months, £403k (2019/20: £Nil) with NHS Charities Together granting a total of £395k towards projects for staff and patients affected by the pandemic.

5. The difference you made

The Charity is only able to support the work of Lancashire Teaching Hospitals NHS Foundation Trust through the money it receives. We use this in furthering our charitable aims and objectives.

The following chart illustrates the breakdown of the £1,474k charitable income received during this financial year.



The charity received a total value of donations in 2020/21 of £877k (2019/20: £326k) that includes gifts in kind donations of £341k. Corporate support grew considerable due to the large donation from

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James Hall Co Ltd for the sleep pods, ending the year at £334k (2019/20: £3k). Legacy income was down on the year at £71k (2019/20: £613k).

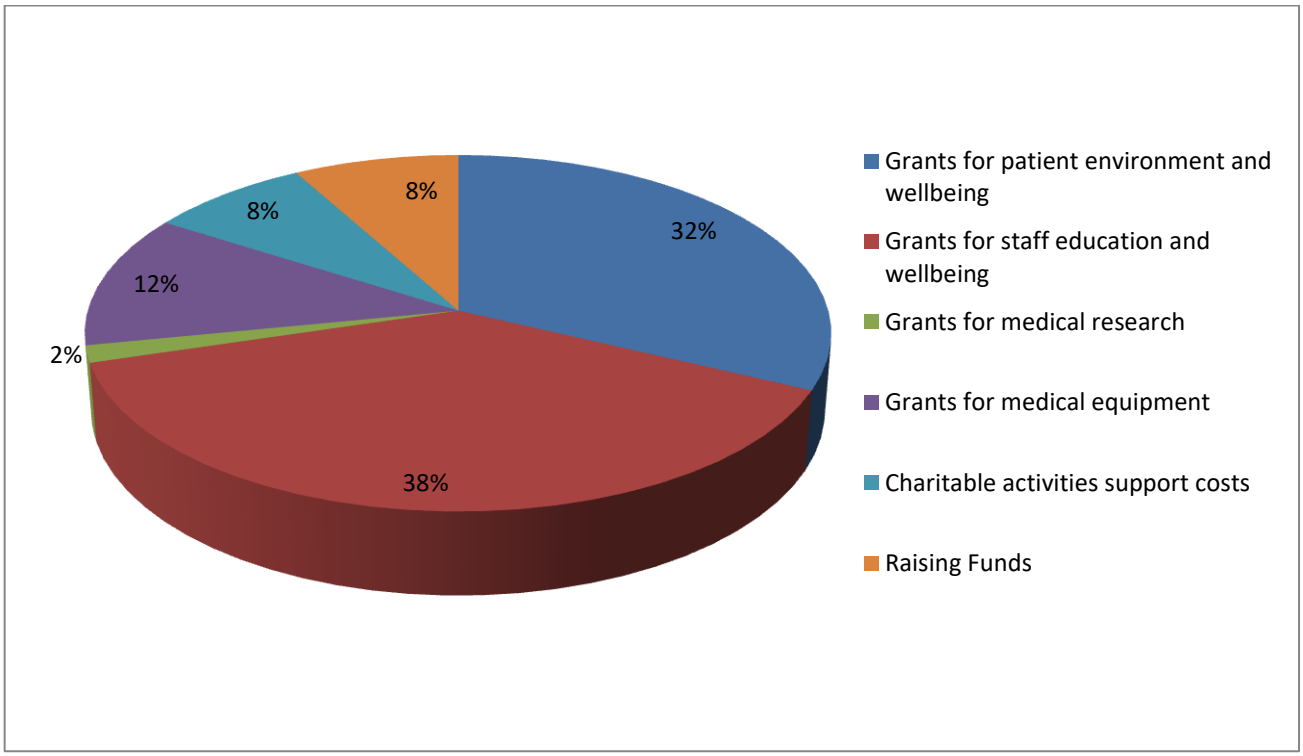
Income from Trust and Grants increased to £92k ((2019/20: £3k), this was from an invite to apply for from the TJH Foundation for the Critical Care Appeal (£25k) and a focussed approach to applications by Baby Beat. The Baby Beat Ltd shop generated trading income of £18k (2019/20: £62k); this was made possible due to the support of the volunteers that continued to help run it, working flexibly around the restrictions.

Investment income was £13k, (2019/20: £27k) received in the form of dividends and bank interest on funds not immediately required.

What we spent the money on

Of the total expenditure of £1,755k (2019/20: £807k), the amount spent on charitable activities, excluding support costs, was £1,474k (2019/20: £557k). Charitable activities spend covers a wide range of programmes from capital projects to medical equipment as well as additional training and rest areas for staff. Checks are in place to ensure that all expenditure is in line with the Trusts Standing financial instructions and in support of charitable objectives i.e. monies spent are used to purchase additional goods and services not normally provided by, or in addition to the normal NHS service. The Charitable Funds Committee keeps the spirit of public benefit at the forefront of its decision making.

The following chart illustrates the breakdown of the total expenditure in the financial year:



As the chart shows, our largest area of spend was on charitable activities in the form of grants. Here are some of the ways in which donations have been used:

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Sleep Pods (£330,000) Our staff are benefitting from state of the art sleep pods to enable them to catch up on much-needed sleep after long shifts, as well as increased changing facilities and a breast feeding area for 'nursing' colleagues.



Ultrasound bladder scanner (£7,421) The new bladder scanner in our Gynaecology department reduces initial waiting times and in some cases, prevents more invasive procedures for patients.



Proning System (£1,250) A new 'proning system' helped Covid patients breathe better and aid their sleeping. This was an effective aid to their recovery from Covid-19.

Fold-away Z- beds (£7,745) 18 fold-away z- beds allowed family members to stay with a loved one during their final days. In addition to the guest beds, the charity has also funded aromatherapy diffusers to create a calming and peaceful environment.



Enhancements to the new Critical Care Unit (£150,000) Charitable donations funded a wide variety of additional items to the new Critical Care Unit including a relatives room with kitchen facilities, backlit ceiling tiles, digital fish tank, reclining chairs, artwork and wayfinding signage as well as special exercise equipment to help patients with their recovery and furniture for the special counselling rooms within the Unit.

All monies spent were used to purchase additional goods or services not normally provided by the NHS.

Our fundraising practices

Members of Lancashire Teaching Hospitals Charity team support our staff and our donors both in the hospital and in the wider community to raise funds on behalf of the Charity. The Charity does not use external professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Charity is signed up to the Fundraising Regulator's Code of Fundraising Practice and is a member of NHS Charities Together. Fundraising staff receive support from and are invited to take part in NHS Charities Together training webinars as well as attend the Institute of Fundraising Conference - North West. All staff follow the Trust's fundraising guidance policy and working practices are reviewed regularly to ensure compliance. They are also required to undertake relevant safeguarding mandatory training to help to recognise and protect vulnerable people. Volunteer fundraisers are given a full briefing and appropriate training before they are able to raise funds for the Charity and they also receive regular updates / reminders.

No direct marketing activity was carried out during this financial year.

6. Our Future Plans

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As the year came to a close the Charity was preparing to launch a major capital appeal for Children's services, however with restrictions still in place, it is unlikely that events will return until at least the Summer of 2021.The Charity will continue to support and enhance health care services across the footprint of Lancashire Teaching Hospitals NHS Foundation Trust for the benefit 390,000 local people, as well as the 1.5m people who access regional specialist services across Lancashire and South Cumbria.

Plans for the year ahead will see further improvements to structures and governance surrounding special purpose funds as well as developing a proposal to link more closely with the voluntary and third sector in fulfilling the strategic direction of the Trust.

7. Structure, Governance and Management

Structure

The Charity follows the NHS Corporate Trustee operational model with members of Lancashire Teaching Hospitals NHS Foundation Trust Board being appointed as its Corporate Trustee. The Corporate Trustee members are appointed upon their appointment to the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust.

The overall management and decision-making of the Charity is delegated by the Corporate Trustee to the Charitable Funds Committee.

Charitable Funds Committee

The Charitable Funds Committee meet quarterly and has specific terms of reference; no business may be transacted at a meeting unless three Non-Executive Directors and one Executive Director, who must be the Finance Director (or nominated deputy), are present.

The Charitable Funds Committee is responsible for reviewing and managing its charitable funds in accordance with the Trusts' Standing Financial Instructions and its Scheme of Delegated Powers of Authority.

The Charitable Funds Committee works within the delegated powers granted to it by the Corporate Trustee who retain the right to amend delegated powers and terms of reference as appropriate. As part of its delegated powers, it is responsible for the following:

- To establish a strategy for charitable funds and on the basis of professional advice, determine the investment policy within this strategy.
- To monitor performance and composition of the portfolio to ensure compliance with the investment policy and seek advice from the professional advisor, when required.
- To monitor charitable funds and approve the creation of new funds and ensure a periodic review of existing funds takes place.
- To ensure appropriate procedures are in place to control expenditure and ensure it is in accordance with the objectives of the funds.
- To ensure the requirements of the Charity Commission are complied with.
- To refer any matters arising to the Corporate Trustee.

The Committee is supported in doing so by the Head of Charities and Fundraising.
The Charity operates within a framework with clear policies on investments, sponsorship, fundraising, expenditure and reserves. Authority to approve expenditure from funds is controlled through delegated limits.

Value of Expenditure (£)	Approval Required
0 - 9,999	Fund Advisor, Divisional Director and Head of Charities and Fundraising
10,000 – 30,000	Fund Advisor, Divisional Director and Head of Charities and Fundraising and Associate Director of Finance
Above 30,000	Charitable Funds Committee

The Funds

Lancashire Teaching Hospitals Charity is governed by a Trust Deed, which comprises of one unrestricted fund and twelve restricted funds for special purposes.

Unrestricted General Purpose Funds

The Corporate Trustee has discretion to apply these funds for any purpose within the objects of the Charity. However, the trustee has adopted a policy of designating funds within the unrestricted general funds in order to respect the wishes of the donors wherever possible. All general purpose funds which are not designated like this are recorded as general funds, still under the unrestricted funds umbrella and are spent, as far as possible, in the optimum way to further the wider objectives of the Charity.

Restricted Funds – Special Purpose

Registered under the Charitable Fund with the Charities Commission, Lancashire Teaching Hospitals Charity has twelve separate NHS Special Purpose Charities. These share the same registered number as the Charity but they are recognised as separate entities, holding donations given with specific conditions attached. They are all governed by separate Declarations of Trusts and their income can only be used for the purpose shown in their registration documents listed below:

1. Lancashire Teaching Hospitals NHS Foundation Trust Neurosciences Fund - for the relief in sickness of patients treated within the neurosciences directorate at the Royal Preston Hospital.
2. Lancashire Teaching Hospitals NHS Foundation Trust Staff Fund - for the relief of sickness at Lancashire Teaching Hospitals NHS Foundation Trust by promoting the efficient performance of their duties by the staff of the Trust.
3. Lancashire Teaching Hospitals NHS Foundation Trust Neonatal Fund - for the relief in sickness of new born babies at the Lancashire Teaching Hospitals NHS Foundation Trust.
4. Lancashire Teaching Hospitals NHS Foundation Trust Renal Medicine Fund - for any charitable purpose or purposes relating to the national health service wholly or mainly for the department of renal medicine of Lancashire Teaching Hospitals NHS Foundation Trust.
5. Lancashire Teaching Hospitals NHS Foundation Trust Endoscopy Unit Fund - for any charitable purpose or purposes relating to the national health services wholly or mainly for the endoscopy unit of Lancashire Teaching Hospitals NHS Foundation Trust.
6. Baby Beat Appeal - for the relief in sickness of the unborn child and its mother through pregnancy and labour to the point of birth within Lancashire Teaching Hospitals NHS Foundation Trust.
7. Lancashire Teaching Hospitals NHS Foundation Trust Obstetrics and Gynaecology Fund - for any charitable purpose or purposes relating to the National Health Service wholly or

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mainly for the obstetrics and gynaecology directorate of Lancashire Teaching Hospitals NHS Foundation Trust.

8. Lancashire Teaching Hospitals NHS Foundation Trust Cardiology Fund - for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the cardiology service of Lancashire Teaching Hospitals NHS Foundation Trust.
9. Lancashire Teaching Hospitals NHS Foundation Trust Diagnostic Imaging Fund - for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the diagnostic imaging directorate of Lancashire Teaching Hospitals NHS Foundation Trust.
10. Lancashire Teaching Hospitals NHS Foundation Trust Patients' Fund - for the relief in sickness of patients who are or have been treated within the Lancashire Teaching Hospitals NHS Foundation Trust.
11. Lancashire Teaching Hospitals NHS Foundation Trust Post Graduate Education Fund - to advance medical and dental education and assist in the education and further training of doctors, dentists, other members of the medical and dental professions, nurses and all other employees of Lancashire Teaching Hospitals NHS Foundation Trust and thereby to improve the services available to the patients served by Lancashire Teaching Hospitals NHS Foundation Trust.
12. Diabetic fund - for the treatment of patients at Chorley Hospital suffering from diabetes and/or research into diabetes at Chorley Hospital.

On the 16th June 2021, the Charity Commission agreed to remove the linked Charities listed above and merge them into the Charity under the existing single Trust deed.

Connected Parties and Linked Charities

The Charity holds 100% of the share capital in Baby Beat Limited (Company Registration Number 03817502), a retail outlet based in the Sharoe Green Unit at Royal Preston Hospital. All net profits are donated to the Charity under the Gift Aid scheme and the company's accounts have been consolidated with the Charity's accounts this financial year.

The Charity is linked to the separately registered charity, The Rosemere Cancer Foundation. It was established with the same declaration of trust in November 1995 and shares the same Corporate Trustee. The Charity pools its investments with that of The Rosemere Cancer Foundation to form a single investment portfolio, resulting in greater efficiency in the management of the investments.

Wider networks

The Charity is one of over 240 NHS charities in England and Wales who are members of NHS Charities Together. As a member charity, we have the opportunity to discuss matters of common concern and exchange information and experiences, join together with others to lobby government departments and others, and to participate in conferences and seminars which offer support and education for our staff and members of the charitable funds committee.

As a member of NHS Charities Together, we have also been very grateful to receive grants from their national emergency appeal.

Risk Management and Internal Controls

Due to the close relationship between the Trust and the Charity the risk management process is embedded into that of the Trust's assurance framework and risk management systems.

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The Board of Directors of the Trust, who are also the Corporate Trustee, have adopted a formal risk management process to assess business risk and implement risk management strategies. Senior management and the trustee have:

- Identified the types of risk the Trust and Charity faces.
- Prioritised the risks in terms of impact and likelihood of materialising.
- Identified means of mitigating these risks.

A risk register has been prepared to assist in managing risk to which the Trust has been exposed. The risk register is monitored by the Trust's Governance framework who request regular updates on any the relevant action plans and ensure that all appropriate controls are in place or have been identified.

Principal risks and uncertainty facing the Charity

Due to the Covid-19 pandemic the impact on the charity's ability to fundraise has been significantly impacted. However, this has been offset by the impact of the nation's love of the NHS and the support this has engendered, as well as income granted to the charity through the donations given by NHS Charities Together.

The Charity considers the valuation of its investments and any decline in market values that would negatively affect fund balances, as a risk. The Charitable Funds Committee meet regularly with the investment advisors and receive quarterly updates to allow them to review the performance of the investments and the risk level associated with them. The current category of risk is 4 to 5 (low to moderate). The Charity's reserves and investment policies are designed to ensure that no unnecessary risks are taken and the investments continue to support the Charity to meet its objectives.

Internal controls

The Corporate Trustee has overall responsibility for ensuring that the organisation operates an appropriate system of controls financial and otherwise to provide reasonable assurance that:

- The Charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and that financial information used within the Charity or for publications is reliable.
- The Charity complies with relevant UK laws and regulations.

In this regard, the Corporate Trustee places reliance upon the Trust's Audit Committee whose remit is to examine the effectiveness and appropriateness of the system of internal controls. This is achieved by:

- Reviewing and approving the audit plan, determining the types of internal and external audits to be undertaken, the areas of the organisation which are subject to review, and examining any findings that arise.
- Reviewing the nature and scope of internal and external audit, and any matters raised for the attention of management. Any significant findings or identified risks are examined so that appropriate action can be taken.

The systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. These include:

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- Regular review of the activities of the Fund and of its performance against pre-defined targets set by the Charitable Funds Committee.
- Formal delegation of authority to spend within clearly defined limits
- Identification and management of risks
- Scrutiny of internal and external audit.

Trustee and Advisers and Contact Details for the Charity

As the Charity operates under a Corporate Trustee model, the names of the directors are required to be disclosed:

Responsibility	Name	Post From	To
Chair	Ebrahim Adia		
Vice Chair	Tim Watkinson		
Non-Executive Director	Ann Pennell		
Non-Executive Director	Geoff Rossington		
Non-Executive Director	Kate Smyth		
Non-Executive Director	Paul O'Neill		
Non-Executive Director	Jim Whitaker		
Non-Executive Director	Tricia Whiteside		
Chief Executive Officer	Kevin McGee	01/09/2021	
Chief Executive Officer	Karen Partington		31/08/2021
Finance Director/Deputy Chief Executive	Jonathan Wood		
Medical Director	Geraldine Skailes		
Nursing, Midwifery and AHP Director	Sarah Cullen		
Strategy and Workforce and Education Director	Karen Swindley		
Chief Operating Officer	Faith Button		
Chief Information Officer for the ICP	Stephen Dobson		
Director of Continuous Improvement	Ailsa Brotherton		
Director of Service Development (Interim)	Gary Doherty	01/12/2020	
Service Development Director	Adrian Griffiths		26/11/2020

Charitable Funds Committee Members:

Responsibility	Name
Non-Executive Director (Chair of Committee)	Geoff Rossington
Medical Director	Geraldine Skailes
Nursing, Midwifery and AHP Director	Sarah Cullen
Finance Director/Deputy Chief Executive	Jonathan Wood
Non-Executive Director	Tricia Whiteside
Non-Executive Director	Kate Smyth

All members have been in post since 1 April 2020 unless otherwise stated.

Registered Charity Number and name: **1051194**
Lancashire Teaching Hospitals Charity

Principal Office address: Royal Preston Hospital
Sharoe Green Lane

	Fulwood Preston PR2 9HT
Head of Charities and Fundraising:	**Paula Wilson** **e | paula.wilson@lthtr.nhs.uk**
Finance Office address:	Lingmell House Water Street Chorley PR7 1EJ

The following advisors were retained by the Charity in 2020/21:

Bankers

National Westminster Bank PLC
35 Fishergate
Preston
PR1 2BY

Auditors

Beever and Struthers
Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Investment Advisors

Brewin Dolphin Securities Ltd
PO Box 512
National House
36 St Anne House
Manchester
M60 2EP

Solicitors

Hempsons
Portland Tower
Portland Street
Manchester
M1 3LF

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8. Financial Review

The Charity's annual accounts have been produced in accordance with FRS102 as were the previous years. Therefore, no adjusting entries were required for the comparative year.

The charity is reporting a deficit for the year, before adjustments for market value gains or losses on investments of £281k. (2019/20: surplus of £224k)

The investment portfolio performed well during the year after the markets that were significantly affected in March 2020 by the Covid-19 pandemic, recovered to pre-pandemic values. An unrealised gain of £14k at the end of 2019/20 increased during the year to be an unrealised gain of £133k that was off-set by an actual loss on the sale of investments of £4k.

Incoming resources of £1,474k were £443k higher than 2019/20. This represents a 43% increase.

- Income from donations, legacies and grants of £1,040k was £98k better than the previous year. This is largely due to the outpouring of support for the NHS and a significant increase in corporate donations.

- Other trading income was £18k, £44k lower than 2019/20 a decrease of 71%. During the year the shop closed to comply with the lockdown restrictions and when restrictions allowed they opened with reduced opening hours.

- Investment income was £13k, £14k lower than 2019/20 as interest rates remained low and the charity received a reduced share of the dividend income as per the apportionment that is based on the balance of funds for the charities in the investment pool.

- Income from charitable activities was £403k that was largely due to the grants received from NHS Charities Together (£395k). This is a new income stream for the charity.

Support costs of £150k were £57k higher than 2019/20. This is due to the increase in staff costs as additional resource was required to support the charity that was inundated with donated gifts and services for staff at the start of the pandemic. Additional support was also brought into the charity to support grant applications as traditional fundraising methods were impacted by the lockdown restrictions.

Net current assets of £709k were £271k lower than the prior year as a consequence of the increased creditor at the end of 2020/21. This increase is due to charitable activities expenditure that was incurred in the final month of the year.

Total Charity funds were therefore £152k lower than 2019/20 at a level of £1,692k; required to fund the Charity's outstanding commitments for various projects and items of equipment.

Going Concern

The trustee considers that there are no material uncertainties about Lancashire Teaching Hospitals Charity's ability to continue as a going concern. Whilst the Covid-19 pandemic impacted on the charity's ability to fundraise as a grant making charity with ongoing commitments, the trustee expects that the amount of grants that can be made in 2021/22 will remain low rather than affecting the charity's ability to continue as a going concern.

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Reserves Policy

The charity has a reserves policy which was reviewed in March 2021. The Charity has considered the level of reserves to be held for the prudent management of its working assets, commitments and contingencies.

Reserves are defined as funds that are freely available to fund the day-to-day operation of the charity and are not subject to commitments or other restrictions. The trustee requires that reserves are available to cover the following:

- Unrealised gains on investments recognised in the accounts
- Provision for short-term commitments and ongoing programmes and
- 6 months of operating expenditure

At 31st March 2021 the Charity held total reserves of £1,692k (2019/20: £1,844k) of which £1,073k (2019/20: £1,209k) are held in restricted reserves. The balance held in unrestricted funds at 31 March 2021 is £619k.

The cumulative unrealised gain on investments that has been recorded in the accounts for the Charity is £133k with a total realised and unrealised gain recognised in 2020/21 of £129k (2019/20: £73k loss) including a loss on the sale of investments of £4k (2019/20: £15k gain).

The Charity currently has commitments of £372k of which £65k is to be funded from restricted reserves and £307k from unrestricted reserves. The trustee aims to maintain free reserves in unrestricted funds at a level which equates to approximately six months of operating expenditure £118k, plus £50k for fundraising costs for the Children's appeal that will launch early in 2021/22. The trustee considers that this level will provide sufficient funds to respond to delays or changes in applications for grants and to ensure that support and governance cost are covered.

The level of reserves is continually monitored by the Trustee and the policy will be reviewed at least every two years.

Investment Policy

The policy is reviewed annually; it was last reviewed at the Charitable Funds Committee meeting that took place in June 2021, when Brewin Dolphin were in attendance.

The Charity's investments are held in stocks and shares and are managed by a well-respected investment management company, Brewin Dolphin. The Trust maintains a strict control over investments, laying down a well-structured framework within which Brewin Dolphin must operate in order to minimise the risks associated with investments.

Overseas equities should not exceed 15% of the total holding of equities and investments in negotiable instruments known as "derivatives" are not permitted in any circumstances.

Investment in tobacco, alcohol and armaments is prohibited. If it should come to light that a company has become involved in unethical practices the Corporate Trustee should be consulted with a view to selling the investment.

The market value of managed funds shall not exceed 75% of the total charitable fund reserves.

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Corporate Trustee Responsibilities Statement

The Corporate Trustee are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). They are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for the period. In preparing these financial statements, the Trustee is required to:

- Select suitable accounting policies and apply them consistently
- Observe the methods and principles in the charities SORP (FRS 102)
- 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Corporate Trustee is responsible for the maintenance and integrity of the Charity and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Corporate Trustee confirms that there is no relevant audit information of which the Charity's auditors are unaware and they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Corporate Trustee

Signed:





Ebrahim Adia
Chair

Date: 01.10.2021

Jonathan Wood
Trustee

Date: 01.10.2021

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Independent Auditor's report

Independent Auditor's Report to the trustee of Lancashire Teaching Hospitals Charity.

Opinion

We have audited the financial statements of Lancashire Teaching Hospitals Charity "the parent charity" and its subsidiary "the group" for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure 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 conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the trustee's report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Corporate Trustee Responsibilities Statement set out on page 15, the trustee is responsible for the preparation of the group and parent charity financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine what 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer component manufacturing and supply sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including, the Charities Act 2011, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures on specific balances for which robust, substantive analytical procedures have been undertaken to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.
- investigated the rationale behind significant or unusual transactions.

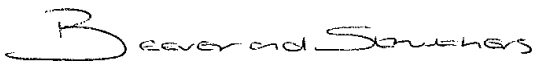
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Beever and Struthers, Statutory Auditor

Beever and Struthers is eligible to act as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Suite 9b
The Beehive Lions Drive
Shadsworth Business Park
Blackburn
BB1 2QS

Date: 8 October 2021

9. Financial Statements

Lancashire Teaching Hospitals Charity
Consolidated Statement of Financial Activities for the year ended 31 March 2021

		2020/2021			2019/2020		
		Unrestricted Funds	Restricted Funds	**Total Funds**	Unrestricted Funds	Restricted Funds	Total Funds
	Notes	£000	£000	**£000**	£000	£000	£000
Income and endowments from:							
Donations and legacies	3.1	224	816	**1,040**	328	614	942
Charitable activites	3.2	5	398	**403**	-	-	-
Other trading activities	3.3	-	18	**18**	-	62	62
Income from Investments	3.4	5	8	**13**	7	20	27
Total incoming resources		**234**	**1,240**	**1,474**	335	696	1,031
Expenditure on:							
Raising funds	4	37	105	**142**	12	147	159
Charitable activities	5	250	1,363	**1,613**	297	335	632
Other		-	-	**-**	16	-	16
Total Expenditure		**287**	**1,468**	**1,755**	325	482	807
Net gain / (loss) on investments	10.1	37	92	**129**	(19)	(54)	(73)
Net (expenditure) / income		**(16)**	**(136)**	**(152)**	(9)	160	151
Net movement in funds		**(16)**	**(136)**	**(152)**	(9)	160	151
Reconciliation of Funds							
Total funds brought forward		635	1,209	**1,844**	644	1,049	1,693
Total Funds carried forward		**619**	**1,073**	**1,692**	635	1,209	1,844

Lancashire Teaching Hospitals Charity
Consolidated Balance Sheet as at 31 March 2021

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2021 £000**	Total at 31 March 2020 £000
Fixed Assets					
Investments	10	367	616	**983**	864
Total Fixed Assets		**367**	**616**	**983**	864
Current Assets					
Inventories	12	-	6	**6**	9
Debtors	13	2	1	**3**	204
Cash and cash equivalents	14	297	1,188	**1,485**	916
Total Current Assets		**299**	**1,195**	**1,494**	1,129
Liabilities					
Creditors falling due within one year	16	47	738	**785**	149
Net Current Assets		**252**	**457**	**709**	980
Total Assets less Current Liabilities		**619**	**1,073**	**1,692**	1,844
Total Net Assets		**619**	**1,073**	**1,692**	1,844
The Funds of the Charity					
Restricted income funds	17	-	1,073	**1,073**	1,209
Unrestricted income funds		619	-	**619**	635
Total Charity Funds		**619**	**1,073**	**1,692**	1,844

The financial statements on pages 20 to 34 were approved and authorised for issue by the Board of Trustees on the 21st September 2021 and approved on its behalf by the Charitable Funds Committee.

Signed: 

Date: 1st October 2021

Lancashire Teaching Hospitals Charity
Parent Balance Sheet as at 31 March 2021

	Notes	Unrestricted Funds £000	Restricted Funds £000	**Total at 31 March 2021 £000**	Total at 31 March 2020 £000
Fixed Assets					
Investments	10	367	616	**983**	864
Total Fixed Assets		**367**	**616**	**983**	864
Current Assets					
Debtors	13	2	8	**10**	220
Cash and cash equivalents	14	297	1,186	**1,483**	909
Total Current Assets		**299**	**1,194**	**1,493**	1,129
Creditors falling due within one year	16	47	737	**784**	149
Net Current Assets		**252**	**457**	**709**	980
Total Assets less Current Liabilities		**619**	**1,073**	**1,692**	1,844
Total Net Assets		**619**	**1,073**	**1,692**	1,844
The Funds of the Charity					
Restricted income funds	17	-	1,073	**1,073**	1,209
Unrestricted income funds		619	-	**619**	635
Total Charity Funds		**619**	**1,073**	**1,692**	1,844

The financial statements on pages 20 to 34 were approved and authorised for issue by the Board of Trustees on the 21st September 2021 and approved on its behalf by the Charitable Funds Committee.

Signed: 

Date: 1st October 2021

Lancashire Teaching Hospitals Charity
Consolidated Cash Flow Statement for the year ended 31 March 2021

	Notes	**Total at 31 March 2021 £000**	Total at 31 March 2020 £000
Cash flows from operating activities:			
Net cash provided / (used) in operating activities	18	**546**	**(13)**
Cash flows from investing activities:			
Interest received	3.4	**-**	-
Dividends received	3.4	**13**	27
Purchase of investments	10.1	**(84)**	(445)
Proceeds from sale of investments	10.1	**94**	458
Net cash provided by investing activities:		**23**	40
Change in cash and cash equivalents in the reporting period		**569**	27
Cash and cash equivalents at the beginning of the reporting period		**916**	889
Cash and cash equivalents at the end of the reporting period		**1,485**	916

10. Notes to the Financial Statements

Accounting policies

1.1 Basis of preparation

The financial statements of the charity are presented in £ Sterling, rounded to the nearest thousand and have been prepared under the historical cost convention, with the exception of investments which are included at fair value.

The financial statements have been prepared in accordance with the 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 (FRS102) (effective 1 January 2015) - Charities SORP (FRS102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.The Charity constitutes a public benefit entity as defined by FRS102.

1.2 Going concern

The trustee considers that there are no material uncertainties about the Lancashire Teaching Hospitals Charities' ability to continue as a going concern. The Covid-19 pandemic has had an impact on the charity's fundraising income for unrestricted funds although this is offset by the generous donations made by members of the public in the first lockdown and restricted income from the NHS Charities Together

As a grant making charity with few on-going commitments, this will impact on the new grants that can be made in the short term rather than affecting the charity's ability to continue as a going concern. It is expected that the amount of grants that can be made will be reduced in 2021/22. However, there are no material uncertainties affecting the current year's accounts.

In future years, the key risks to the charity are a fall in income from donations or investment income but the trustee has arrangements in place to mitigate those risks (see the risk management and reserves sections of the annual report for more information).

1.3 Critical judgements in applying accounting policies

In the application of the Charity's accounting policies, which are described in notes 1.1 to 1.21, the Trustee is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The key judgements are those policies relating to incoming resources (notes 1.7 and 1.8), recognition of expenditure and associated liabilities as a result of grant (note 1.11) and fixed asset investments (note 1.15). The Trustee does not consider there are any sources of estimation uncertainty requiring disclosure beyond the accounting policies listed below.

1.4 Key estimations

The value of potential legacies disclosed in note 19. Contingent assets and liabilities is estimated using information received from solicitors and current property market valuations.

1.5 Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified as a restricted fund or an endowment fund.

Restricted funds are those where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose. Endowment funds arise when the donor has expressly provided that the gift is to be invested and only the income of the fund may be spent.

1. Accounting policies (continued)

1.5 Funds structure (continued)

Lancashire Teaching Hospitals Charity has twelve restricted special purpose funds, no endowment funds and one designated unrestricted fund. The major funds held are disclosed in note 17.

Those funds which are neither endowment nor restricted income funds are unrestricted income funds which can be analysed between designated (earmarked) funds where the trustees have set aside amounts to be used for specific purposes or which reflect the non-binding wishes of donors, and unrestricted funds which are at the trustees' discretion.

1.6 Basis of consolidation

The group financial statements consolidate the results of the Charity's trading subsidiary, Baby Beat Limited, on a line by line basis. Advantage has been taken of the SORP and the parent charity's own income and expenditure has not been disclosed in these financial statements. The income of the Lancashire Teaching Hospitals Charity was £1,474k (2019/20: £1,031k), giving rise to a deficit of £152k (2019/20: surplus £151k).

Subsidiary companies are exempt from the requirement of the Companies Act 2006 relating to the audit of the individual accounts by virtue of S479A.

1.7 Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Where there are terms or conditions attached to incoming resources, particularly grants, then these terms or conditions must be met before the income is recognised as the entitlement condition will not be satisfied until that point. Where terms or conditions have not been met or uncertainty exists as to whether they can be met then the relevant income is not recognised in the year but deferred and shown on the balance sheet as deferred income.

1.8 Incoming resources from legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- confirmation has been received from the representatives of the estate(s) that probate has been granted
- the executors have established that there are sufficient assets in the estate to pay the legacy and
- all the conditions attached to the legacy have been fulfilled or are within the charity's control.

If there is uncertainty as to the amount of the legacy and it cannot be reliably estimated, then the legacy is shown as a contingent asset until all of the conditions for income recognition are met.

1.9 Gifts in kind and donated services

Gifts in kind are recognised as a reasonable estimate of their fair value or where the monetary value of gifts cannot be reliably measured, they will be included in the accounts when the they are sold and the amount actually

Donated services are measured and included in the accounts on the basis of the value of the gift to the charity. i.e. what the charity would pay in the open market for the services that are being donated.

1. Accounting policies (continued)

1.10 Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to each category of expense shown in the Statement of Financial Activities.

Expenditure is recognised when the following criteria are met:

- there is a present legal or constructive obligation resulting from a past event
- it is more likely than not that a transfer of benefits (usually a cash payment) will be required in settlement
- the amount of the obligation can be measured or estimated reliably.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.11 Recognition of expenditure and associated liabilities as a result of grant

Grants payable are payments made to linked, related party or third-party NHS bodies and non-NHS bodies, in furtherance of the charitable objectives of the funds held on trust, primarily relief of those who are sick.

Grant payments 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.

The trustee has control over the amount and timing of grant payments and consequently where approval has been given by the charitable funds committee, on behalf of the trustee, grants are considered commitments. An appropriate designation is made for these commitments in the appropriate fund until payment is due to be made at which point the expenditure and liability is recognised in the accounts. Approved commitments of expected future expenditure are disclosed in note 20.

1.12 Allocation of support costs and overheads

Support costs are those costs which do not relate directly to a single activity, including governance costs, that are costs which relate to the strategic as opposed to the day to day management of a charity.

Support costs include some staff costs, costs of administration and external audit costs. They have been apportioned between the cost of raising funds and charitable activities on the basis of expenditure incurred in relation to each category. The analysis of support costs and the apportionment is shown in note 7.

1.13 Fundraising costs

The costs of generating funds are those costs attributable to generating income for the charity, other than those costs incurred in undertaking charitable activities or the costs incurred in undertaking trading activities in furtherance of the charity's objects. The costs of generating funds represent fundraising costs together with investment management fees. Fundraising costs include expenses for fundraising activities and salaries and overhead costs paid to a related party, Lancashire Teaching Hospitals NHS Foundation Trust, shown in note 2.

Quarterly management fees are offset against commission charges. Fees that exceed the commission charge are deducted from the funds on deposit are shown in note 4.

1.14 Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs. The total costs of each category of charitable expenditure include an apportionment of support costs as shown in note 5.

1. Accounting policies (continued)

1.15 Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at their transaction value and are subsequently measured at their fair value (market value) as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year. Quoted stocks and shares are included in the balance sheet at the current market value quoted by the investment analyst, excluding dividend. Other investments are included at the trustee's best estimate of market value.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

All realised and unrealised gains and losses are combined in the Statement of Financial Activities and are taken as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening carrying value or their purchase value, if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value.

1.17 Debtors

Debtors are amounts owed to the charity. They are measured on the basis of their recoverable amount.

1.18 Cash and cash equivalents

Cash at bank and in hand is held to meet the day to day running costs of the charity as they fall due. Cash equivalents are short term, highly liquid investments, held in interest bearing savings accounts.

1.19 Creditors

Creditors and provisions are amounts owed by the charity. They are recognised when 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.

Amounts which are owed in more than a year are shown as long term creditors.

1.20 Financial Instruments

Financial assets and financial liabilities are recognised when the Charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The Charity only holds financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.21 Remuneration and benefits

No staff are directly employed by the Charity. All staff engaged in the activities of the Charity are employed by Lancashire Teaching Hospitals NHS Foundation Trust. The Charity is recharged for individuals time spent engaged in either charitable activities, raising funds or providing support (e.g. back office functions) to the Charity, shown in note 9.

1.21 Remuneration and benefits (continued)

All recharged staff members belong to the NHS Pension Scheme which is an unfunded defined benefit scheme, accounted for as a defined contribution scheme. The recharge from Lancashire Teaching Hospitals NHS Foundation Trust includes the employer contributions to that scheme. For more information on the NHS Pension Scheme refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

2. Related party transactions

Lancashire Teaching Hospitals Charity is managed by the Corporate Trustee which is also the Board of Directors of Lancashire Teaching Hospitals NHS Foundation Trust which is the main beneficiary of the charity. During the year the Charity made revenue and capital payments to Lancashire Teaching Hospitals NHS Foundation Trust of £631k (2019/20: £648k).

The Charity was recharged £224k (2019/20: £154k) for staff working for the charity throughout the year, whose contracts are paid by Lancashire Teaching Hospitals NHS Foundation Trust. This includes accounting and administrative support provided to the Charity at a cost of £21k (2019/20: £21k).

During the year none of the Trustees or members of the key management staff or parties related to them have undertaken any material transactions with the Lancashire Teaching Hospitals Charity (2019/20: £nil).

As at 31 March 2021 £31k (2019/20: £103k) was owed to Lancashire Teaching Hospitals NHS Foundation Trust.

The Trustee has not purchased trustee indemnity insurance. (2019/20: £nil)

The Charity's investment portfolio is pooled with that of The Rosemere Cancer Foundation. The Charity receives an apportionment of the income and expenditure related to the investments based on its share (72%) of the portfolio (2019/20: 75%).

3. Incoming resources

3.1 Income from donations and legacies

	Unrestricted Funds £000	Restricted Funds £000	**2020/2021 Total £000**	2019/2020 Total £000
Donations	140	403	**543**	323
Corporate Donations	8	326	**334**	3
Legacies	70	1	**71**	613
Grants	6	86	**92**	3
Total	**224**	**816**	**1,040**	942

Donations of goods (£341k) are included in income valued at their market value. All of these donations have been distributed during the year.

3.2 Charitable activities income

	Unrestricted Funds £000	Restricted Funds £000	**2020/2021 Total £000**	2019/2020 Total £000
NHS Charities Together grant (stage 1)	-	145	**145**	-
NHS Charities Together grant for Covid 2nd wave	-	50	**50**	-
NHS Charities Together Starbucks grant		2	**2**	-
NHS Charities Together grant (stage 3)	-	198	**198**	-
Events	5	3	**8**	-
Total	**5**	**398**	**403**	-

The charity received grants from the NHS Charities Together Covid-19 emergency appeal.

3. Incoming resources (continued)

3.3 Income from other trading activities

	Unrestricted Funds £000	Restricted Funds £000	**2020/2021 Total £000**	2019/2020 Total £000
Baby Beat Ltd shop sales total	**-**	**18**	**18**	62

3.4 Investment income

	Unrestricted Funds £000	Restricted Funds £000	**2020/2021 Total £000**	2019/2020 Total £000
Dividend income	5	8	**13**	27
Bank account interest	-	-	**-**	-
Total	**5**	**8**	**13**	27

4. Analysis of expenditure on raising funds

	Unrestricted Funds £000	Restricted Funds £000	**2020/2021 Total £000**	2019/2020 Total £000
Fundraising team	28	76	**104**	79
Fundraising activities	2	1	**3**	4
Advertising / marketing	2	5	**7**	5
Trading activities	-	12	**12**	47
Investment management fees	2	3	**5**	6
Support costs	3	8	**11**	18
Total	**37**	**105**	**142**	159

5. Analysis of expenditure on charitable activities

The charity pursued its charitable activities by making grants. Support costs have been apportioned across the categories of charitable expenditure on the basis of the associated transaction cost incurred by the charity disclosed in note 7.

	Grant funded Activity £000	Support Costs £000	**2020/2021 Total £000**	Grant funded Activity £000	Support Costs £000	2019/2020 Total £000
Patient Environment and Wellbeing	563	53	**616**	221	30	251
Staff Education and Wellbeing	672	63	**735**	77	10	87
Research	27	3	**30**	54	7	61
Medical Equipment	212	20	**232**	205	28	233
Total	**1,474**	**139**	**1,613**	557	75	632

Throughout the year the charity received donated gifts in kind that were distributed to staff and patients that. The extimated cost of the donated goods (£341k) is included in these figures.

6. Analysis of grants

All grants are made to the Lancashire Teaching Hospitals NHS Foundation Trust. The total cost of making grants, including support costs, is shown on the face of the Statement of Financial Activities, and the actual disbursement for each category of charitable activity is disclosed in note 5.

7. Allocation of support costs and overheads

Support and overhead costs are allocated between fundraising activities and charitable activities. Governance costs are those support costs which relate to the strategic and day to day management of a charity.

These costs are apportioned across the charitable activities on the basis of expenditure incurred in relation to each category.

7. Allocation of support costs and overheads (continued)

7.1 Analysis of total support costs

	Raising funds £000	Charitable Activities £000	**2020/2021 Total £000**	Raising funds £000	Charitable Activities £000	2019/2020 Total £000
Financial Administration	2	19	**21**	4	17	21
Information Technology	-	3	**3**	2	7	9
Professional fees	1	17	**18**	1	2	3
Administration costs	-	1	**1**	-	1	1
Salary recharges	8	91	**99**	10	44	54
External Audit	-	4	**4**	1	3	4
Subscriptions / memberships	-	3	**3**	-	-	-
Bank Charges	-	1	**1**	-	1	1
Total	**11**	**139**	**150**	18	75	93

Included in professional fees is £12k for donated services that supported the charity office refurbishment.

	Unrestricted Funds £000	Restricted Funds £000	**2020/2021 Total £000**	2019/2020 Total £000
Governance costs	13	24	**37**	26
Support costs	29	84	**113**	67
Total	**42**	**108**	**150**	93

7.2 Auditor's remuneration

Total Audit Fees for 2020/21 were £3,654 (excluding VAT) which related solely to the audit with no additional work undertaken (2019/20: £3,361). The audit fee is included within governance costs.

7.3 Support cost allocation

	Unrestricted Funds £000	Restricted Funds £000	**2020/2021 Total £000**	2019/2020 Total £000
Raising Funds	3	8	**11**	18
Charitable Activities	39	100	**139**	75
Total	**42**	**108**	**150**	93

8. Trustee remuneration, benefits and expenses

The members of Lancashire Teaching Hospitals NHS Foundation Trust board give their time freely and receive no remuneration for the work that they undertake in relation to the charity. No expense claims were reimbursed to members of the board, by the charity in 2020/21. (2019/20: £nil). For more information on the Board members remuneration refer to the Lancashire Teaching Hospitals NHS Foundation Trust annual report and accounts.

9. Analysis of staff costs and remuneration of key management personnel

	2020/2021 Total £000	2019/2020 Total £000
Salaries and wages	**175**	119
Social Security costs	**24**	17
Employer contributions	**25**	18
Total	**224**	154
Fundraising	**104**	79
Finance administration	**21**	21
Administration support	**99**	54
Total	**224**	154

9. Analysis of staff costs and remuneration of key management personnel (continued)

The average number of full-time and part-time employees during the year was 2 and 5 respectively (2019/20: 2 / 2), an estimated number of full-time equivalent employees of 4 (2019/20: 2). These employees are involved in fundraising and providing support to the charitable activities or the governance of the charity.

Lancashire Teaching Hospitals NHS Foundation Trust Charity considers its key management personnel to be the member of the Lancashire Teaching Hospitals NHS Foundation Trust board, acting on behalf of the corporate trustee and the Head of Charities and Fundraising. The total employment benefits included employer pension contributions of the key management personnel were £56k (2019/20: £37k).

At the start of the year fundraising staff for the Rosemere Cancer Foundation supported the distribution of donated goods to the charity as they were unable to perform their roles due to the lockdown restrictions. Due to the volume of donated goods and the administration of the grants received from NHS Charities Together, more of the Head of Charities and Fundraising's time has been apportioned to the charity than the previous year.

No employees had emoluments in excess of £60k (2019/20: none).

10. Fixed asset Investments

10.1 Movement in fixed asset investments

	2020/2021	2019/2020
	£000	£000
Market value brought forward	**864**	950
Add : acquisitions at cost	**84**	445
Less : disposals	**(94)**	(458)
Realised and unrealised gain / (loss) for the year	**129**	(73)
Market value at 31 March 2021	**983**	864
Historic cost	**898**	950

	2020/2021	2019/2020
	£000	£000
Unrealised gain on carrying value of the investments	**133**	(88)
Loss on sale of investments	**(4)**	15
Total realised and unrealised gain for year	**129**	(73)

10.2 Fixed asset investments by type

	2020/2021	2019/2020
	Market Value	Market Value
	£000	£000
Listed equity investments	**221**	379
Fixed interest investments	**645**	411
Other investment funds	**117**	160
	983	950

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes. All investments were made in companies listed on a UK stock exchange or incorporated in the UK and therefore all investments are treated as investment assets in the UK.

11. Subsidiaries

Baby Beat Limited (03817502) is registered in England and Wales and is wholly owned by Lancashire Teaching Hospitals NHS Foundation Trust Charity and is a retailer of children's clothing and confectionary. Details of its trading activities are set out below.

11.1 Subsidiary results

	2020/2021	2019/2020
	£000	£000
Income	**18**	62
Costs	**(12)**	(50)
Operating profit	**6**	12
Amount gift aided to Lancashire Teaching Hospitals Charity	**(6)**	(7)
Retained in subsidiary	**-**	5

11. Subsidiaries (continued)

11.2 Summarised balance sheet of subsidiary trading company

	2020/2021	2019/2020
	£000	£000
Inventories	**6**	9
Debtors	**-**	1
Cash and cash equivalents	**2**	7
Creditors: amounts falling due within one year	**-**	-
Creditors: amounts falling due after more than one year	**(8)**	(12)
Net assets	**-**	5
Capital and reserves	**-**	5

These accounts have been prepared by Elver Consultancy Ltd, Chartered Accountants, Suite 312, Atlas House, Caxton Lane, Wigan, WN3 6XU.

12. Inventories

Inventories comprise finished goods held for resale.

	Group		Parent	
	2020/2021	2019/2020	**2020/2021**	2019/2020
	£000	£000	**£000**	£000
	6	9	**-**	-

13. Analysis of debtors

Amounts falling due within one year

	Group		Parent	
	2020/2021	2019/2020	**2020/2021**	2019/2020
	£000	£000	**£000**	£000
Accrued income	**-**	201	**-**	206
Prepayments	**2**	2	**2**	2
Subsidiary debtors	**1**	1	**-**	-
Loan due from subsidiary undertaking	**-**	-	**8**	12
Total	**3**	204	**10**	220

14. Analysis of cash and cash equivalents

	Group		Parent	
	2020/2021	2019/2020	**2020/2021**	2019/2020
	£000	£000	**£000**	£000
Charity bank account	**1,455**	886	**1,455**	886
Subsidiary bank account	**2**	7	**-**	-
Stockbroker deposit account	**28**	23	**28**	23
Total	**1,485**	916	**1,483**	909

15. Analysis of changes in net debt

	At 1 April 2020	Cash flows	**31 March 2021**
	£000	£000	**£000**
Cash and Cash equivalents	916	569	**1,485**
Total	**916**	**569**	**1,485**

16. Analysis of creditors

Amounts falling due within one year

	Group		Parent	
	2020/2021	2019/2020	**2020/2021**	2019/2020
	£000	£000	**£000**	£000
Creditors	**31**	105	**31**	105
Accruals and deferred income	**754**	44	**753**	44
Total	**785**	149	**784**	149

The creditor figure represents the sum owed at the end of the year by the charity to a related parties, Lancashire Teaching Hospitals NHS Foundation Trust. There are no creditors falling due after more than one year.

17. Analysis of charitable funds

17.1 Restricted funds

Lancashire Teaching Hospitals Charity has 12 restricted special purpose funds and no endowment funds. The 2020/21 analysis of the material special purpose funds is as below, with the remaining funds shown in others:

	Balance 31 March 2020 £000	Incoming Resources £000	Resources Expended £000	Gains and Losses £000	**Balance 31 March 2021 £000**
Neurosciences	54	8	(6)	2	**58**
Staff Fund	104	873	(668)	12	**321**
Renal	520	13	(425)	17	**125**
Baby Beat	350	123	(224)	17	**266**
Patients	179	211	(102)	8	**296**
Others	2	12	(43)	36	**7**
Total Restricted Funds	1,209	1,240	(1,468)	92	**1,073**

For the purpose of this analysis, materiality of restricted funds is considered to be funds with a closing balances greater than £30k.

17.2 Details of material restricted funds

Name of fund	Description of the nature and purpose of each fund
Neurosciences	For the relief of sickness in patients treated within the Neurosciences
Staff Fund	For the relief of sickness in patients by promoting the efficient performance of staff in their day to day duties.
Renal fund	For any Charitable purposes relating to the Department of Renal Medicine.
Baby Beat	For the relief of sickness in the unborn child and its mother through pregnancy and labour to the point of birth.
Patients Fund	For the relief of sickness in patients who are or who have been treated within the Lancashire Teaching Hospitals NHS Foundation Trust.

17.3 Unrestricted fund

The Unrestricted Fund is split into designated funds which are used to fund activities that benefit patients of Lancashire Teaching Hospitals NHS Foundation Trust and the staff that deliver patient care to those patients.

	Balance 31 March 2020 £000	Incoming Resources £000	Resources Expended £000	Gains and Losses £000	**Balance 31 March 2021 £000**
Total unrestricted funds	635	234	(287)	37	**619**

The Charity has no designated funds.

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020/2021 £000	2019/2020 £000
Net (expenditure) / income for 2020/21 (as per the SOFA)	**(152)**	151
(Gain) / loss on investments	**(129)**	73
Dividends, interest and rents from investments	**(13)**	(27)
Decrease in inventories	**3**	5
Increase in debtors	**201**	(192)
Decrease / (increase) in creditors	**636**	(23)
Net cash used in operating activities	**546**	(13)

19. Contingent assets and liabilities

	2020/2021	2019/2020
	£000	£000
Legacies	**111**	55
Total	**111**	55

Potential legacies not yet received that have been identified from Wills and Testaments have an estimated value of £111k.

20. Commitments

The Charity has the following outstanding commitments at the end of the year as they have made a provisional agreement to fund various projects and items of equipment. These have not been accounted for in the SOFA.

	Unrestricted Funds	Restricted Funds	**2020/2021 Total**	2019/2020 Total
	£000	£000	**£000**	£000
Total commitments as at 31 March 2021	**307**	**65**	**372**	661

As described in note 6, the charity awards a number of grants in the year. Included in commitments are many grants that are awarded and expected to be paid out in the next financial year. No multi-year grants are included in these commitments.

As the charity has control over the award and timing of payment of grants, they remain commitments until there is certainty about the payment that will be funded from existing and future reserves.

21. Events after the reporting period

There are no adjusting events after the reporting period.