

# Annual Report & Accounts 2023/2024

Supporting world class treatment,  
research and outstanding care

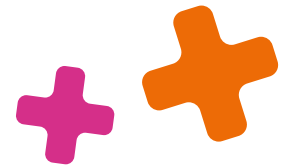


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# 1. Foreword by Chair of Charitable Funds Committee



## Welcome to Lancashire Teaching Hospital Charities annual report for 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.

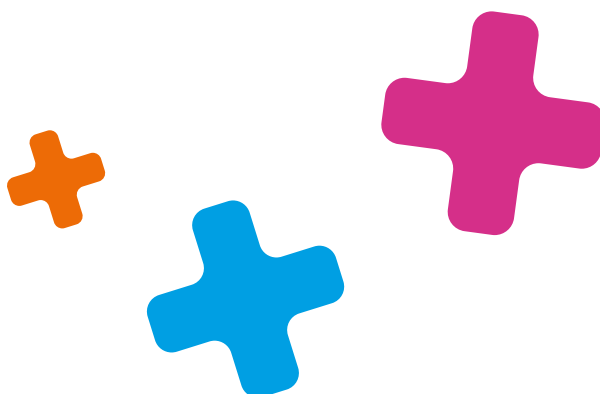
Thank you, to all of our supporters, who have given generously throughout the year. The donations and legacies we receive are an invaluable source of funds used to purchase additional equipment and services, and support life-changing projects, that cannot be provided by core NHS funds.

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](http://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](http://www.lthcharity.org.uk) email [charity@lthtr.nhs.uk](mailto: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](http://www.lthcharity.org.uk)



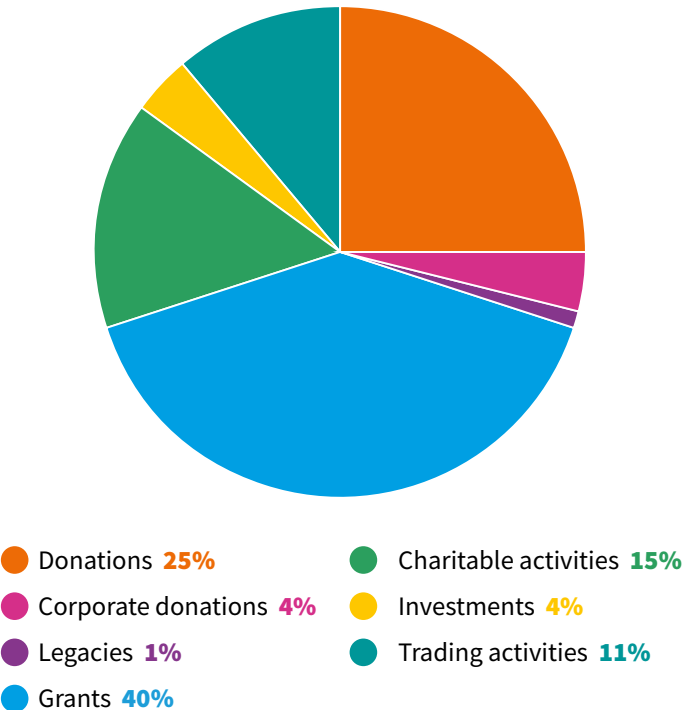


# 5. The difference you made



**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.



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.

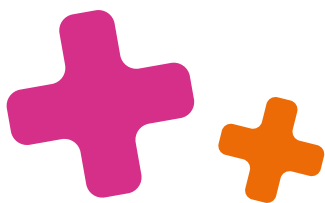
We were able to fund a delivery suite for women with complex pregnancy needs with grants received from the DJ Sidebottom/Glasdon Charitable Programme, and The Duchy of Lancaster Benevolent Fund.

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.

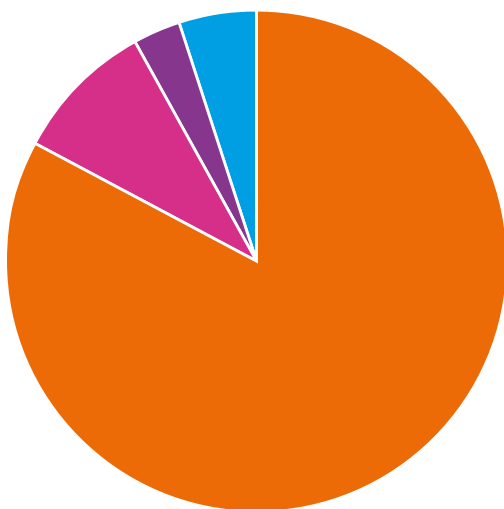




## What we spent the money on

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](http://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.

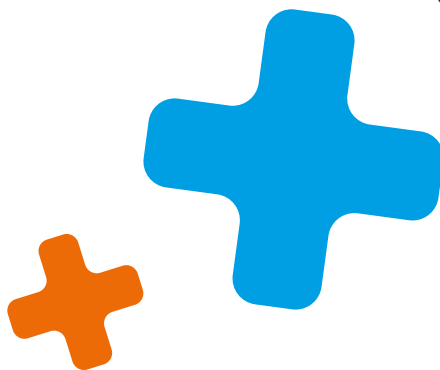
## 6. Our Future Plans

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:

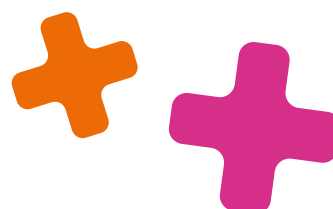
- The Charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposal.
- Proper records are maintained and that financial information used within the Charity or for publications is reliable.
- The Charity complies with relevant UK laws and regulations.

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 Corken	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 Crocken		
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

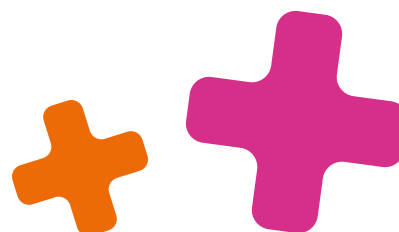
**Investment Advisors**

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

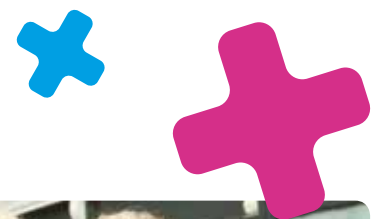
The policy is reviewed annually; it was last reviewed at the Charitable Funds Committee meeting that took place in September 2023.

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.

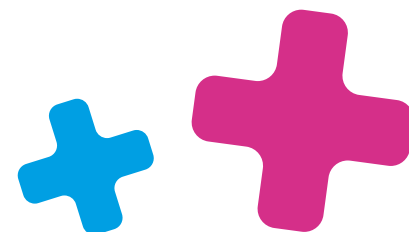
Overseas equities should not exceed 15% of the total holding of equities and investments in negotiable instruments known as "derivatives" are not permitted in any circumstances.

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](http://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: 24 September 2024



## 9. Financial Statements

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

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

## Consolidated Balance Sheet as at 31 March 2024

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



Sarah Cullen, Trustee

Date: 17/09/2024



## Parent Balance Sheet as at 31 March 2024

	Notes	Unrestricted Funds £000	Restricted Funds £000	<b>Total at 31 March 2024 £000</b>	Total at 31 March 2023 £000
<b>Fixed Assets</b>					
Investments	10	379	661	<b>1,040</b>	972
<b>Total Fixed Assets</b>		<b>379</b>	<b>661</b>	<b>1,040</b>	972
<b>Current Assets</b>					
Debtors	13	2	4	<b>6</b>	183
Cash and cash equivalents	14	156	57	<b>213</b>	499
<b>Total Current Assets</b>		<b>158</b>	<b>61</b>	<b>219</b>	682
Creditors falling due within one year	16	24	86	<b>110</b>	421
<b>Net Current Assets</b>		<b>134</b>	<b>(25)</b>	<b>109</b>	421
<b>Total Assets less Current Liabilities</b>		<b>513</b>	<b>636</b>	<b>1,149</b>	1,393
<b>Total Net Assets</b>		<b>513</b>	<b>636</b>	<b>1,149</b>	1,393
<b>The Funds of the Charity</b>					
Restricted income funds	17.1	-	636	<b>636</b>	822
Unrestricted income funds	17.2	513	-	<b>513</b>	571
<b>Total Charity Funds</b>		<b>513</b>	<b>636</b>	<b>1,149</b>	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:   
 Sarah Cullen, Trustee  
 Date: 17/09/2024

## Consolidated Cash Flow Statement for the year ended 31 March 2024

	Notes	<b>Total at 31 March 2024 £000</b>	Total at 31 March 2023 £000
<b>Cash flows from operating activities:</b>			
<b>Net cash (used) in operating activities</b>	18	<b>(293)</b>	<b>(77)</b>
<b>Cash flows from investing activities:</b>			
Interest received	3.4	<b>12</b>	5
Dividends received	3.4	<b>16</b>	11
Proceeds from sale of investments	10.1	<b>217</b>	339
Purchase of investments	10.1	<b>(233)</b>	(356)
<b>Net cash provided by investing activities:</b>		<b>12</b>	(1)
<b>Change in cash and cash equivalents in the reporting period</b>	15	<b>(281)</b>	(78)
Cash and cash equivalents at the beginning of the reporting period	14	<b>521</b>	599
<b>Cash and cash equivalents at the end of the reporting period</b>	14	<b>240</b>	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 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 £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
<b>Total</b>	<b>80</b>	<b>359</b>	<b>439</b>	<b>1,139</b>

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
<b>Total</b>	<b>5</b>	<b>86</b>	<b>91</b>	<b>119</b>



### 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
<b>Total</b>	<b>53</b>	<b>85</b>	<b>138</b>	<b>28</b>	<b>118</b>	<b>146</b>

	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
<b>Total</b>	<b>47</b>	<b>91</b>	<b>138</b>	<b>146</b>

### 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
<b>Total</b>	<b>47</b>	<b>91</b>	<b>138</b>	<b>146</b>

## 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	2022/2023
	Total	Total
	£000	£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	2022/2023
	£000	£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	2022/2023
	£000	£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	2022/2023
	Market Value	Market Value
	£000	£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	2022/2023
	£000	£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	<b>521</b>	<b>(281)</b>	<b>240</b>

## 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	<b>113</b>	<b>263</b>	<b>110</b>	<b>261</b>

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 Charities 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.



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