

Annual Report & Accounts 2022/23

Supporting world class treatment,
research and outstanding care

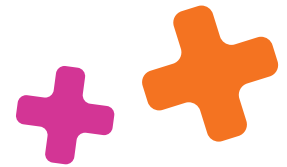


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1. Foreword by Chair of Charitable Funds Committee



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.

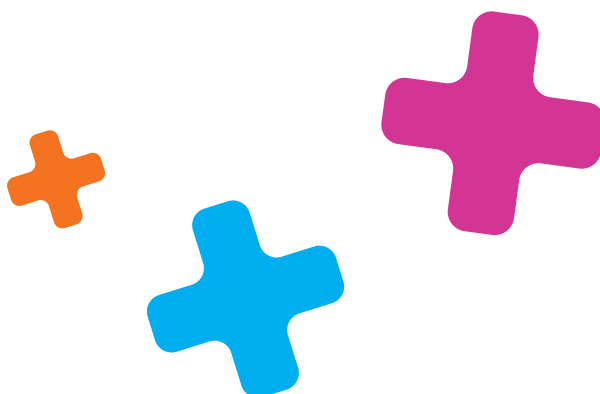
Thank you, to all of our supporters, for your continued commitment to the cause. With your generosity, you enable us to make a real difference for local patients to our hospitals, now and in the future. Thank you, for your continued support.

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 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 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

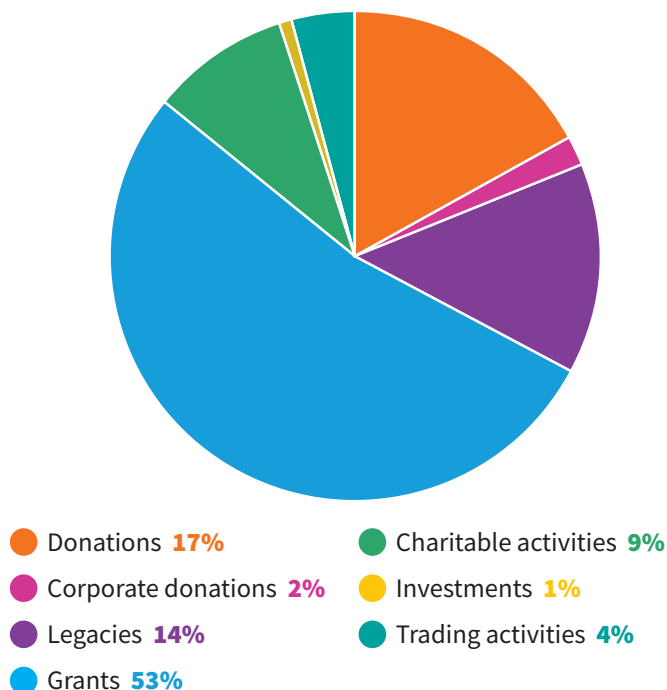


5. The difference you made



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.



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.

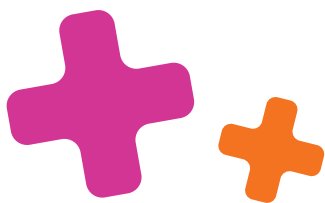
The Delamere Dairy Foundation and the Screwfix Foundation both funded LED sky ceiling panels for the Children's Clinic, whilst the Harold and Alice Bridges Charity, Our Space Your Place Fund, the Shepherd Street Trust, and St James Place Foundation gave grants towards an interactive projector system. 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.

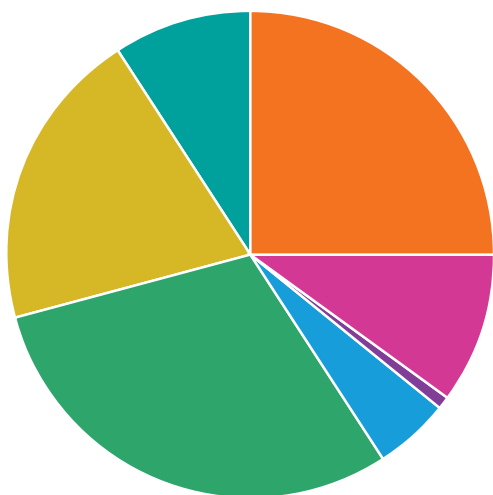


What we spent the money on

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



- 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%**

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 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 participants. 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.



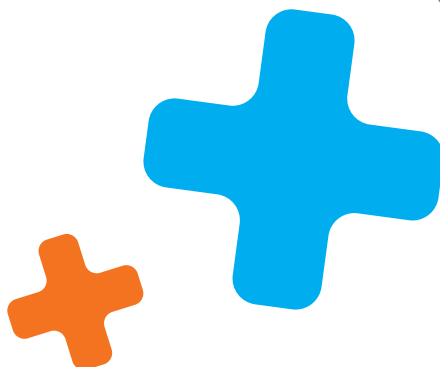
6. Our Future Plans

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 Corken	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

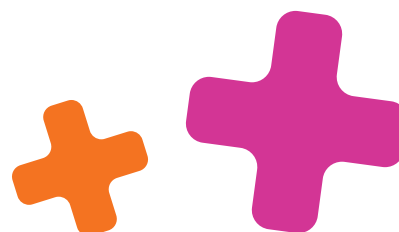
Brewin Dolphin Securities Ltd
PO Box 512
National House
36 St Anne House
Manchester
M60 2EP

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

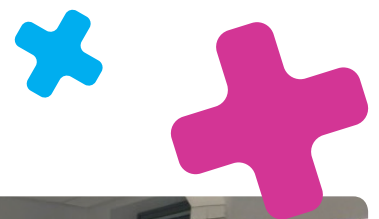
The policy is reviewed annually; it was last reviewed at the Charitable Funds Committee meeting that took place in September 2022.

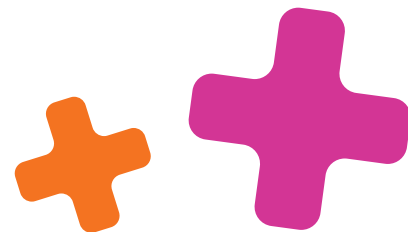
The Charity's investments are held in stocks and shares and are managed by a well-respected investment management company, Brewin Dolphin. The Trust maintains a strict control over investments, laying down a well-structured framework within which Brewin Dolphin must operate in order to minimise the risks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

		2022/2023			2021/2022		
	Notes	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total Funds £000
Income and endowments from:							
Donations and legacies	3.1	193	946	1,139	101	328	429
Charitable activities	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. (2021/22: £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	2021/2022
	Total	Total
	£000	£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 (2021/22: 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	2021/2022
	£000	£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	2021/2022
	£000	£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	2021/2022
	Market Value	Market Value
	£000	£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	2021/2022
	£000	£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 subsidiary 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 separate entities under the same charity registration number. All of the funds related to these special purpose charities 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 subsidiary 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 subsidiary will be gift aided to the charity post year end.



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