

Leicester Hospitals Charity
TRUSTEE'S ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Foreword by the Chairman of University Hospitals of Leicester NHS Trust

I am delighted, as Chairman, to present the Leicester Hospitals Charity annual report for the year ended 31st March 2022.

Leicester Hospitals Charity is the official charity of the University Hospitals of Leicester NHS Trust (UHL), with UHL acting as Corporate Trustee for the Charity. The Charity exists to support our patients, visitors and staff by helping to fund equipment, environmental improvements, research opportunities and various other resources that our hospitals would otherwise be unable to have.

I am pleased to report that the Charity has had another successful year with total income of £3.4m and £3.1m spent on charitable activities to improve Leicester's Hospitals in 2021-2022.

Key highlights of the past year include:

- £2,184k spent on buildings and equipment to improve the experience of our patients and their families
- £551k spent on patient welfare and amenities and improvement to the environment
- £204k spent on supporting the welfare of our staff so that they can provide excellent care
- £203k spent on supporting research and treatment to improve the outcomes for patients.

We were also fortunate to be selected as the lead NHS Charity for the East Midlands to distribute £490,086 for a two-year community partnership grant from NHS Charities Together. This funding allowed us to award seven grants to support communities affected by the highest levels of deprivation and the greatest health inequalities, for initiatives that aimed to reduce the burden on the NHS.

2021 saw us take on two new appeals to support our patients and staff, expanding the chemotherapy suite in the Osborne Building so we can deliver at least 4000 more treatment sessions a year, and expanding our Spiritual Care space at the Leicester Royal Infirmary, including building a new St. Luke's Chapel. These appeals will be ongoing through 2023.

From our Charity and Trust staff, to our volunteers and thousands of supporters, I express my sincere gratitude to everyone who has helped contribute to Leicester Hospitals Charity's efforts throughout this last year.



John MacDonald, Chairman

3rd November 2022

Who we are

Leicester Hospitals Charity (the Charity) is a registered charity (number 1056804). We exist to support patients, their carers, and the NHS staff who look after them in Leicester, Leicestershire, Rutland and beyond.

We do this through targeted fundraising appeals and effective management of donations, to provide additional resources, assets and skills which are not available through NHS funding, and which link closely with the strategic aims of the University Hospitals of Leicester NHS Trust and the broader strategic aims of NHS healthcare in the East Midlands.

UHL provides care to over 1,000,000 people each year from Leicester, Leicestershire and Rutland, and the wider East Midlands, and is our key partner in fulfilling our charitable aims.

We would like you to support us in our crucial work so please read on and let us tell you more about ourselves, what we do, what we have achieved, and how we go about spending the gifts given to us.

What we aim to do: our objectives and activities

Our Mission

By raising new money and careful management of our existing funds, Leicester Hospitals Charity provides a public benefit by *“making grants for any charitable purpose relating to the University Hospitals of Leicester NHS Trust.”*

Grants are made in accordance with charity law, our objects, and the wishes and directions of donors. In making grants, we endeavour to reflect the wishes of patients and staff by directing funds towards the areas they tell us are most in need.

During the year 2021/22, grants totalling £3m were made. 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's guidance on public benefit and what this means for LHC.

Our future plans are to continue to increase our level of fundraising to achieve an annual target of £5m a year which will help us work with UHL to transform the health prospects of our community.

What we have achieved: highlights from the activities undertaken in the year

Our key aim is to serve the NHS patients of UHL for the public benefit. The Charity defines 'the public' as patients, their carers and the NHS staff who look after them in Leicester, Leicestershire, Rutland and beyond. We listen to those who need care, and those who give

it. And using this insight, we fund research, services and equipment to help UHL provide a level of care which goes beyond what state funding can provide. By working with UHL, we assist patients from every walk of life, irrespective of race, creed, ethnicity, personal or family financial circumstances.

We put this aim into practice by helping patients, their families and carers, and visitors to the hospitals by:

- funding new equipment and building improvements, to deliver better services and facilities for patients and staff
- improving the environment in which care is delivered through funding major capital projects
- funding medical research to better understand the diseases affecting our patients so that we can develop the cures and therapies of tomorrow
- investing in the people who work at the hospitals to create a caring environment for the patients receiving care, their families and visitors.

These are all funded by our generous donors. We are pleased to present a selection of case studies to illustrate the impact that charitable funding has within UHL.

Case Study #1: Community Partnership Grants: Supporting Communities after Covid-19

Leicester Hospitals Charity was selected as the lead charity to deliver community partnership grant funding from NHS Charities Together to support communities affected by the highest levels of deprivation and greatest health inequalities. The intention of these grants is to 'level up' NHS services for the most vulnerable people in our communities as the region emerged from the Covid-19 pandemic, and reduce the burden on the NHS.

The charities and community projects supported are: CAScaid by Enrych, Heath + by Reaching People, Wellbeing Service for Young People Aged 8-18 by Centre for Fun & Families, Supporting Vulnerable People from BAME Communities by Home Start Horizons, United Leicester by Leicester City in the Community, Changing Connections by Rural Community Council, and Investigating Inequalities in Care and Patient Outcomes in NHS Provider Trusts by Leicester Academic Health Partnership.

At the end of the first year of funding, close to 680 individuals have benefitted from this funding, ranging in age from 8 to 65+.

We'd like to highlight one story from the Centre for Fun and Families (CFF), to showcase the impact of these grants, which gave a young person back her personal freedom after suffering crippling anxiety after the loss of her dad.

This young person, age 10, was referred to CFF because of separation anxiety. Her father had died suddenly four years previously when she was 6, and she would become very

distressed when separated from her mum. While she attended school, she would not take part in any activities outside of school, or go to her friend's houses to play unless her mum accompanied her. Even visiting family was difficult. She and her mum were worried about moving to high school in September, and her mum didn't know how to help. She wasn't comfortable with speaking to a counsellor on her own, but she was able to have Zoom calls with CFF's Wellbeing Practitioner, with her mum present.

Throughout the sessions, CFF worked with them both on a plan of exposure therapy, gradually increasing the time they spent apart. Home tasks were agreed together and at the start of each session mum and daughter gave feedback on how they had found the last week's task, discussed where further improvements were needed and based the next weeks' task on these.

Following their 5 treatment sessions, CFF were delighted that their client was now confident enough to go to her friend's houses and her Grandmother's house, alone. She was happy waiting for her mum while she went to the shop, and went into town for lunch with her aunty for the first time since her dad passed. She was now excited about her move to high school. Both mum and daughter were proud of the progress made and thankful for the support.

Case Study #2: 'One stop' Respiratory Service for children all under one roof – a better patient experience

Funding from our donors makes a significant difference in providing a better experience for our patients. The Leicester Children's Hospital's Respiratory Physiology team wanted to improve the hospital experience for children who needed respiratory tests and investigations. We were able to bring their idea to life with a grant of £84,059 to purchase a Vyntus BODY Plethysmograph body box, APS Nebulizer System and Cardiopulmonary Exercise Testing (CPET).

Children's respiratory tests were previously conducted over two sites, at the Glenfield Hospital, as well as Leicester Royal Infirmary. The Glenfield Hospital's respiratory testing equipment is specifically for adults. This wasn't ideal for young patients, especially for those that have difficulty walking. The design of the adult equipment was very uncomfortable for our younger patients.

The purchase of the new child-friendly equipment at the LRI, has improved the experience for children and reduced the time needed for tests. The new equipment has helped to make the Respiratory Service at the LRI a 'one stop' clinic, where children's clinical reviews and investigations can all be done at one site and sometimes in one visit.

Joe Madge, Specialised Clinical Physiologist said:

"The equipment has made a huge difference to the Paediatric Respiratory Physiology service. It means we now have a state of the art respiratory diagnostic service at our disposal to use when needed. It allows us to be able to perform multiple investigations on

patients on a single day, all at the LRI. For our younger patients this a huge benefit resulting in less hospital visits.

“The new equipment has helped us to run more efficiently. We find engagement with the children has improved and we finally have the equipment linked on a single application. This means all respiratory investigations are stored in one software meaning reviewing and managing the long term care of a patient is much easier than the before.”

Case Study #3: Secret Garden – supporting wellbeing and sustainability

The Secret Garden at Glenfield Hospital is a place for patients, staff or visitors at Glenfield Hospital to be able to take time out to reflect and enjoy the beautiful outdoors.

Over the last few years the Leicester Hospitals Charity has supported the refurbishment of The Secret Garden on the grounds of Glenfield Hospital.

This year work started on the large greenhouse. However, during the clearing the volunteer team discovered that 27 panes of glass were broken and in need of replacement, and successfully applied for a grant of £6,176 to replace the broken glass.

The greenhouse, once it has been refurbished, will support a programme of planned activities with wellbeing at their heart, such as:

- Living Mindfully with Nature - a programme designed to support staff and patients with their mental health and well-being, particularly during the COVID-19 recovery period.
- A Friday volunteers group – to help organic growing of plants to maintain and sustain the Secret Garden long term.
- Tuesday volunteer group – a programme to support the return of UHL Volunteers to the Trust.

Growing plants in-house will sustain the various areas of the garden and reduce the purchasing costs of plants in the longer term. The greenhouse will provide the garden with seasonal plants that will enhance the experience of all those who visit the garden.

Lauren and Stephen, parents to a new-born baby who was in the PICU at Glenfield, were really pleased that there was a garden on the hospital grounds, they described the location as a “treasure” and said, “The garden has been such an appreciated alternative space to the hospital environment. It allowed us to escape and relax and has been extremely therapeutic. It’s beautiful everywhere you look and each area offers another stunning view. It’s a pleasure to sit in and allowed us to feel more normal and back in touch with the world.”

Case Study #4: Memorial afternoons – creating final memories of loved ones

The Adult Intensive Care Unit has a bereavement support service to help families with their grieving process. For a number of years, the Adult Intensive Care team have held in-person memorial events for families to come and join them for tea and cake, for the opportunity to remember those who have passed away. They would release balloons in the memory of their family member. This gave families a way of marking their loved ones' life and those who have attended found them very useful. The team wanted to create an alternative virtual memorial event for families in place of the usual in-person memorials due to the limitations put in place with Covid-19.

Using a grant of £344.50, they were able to create a virtual memorial event for relatives. Families and friends taking part in the memorial afternoons receive a package containing a candle, seeds, lavender, knitted hearts, poems and an order of service. The virtual packs benefitted 32 families last year including Tracey Edwards. Tracey lost her 24 year old son Ellis to kidney failure and Covid-19 last year, and told us: "The memorial afternoon hosted by the hospital was a lovely way to remember the loved ones that had been lost. Prior to the virtual event, I received a lovely package with a knitted heart, some forget-me-not seeds, a candle and other items.

"I was then able to join a virtual event where staff from the hospitals said some kind words, read out some poems and one of the nurses released a dedicated balloon with a message I'd written for my son. I really appreciated that the staff had gone out of their way to make this happen. It was such an emotional event and being able to mark his life in such away was great.

"So much thought has gone into the packages and someone has taken the time to actually knit the little hearts. The staff told me that there was one of the hearts by Ellis' bed when he was in hospital which I was grateful for. I'm really thankful to be able to be part of the virtual memorial service."

Case Study #5: Exploratory Study for Chronic Kidney Disease—improving lives through research

The annual Kidney Care Appeal raises vital funds to progress research into Chronic Kidney Disease. Dr Luke Baker was successful in gaining £5000 to fund a study to look at the impact specific proteins in cells and their roles in helping to reduce weakness, fatigue and loss in muscle mass in patients with Chronic Kidney Disease (CKD). Patients with CKD have added risk of fat mass and the research team wanted to look at if there was a specific protein to help with improving health, linking excess fat mass with a loss of muscle mass.

Patients with CKD have high levels of Chemerin, a protein which may cause muscle loss through inflammation. To investigate this, the team harvested muscle cells from patients at different stages of CKD to see how Chemerin could influence inflammation in the

muscle cells. They found Chemerin effected muscle cells from CKD patients and identified a receptor by which this may occur.

Dr Luke Baker leading the study said, “Chemerin has only been identified in the last 20 years, and we wanted to see how it might affect inflammation in the muscle of CKD patients. We’ve discovered some potential receptors of action and our next step is to explore this further to develop treatment. With this study, we are one step closer to preventing muscle weakness and fatigue in patients with Chronic Kidney Disease”

How we funded our work, our achievements and performance

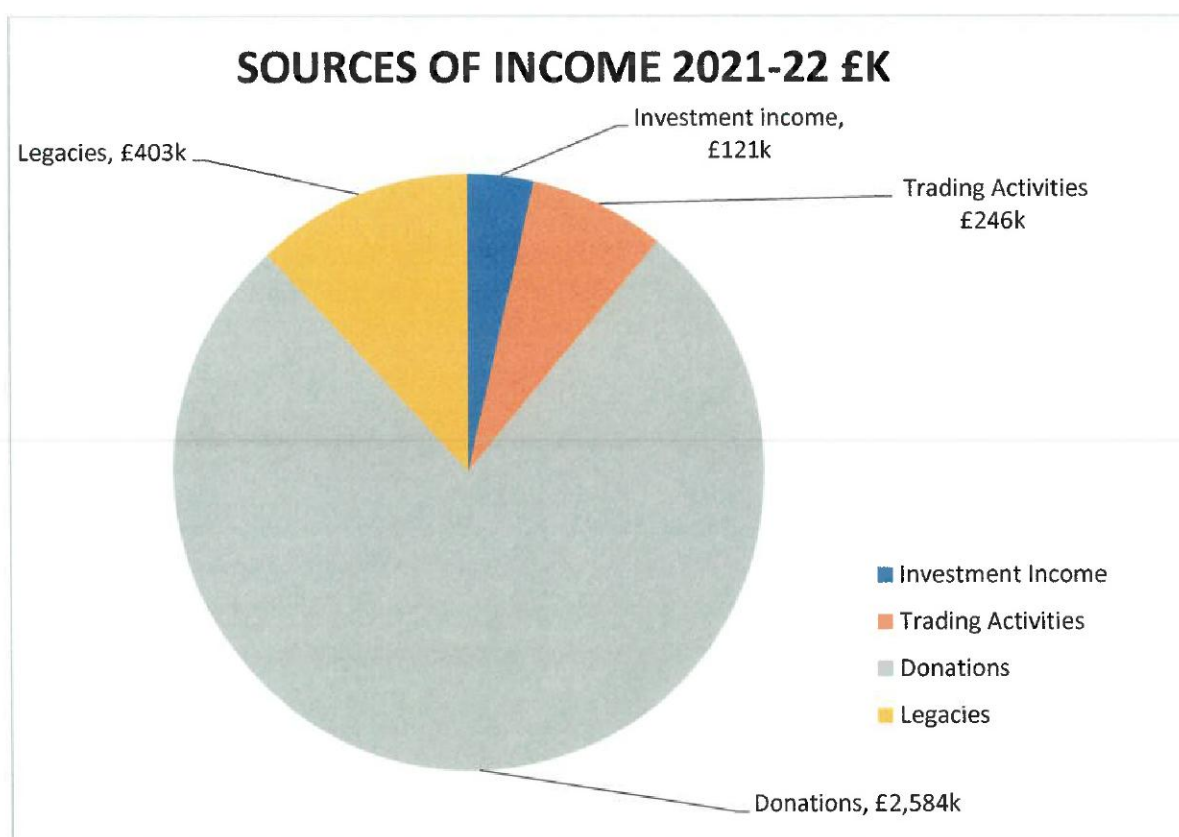
The following figures are taken from the full accounts approved on 3rd November 2022 which carry an unqualified audit report. If more details are required please refer to the full accounts. This is part of the Trustee’s annual report comments on key features of those accounts. In this section we explain how we raised the money and then how we spent it.

Money received £3.4m— Money spent £3.9m

LHC can only continue to support the work of UHL for as long as we receive the money needed. Almost all of our income comes from the voluntary efforts of the general public. Overall, we ended the year with £3.4m income before the performance of our investments was taken into account.

Money received: sources of income

The pie chart shows our main sources of income. Our largest source of income this year was from gifts from the public, either direct or through corporate giving. The second largest was legacies.



General Donations (£349k) As a Charity, the largest sources of donations by volume comes from General Donations from members of the public. These vary in amount from 50p to £500 or more. Often, these kind donations are not for any specified appeal or cause and go towards general funds.

Events and Challenges (£159k) Hosting fundraising events forms an important part of how raise money for specific appeals as well as increase the profile of the Charity. Our largest event is the NHS Heroes Ball.

Community (£429k) There are many local community groups and fundraisers who make generous gifts to the Charity to show their support for Leicester's Hospitals. These groups either wish to help us with particular appeals or projects, or they can give generally to our hospitals to go to where the funds are needed most.

Legacies / Gifts in Memory (£545k) Many donations we receive are made by people in memory of loved ones who have died, or through legacies left to us in the Wills of people who want to improve hospitals for their community. We are deeply grateful to all those who choose to leave a gift in their Will to our Charity after their deaths and to the many donations we have received by people to honour the memories of those close to them.

Corporate donations (£117k) We are fortunate as a Charity to have the support of a number of businesses and private organisations who recognise the important difference we can make to our hospitals and donate money, resources or time to our Charity to help give something back to their local community.

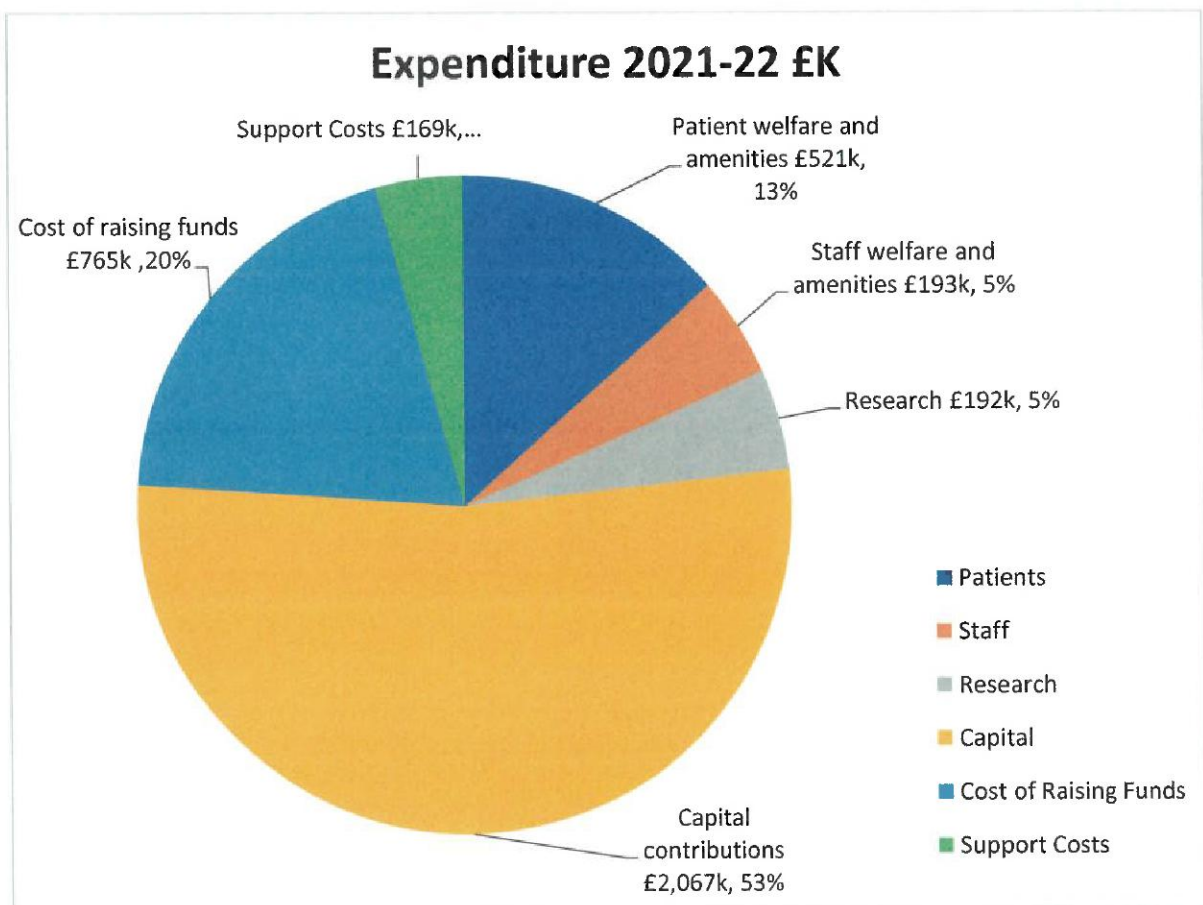
Grants & Trusts (£1,164k) Every year, we are grateful to receive numerous grants from charitable trusts and other grant-making organisations who wish to support us in our work to help improve Leicester's Hospitals. These grants may contribute to larger projects or appeals or they may allow us to purchase entire pieces of equipment outright – but we appreciate all grants that are given to us.

Major gifts (£224k) Major gifts can often have some of the greatest impacts on our hospitals by providing large, dedicated amounts of funding that can help to transform a project or service.

Lottery (£246k) UHLotto is a staff lottery that offers colleagues a chance to support the Charity's work financially as well as giving them the opportunity to win some fantastic prizes. Over 3,000 members of Leicester's Hospitals staff regularly participate in it, with numbers increasing in the run up to special lottery draws.

Money spent: what we spent the money on

As the pie chart below shows, the largest of our spend was on charitable activities in the form of grants.



Our charitable work was made up of the following areas:

Grants to provide benefits to patients

The Charity spent £551k (2010-21: £429k) on grants to provide benefits to patients, including £164k on grants to support community projects funded through Stage 3 Community Project grants through NHS Charities Together, £52k to furnish patient areas, £12k to purchase medical and dental equipment, and £19k to purchase other equipment.

Grants to provide benefits to staff

The Charity spent £204k (2020-21: £393k) on grants to provide benefits to the Trust by investing in staff, including £54k on educational and training support, £2k on equipment for staff use and £21k on furnishing improvements to staff areas.

Capital projects for donation to the NHS Trust

The Charity spent £2,184k (2020-21: £5,040k) on grants to provide benefits to patients and staff through capital expenditure, including £1,589k on construction works, £420k on medical and dental equipment and £57k on other equipment.

Grants awarded for research projects and patient outcome project

The Charity spent £203k (2020-21: £189k) on grants to support research-related activities, including £9k on research expenses and consumables, and £183k on funding posts.

The cost of grants includes a proportion of support costs.

Performance against objectives

Spending the money is only part of the story because we are always looking to achieve good value for money. To ensure the money is well spent, applications for grants include questions about the objectives, impact and success criteria for the proposed project. The Charity requests reports on all grants awarded over £5,000 and a sample of smaller grants to establish the extent to which the intended benefits have been realised.

We ask the applicant what the outcome of the grant was both in terms of what they spent the money on and what difference it made to the medical care and treatment of our patients.

This information informs future grant making policy as well as providing a basis for assessing our performance.

Our Fundraising Practices

Members of the Charity fundraising team organise fundraising events and co-ordinate the activities of our supporters both in the hospitals and in the wider community on behalf of Leicester Hospitals Charity. We do not use external professional fundraisers or involve commercial participators. There has been one complaint about fundraising activity this year regarding a third-party fundraising event.

The Fundraising Regulator publishes the Code of Fundraising Practice that sets the standards that apply to fundraising carried out by all charities and third-party fundraisers in the UK. The Fundraising Regulator is the independent regulator of charitable fundraising in England, Wales and Northern Ireland. The fundraising department has signed up to the Fundraising Regulator's Code of Fundraising Practice.

All direct marketing is reviewed by the Charity to ensure that it is not unreasonably intrusive or persistent. All marketing material contains clear instructions on how a person can be removed from mailing lists as well as information on our privacy policy.

Our fundraising performance

During the year the total donations, legacies and income from fundraising came to £3.2m against a plan of £4m. Our fundraising in 2021-22 continued to be affected by the Covid-19 Pandemic, and we unfortunately carried several key staff vacancies which we were unable to promptly recruit for. We benchmark our fundraising activity with our peers through the Association of NHS Charities and monitor the comparative success of campaigns and overall fundraising cost to income ratios. Despite our unfortunately shortfall against target, we continued to perform well with an average cost to income ratio compared to the average of similar size NHS Charities. By working to raise our fundraising profile further, we are confident in our ambitious plans to increase our annual funds raised to £5m.

What we plan to do with your donations: our future plans

We are working to build our fundraising activities towards achieving our goal of raising £5m every year by 2024.

We will achieve our mission by working with UHL to support its future reconfiguration priorities, notably the new Children's Hospital, transformation of the Leicester General Hospital site, the new Women's Hospital, and the ITU expansion at Glenfield Hospital. To identify the treatments of tomorrow, we actively seek to assist in equipping NHS staff with the skills they need and provide financial support to our research partners in their important work.

We previously set a five year course for the Charity, and we are now entering year three of that plan. The Covid-19 Pandemic has impacted all areas of our operations. We have recast our future objectives based on recovering from the pandemic and ensuring we are able to grow to meet the future needs of UHL.

Over the next two years, we plan to:

1. Expand our reach by rolling out successful Individual Giving products across the wider LLR geographical area (circa 460,000 households)
2. Expand outreach to groups/schools/DIY fundraisers
3. Grow online presence and digital marketing
4. Further invest high value fundraising

5. Generate new business aligned with the CSR objectives of the Leicester business community
6. Increase the operational capacity of the fundraising office
7. Increasing visibility of the Charity across the UHL estate
8. Invest in our diverse and professional team, upskilling them as needed to take on new challenges.
9. Refresh and expand our Fundraising Board

These objectives have been approved by the Corporate Trustee and the tactics to achieve them have received the appropriate investment.

How we manage the money

Our grant making policy

Leicester Hospitals Charity makes grants from both its unrestricted and restricted funds. Within the unrestricted funds, grants are made from both the general purpose funds and the designated (earmarked) funds. Currently grant requests are considered on a rolling basis at Charitable Fund Committee meetings held every two months. Based on their knowledge of the hospitals, the Committee agree funding priorities and review the applications for quality and value for money and how they match the objectives of the Charity.

Designated (earmarked) funds are established for a particular part of the hospital or activity nominated for support by the donor. They are overseen by fund advisors who can make recommendations on how to spend the money within the designated area.

Grants are awarded through the scheme of delegation, and authorisation is dependent on the fund's purpose and the value of the application. The grant application process ensures that individual funds are not able to commit expenditure in the absence of available funds.

Grant applications are subject to robust review and challenge before they are approved, including a review as to whether the expenditure is for the public benefit and cannot be met through core NHS funds.

Where expenditure relates to the purchase of medical equipment there is an expectation that the NHS Trust Medical Equipment Panel approves these before any application is submitted for consideration. This ensures that there remains consistency between the capital expenditure plans of the NHS Trust and the Charity in terms of capital planning, and compatibility with existing resources.

Our Reserves policy

The Charity has an overall plan to provide long term support to the Trust. The Corporate Trustee has held the view that income donated to the Charity should be expended in a timely way in accordance with the wishes of the donors. This does not prevent any individual fund balances from being built up in order to purchase larger items in the future.

The Charitable Funds Committee has established a reserves policy as part of its plans to provide long term support to Leicester Hospitals Charity. The Charitable Funds Committee

calculate the reserves as that part of the Charity's unrestricted income funds that is freely available after taking account of designated funds that have been earmarked for specific projects.

Breakdown of reserves	£'000
Total funds	7,693
less restricted funds	(1,708)
less committed funds	(1,117)
Freely available reserves	4,868

Taking into account the level of income and expenditure over the last five years it would be prudent to maintain freely available reserves at no less than £2m to ensure that the Charity has sufficient funds to cover its immediate commitments, plus sufficient funds to cover any likely annual deficit.

The Charitable Funds Committee expects that designated funds will be spent within 12 months. It therefore regularly reviews the balances held in designated funds against this benchmark unless it has been agreed that a different period is more appropriate based on the reason for the designation. Where the fund has not been spent within two years, the Charitable Funds Committee will determine whether the fund is likely to be committed in the near future and the extent to which there is a continuing need for the particular designated fund(s). Where it is decided that the designation is no longer necessary or the designated fund has been inactive for more than five years, the funds are closed and transferred to the general purposes fund.

Our financial health: a strong balance sheet

The assets and liabilities of the Charity as at 31 March 2022 are stated below, compared with the position at 31 March 2021.

	Total Funds 2021-22 £000	Total Funds 2020-21 £000
Fixed Asset Investments	5,364	5,185
Net Current Assets	2,329	2,863
Total Net Assets	7,693	8,048
Funds of the Charity		
Restricted Funds	1,708	2,462
Unrestricted Funds	5,985	5,586
Total Funds of the Charity	7,693	8,048

Useful definitions:

Fixed Asset Investments are investments in quoted stocks and shares.

Net Current Assets represent cash held on deposit plus debtors less the value of outstanding liabilities.

Restricted Funds represents money which is held by the Trustee which can only legally be used for specified purposes.

Unrestricted Funds are funds available to be spent within the objects of the Charity which can legally be spent wholly in accordance with the discretion of the Trustee.

In practice, respecting the non-binding preferences expressed by donors, the Charitable Funds Committee has sub categorised the unrestricted income funds under two headings.

Designated (earmarked) funds represent some 71 separate funds which the Charitable Funds Committee has created to accord, as far as practicable, with the specific intentions of the gifts received through wards, departments and specialties. By designating funds, the Committee ensures that those gifts are channelled towards charitable purposes in those areas. These funds are supervised by about two hundred fund advisors from the wards, departments and specialties concerned.

The *General Purposes* fund represents those funds available for distribution by the Trustee which have not been restricted or earmarked.

About our investments

Investments of LHC are managed by Brewin Dolphin Investment Management with the objective to maximise the income receivable whilst allowing a degree of capital growth. The portfolio is structured to permit a range of investments intended to yield a competitive rate of return in difficult market conditions and part of the portfolio is invested in hedge funds. In addition, the Charitable Funds Committee has decided not to directly invest in tobacco securities because of the proven link between smoking and poor health which would make such investments contrary to our charitable aims.

Appeal funds and funds intended to be used to pay grants in the near future are held on deposit to minimise investment risk.

Investment performance is monitored by the Charitable Funds Committee by reviewing regular reports from the investment managers. During the year dividends and interest received was £121k and the value of realised and unrealised gains within the portfolio was £198k. We expect that the financial performance in 2022/23 will continue to be affected by the impact of the Covid-19 Pandemic, and also through the vacant posts that we anticipate won't be filled until Q3.

How we organise our affairs: reference and administration details

Leicester Hospitals Charity is registered under the Registered Number 1056804.

How to contact us

The Charity office and principal address is:

Belgrave House
Gwendolen Road
Leicester General Hospital
LE5 4PW

Tel: 0116 258 8709

For Fundraising queries please contact:

Charities Director
Belgrave House
Gwendolen Road
Leicester General Hospital
LE5 4PW
Tel: 07538077592

The Corporate Trustee, UHL's principal address is:

The Chief Executive
University Hospitals of Leicester NHS Trust
Trust Headquarters
Level 3, Balmoral Building
Leicester Royal Infirmary
Infirmary Square, LE1 5WW

Trustee Arrangements

The University Hospitals of Leicester is the sole Corporate Trustee of the Charity. The Corporate Trustee's responsibilities are therefore carried out by UHL's Trust Board. The Board is appointed in accordance with the Trust's constitution. Details of the UHL Board membership can be found in its annual report and accounts and on its website.

As LHC has a Corporate Trustee it is, in accounting terms, controlled by UHL and is therefore its subsidiary.

The UHL Board meets annually as Corporate Trustee to:

- Review and approve LHCs strategic plan
- Re-appoint or appoint members of the Charitable Funds Committee and
- Approve the Trustee's annual report and accounts for the year.

The Board of directors of UHL delegate responsibility for the day to day management of the LHC to the Charitable Funds Committee and the Director of Charity in accordance with the scheme of delegation and standing financial instructions. Together, they are responsible for fulfilling the Corporate Trustee's strategic plan and for working with the professional advisors and with the representatives of UHL who provide the financial services to the Charity.

The Charitable Funds Committee comprises two executive members of the Board and three non-executive members. Other members of UHL staff are invited to attend Committee meetings but do not have a vote at those meetings. During the year, the committee members were:

Col (Ret'd) I Crowe	Non-Executive Director (to June 21)
Ms C Fox	Chief Nurse (to Oct 21)
Ms E Meldrum	Acting Chief Nurse (from Dec 21)
Mr A Johnson	Non-Executive Director (to Dec 21)
Mr B Patel	Non-Executive Director (CFC Non-Executive Director Chair) to Feb 22
Professor T Robinson	Non-Executive Director (from Oct 21)
Mr S Harris	Non-Executive Director – on CFC during Feb 22 only
Ms V Bailey	Non-Executive Director (from Feb 22)
Mr S Lazarus	Chief Financial Officer (to Oct 21)

Members of the charitable funds committee are selected to give the Charity a good mix of appropriate professional skills—for example medical, finance, investment and fundraising.

All members of the CFC are provided with the Charity Commissions' *guidance: public benefit: an overview and the essential trustee: what you need to know* (CC3) and a summary of what this means for a Corporate Trustee.

Our Staff and advisors

The Charity currently employs thirteen staff. Lisa Davies is the Director of Charity.

The Charitable Funds Committee is also assisted by a number of professional advisors, as detailed below:

External Auditors	Cooper Parry Group Limited Office 401, 4 th Floor Two Chamberlain Square Birmingham B3 3AX
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Solicitors	Eversheds 1 Royal Standard Place Nottingham NG1 6FZ
Bankers	The Royal Bank of Scotland St Johns House East Street Leicester LE1 9NB
Investment Managers	Brewin Dolphin 9 Colemore Row Birmingham B3 2BJ

Key management personnel remuneration

The Board of the Corporate Trustee and the Director of Charity comprise the key management personnel of the Charity as they are in charge of:

- Directing and controlling the Charity
- Running and operating the Charity on a day to day basis.

UHL's board members are either executive members who are employees of UHL or non-executive members who are remunerated in accordance with the UHLs constitution. None of the board members are specifically paid in relation to LHC, they give of their time freely.

Members of UHL board are required to disclose all relevant interests and register them with the Charity Director and withdraw from decisions where a conflict of interest arises.

All related party transactions are disclosed in note 4 to the accounts.

The Director of Charity is employed by UHL on NHS terms and conditions. Her remuneration is reviewed annually and is increased in accordance with the nationally agreed increases for her pay scale. LHC is fully recharged by UHL for the employment costs relating to the Director of Charity and her team.

Risk Analysis

As part of the business planning exercise carried out during the year, the Director of Charity has considered the major risks to which LHC is exposed and cited the Charitable Funds

Committee to them. She has reviewed systems and identified steps to mitigate those risks. Two major risks have been identified and arrangements have been put in place to mitigate those risks.

Future levels of income

LHC is reliant on donations to allow it to make grants to UHL. If income falls, then the Charity would not be able to make as many grants or enter into longer term commitments with UHL. The committee mitigates the risk that income will fall by engaging with the Fundraising Team. That team comprises dedicated fundraising experts who work with UHL to provide a co-ordinated approach to raising funds. Fundraising activity is regularly benchmarked against our peers and thorough reviews are undertaken after major campaigns and events to understand what worked well and how things could be done better. The public's support of the NHS has been demonstrated through increased donations during the Covid-19 Pandemic. However, social distancing measures in place in 2020-2022 affected our fundraising events.

The NHS is struggling post pandemic, meaning that waiting times for treatment are getting longer. There is a risk that the goodwill shown for the NHS at the start of the pandemic is starting to wane which will make fundraising more difficult.

Towards the end of 2021/22, inflation and the cost of living has increased. This is having an impact on the amount that people are able to donate to charity.

Fall in investment returns

The Charity has established an investment strategy to mitigate this risk, which requires an investment portfolio which balances risk and return, and includes investments which can be converted to meet short term cash requirements. The Charity generates additional income from investing its cash balances so the committee considers the loss of investment income to be a major financial risk. The risk is mitigated by retaining expert investment managers, having a diversified investment portfolio and regularly reviewing that portfolio. The committee makes use of benchmarking information when reviewing the portfolio.

Financial reports are presented to the Charitable Funds Committee and any significant trends and risks are highlighted in the commentaries supporting the reports. Other low priority operational risks relate to the grant application process and the financial system risks around the receiving of donations, ordering of goods and services and payment of invoices.

Appropriate controls and systems have been established to mitigate these risks, including the Charity adopting UHL's standing orders and standing financial instructions. Assurances are obtained from internal audit that these controls are operating effectively.

Wider networks

LHC is one of over 250 NHS linked charities in England and Wales. We regularly discuss with other NHS charities matters of common concern and exchange information and experiences. LHC also engages with other networks for support, such as the Chartered Institute of Fundraising and the East Midlands Chamber of Commerce.

Related parties

UHL is the Corporate Trust of LHC and is therefore a related party. The University of Leicester is our main research partner. Although the Committee is careful to consult with representatives of these organisations formally through their committee meetings and via other, less formal contacts, they retain their independence to act in the best interests of LHC and the Charity's beneficiaries.

Our relationship with the wider community

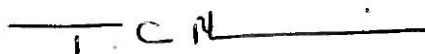
The ability of LHC to continue its vital support for UHL is dependent on its ability to maintain and increase donations from the general public. LHC also continues to forge strong relationships with members of staff of the hospitals without whose co-operation the ability to make an effective contribution would be much diminished.

Volunteers

On behalf of the trustee body, the Charitable Funds Committee would like to pay tribute to:

- The members of staff who give of their time out of hours in support of the work of LHC in working with us to identify how we can help them care for the patients
- Our fundraisers who do so much to encourage others to enrich lives through donations and fundraising activities.

Signed on behalf of the Trustee: Professor Thompson Robinson (Chair of the Charitable Funds Committee)



3rd November 2022

Trustee's responsibilities statement

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

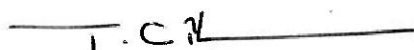
The law applicable to charities in England & Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enables it to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Trustee: Professor Thompson Robinson (Chair of the Charitable Funds Committee)



3rd November 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF LEICESTER HOSPITALS CHARITY

Opinion

We have audited the financial statements of Leicester Hospitals Charity (the "Charity") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 financial statements is inconsistent in any material respect with the Trustee's Report; or
- sufficient 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 the Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 21, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Charity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Charities (Protection and Social Investment) Act 2016, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Charity and how the Charity is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Charity's control environment and how the Charity has applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;
- obtaining an understanding of the Charity's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of activities and reviewing accounting estimates for bias.


Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website 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 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 which we are required to state to it 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 Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Cooper Parry Group Limited

Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 21 December 2022

Cooper Parry Group Limited is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

Leicester Hospitals Charity

Statement of Financial Activities for the year ending 31 March 2022

		Unrestricted Funds	Restricted Funds	Total Funds 21-22	Total Funds 20-21
	Note	£000	£000	£000	£000
Income from					
Donations and legacies	5.3	1,535	1,452	2,987	3,977
Other trading activities	5.2	1	245	246	256
Investments	8.3	72	49	121	108
Total Income		1,608	1,746	3,354	4,341
Expenditure on					
Raising funds	6.1	536	229	765	643
Charitable activities	6.2	715	2427	3,142	6,051
Total expenditure		1,251	2,656	3,907	6,694
Gains/(losses) on investment assets	8.1	49	149	198	880
Net income/(expenditure)		406	(761)	(355)	(1,473)
Gross transfers between funds in year	11.2	(7)	7	-	-
Net incoming/(outgoing) resources		399	(754)	(355)	(1,473)
Reconciliation of funds					
Total funds brought forward		5,586	2,462	8,048	9,521
Total funds carried forward		5,985	1,708	7,693	8,048

Notes

All activities are on-going and that there are no discontinued or acquired operations in the year.

Leicester Hospitals Charity

Balance Sheet as at 31 March 2022

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 21-22 £000	Total Funds 20-21 £000
Fixed assets					
Investments	8	4,206	1,158	5,364	5,185
Total fixed assets		4,206	1,158	5,364	5,185
Current assets					
Debtors	9	63	107	170	182
Cash at bank and in hand		1,912	545	2,457	4,224
Total current assets		1,975	652	2,627	4,406
Liabilities					
Creditors: amounts falling due within one year	10	(196)	(102)	(298)	(1,543)
Net current assets		1,779	550	2,329	2,863
Total net assets		5,985	1,708	7,693	8,048
Funds of the Charity					
Restricted funds	11.2		1,708	1,708	2,462
Unrestricted funds	11.2	5,985		5,985	5,586
Total funds of the Charity		5,985	1,708	7,693	8,048

These financial statements were approved by the Trustee on 3rd November 2022 and are signed on its behalf by:



Chief Financial Officer

Leicester Hospitals Charity

Statement of Cash Flow at 31 March 2022

Table 1: Statement of Cash Flow

	21-22 Total Funds £000	20-21 Total Funds £000
Cash flows from operating activities:		
Net cash provided by operating activities	(1,888)	(160)
Cash flows from investing activities:		
Dividends, interest and rents from investments	121	108
Net cash provided by investing activities	<u>121</u>	<u>108</u>
Change in cash and cash equivalents in the reporting period	(1,767)	(52)
Cash and cash equivalents at the beginning of the reporting period	4,224	4,276
Cash and cash equivalents at the end of the reporting period	2,457	4,224

Table 2: Reconciliation of net income/(expenditure) to net cash flow from operating activities

	21-22 Total Funds £000	20-21 Total Funds £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(355)	(1,473)
Adjustments for:		
(Gains)/losses on investments	(198)	(880)
Dividends, interest and rents from investments	(121)	(108)
Investment management fees & income transacted through the investment account	19	19
(Increase)/decrease in debtors	12	1,222
Increase/(decrease) in creditors	(1,245)	1,060
Net cash provided by operating activities	<u>(1,888)</u>	<u>(160)</u>

Table 3: Analysis of cash and cash equivalents

	£000	£000
Cash in Hand	<u>2,457</u>	<u>4,224</u>
Total cash and cash equivalents	2,457	4,224

Leicester Hospitals Charity

Notes to the Accounts

Note 1 - Charity Information

Leicester Hospital Charity is a private unincorporated charity (registration number: 1056804). The charity is registered and domiciled in the United Kingdom. The principal address is Belgrave House, Gwendolen Road, Leicester General Hospital, LE5 4PW.

Note 2 - Accounting Policies

a) Basis of preparation

The financial statements have been prepared on an accruals basis. The financial statements 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) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts have been prepared on a going concern basis and there are no material uncertainties about the charity's abilities to continue.

b) Incoming resources

All incoming resources are recognised once the Charity has entitlement to the resources, it is probable that the resource will be received and the monetary value of incoming resources can be measured with sufficient reliability.

c) 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 from the estate(s) that the probate has been granted.
- The executors have established that there are sufficient assets in the estate to pay the legacy.
- All conditions attached to the legacy have been fulfilled or are in 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.

d) Gifts in kind

Gifts in kind are recorded in the statement of financial activities as incoming resources if they are given and held as stock for distribution by the Charity, and an equivalent amount will be disclosed as resources expended to reflect their distribution. Assets given for use by the Charity are included within incoming resources and also recognised as a fixed asset when receivable. Where a gift has been made in kind and on trust for future conversion into cash for use by the Charity, then the incoming resources will be recognised if material and when receivable, with an adjustment being made to the valuation upon realisation of the gift. Items donated for resale in the on-site hospital shops are recognised as income upon the sale of those items. The proceeds of those sales are recognised as income from trading activities.

e) Funds structure

Where there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Unrestricted funds are those which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds which are funds the Trustees have chosen to earmark for set purposes, although there is no legal restriction as to their use.

f) Resources expended

The accounts are prepared in accordance with the accruals concept. Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

g) Grants payable

Grants payable are payments, made to third parties (including NHS bodies) in the furtherance of the charitable objectives. They are accounted for on an accruals basis and are recognised in the accounts where the conditions for their payment have been met or where a third party has reasonable expectation that they will receive a grant.

h) Costs of generating funds

The cost of generating funds are the costs associated with generating income for the funds held on trust. This will include the costs associated with the salaries of the fundraising department and investment management fees.

i) Support and overhead costs

Support and overhead costs are accounted for on an accruals basis and mainly relate to recharges of the appropriate proportion of costs incurred for the administration and management support supplied by the University Hospitals of Leicester NHS Trust.

The costs of fundraising, overhead and support costs have either been directly allocated or apportioned to funds on an appropriate basis. Where costs require apportionments, these have been charged to funds on a quarterly basis using average quarterly fund balances as the basis of apportionment. For purposes of the Statement of Financial Activities, overhead costs have been split between expenditure on raising funds and charitable activities.

j) Pensions

The Charity is a grant making Charity and has no employees. Staff recharged to the Charity are employed by the University Hospitals of Leicester NHS Trust under NHS terms and conditions and including its pension arrangements. Recharges to the Charity are inclusive of pension costs.

Leicester Hospitals Charity

Notes to the Accounts

Note 2 - Accounting Policies (Continued)

k) Pensions continued

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

l) Charitable activities

Cost of charitable activities comprise all costs incurred in the pursuit of charitable objects of the Charity. These costs comprise direct costs incurred as a result of the awarding of grants and an apportionment of overhead and support costs.

m) Fixed asset investments

Investments are a form of basic financial instrument. Fixed asset investments are initially recognised at the 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 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 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. Further information on the charity's investments can be found in Note 8.

n) Debtors

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

o) 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, in an interest bearing savings account.

p) Creditors

Creditors are amounts owed by the Charity. They are measured at the amount that the Charity expects to have to pay to settle the debt.

q) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (or purchase date if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or purchase date if later).

r) VAT

The Charity currently utilises benefits from the use of VAT exemption certificates for relevant purchases for donations to the NHS trust. The Charity also reclaims VAT on relevant contracted out services that are supplied to the NHS trust as part of the awarding of grants. Any irrecoverable VAT is charged back against the category of resources expended for which it was incurred.

Leicester Hospitals Charity

Notes to the Accounts

Note 3 - Prior year comparatives by type of fund

The primary statements provide prior year comparatives in total; this note provides prior year comparatives for the Statement of Financial Activities and Balance Sheet for Unrestricted and Restricted funds held by the Charity.

Unrestricted funds - Statement of Financial Activity

	31 March 2022 £000	31 March 2021 £000
Income from		
Donations and legacies	1,535	1,701
Other trading activities	1	8
Investments	72	63
Total Income	1,608	1,772
Expenditure on		
Raising funds	536	466
Charitable activities	715	1,035
Total expenditure	1,251	1,501
Gains/(losses) on investment assets	49	504
Net income/(expenditure)	406	775
Gross transfers between funds in year	(7)	-
Net incoming/(outgoing) resources	399	775
Reconciliation of funds		
Total funds brought forward	5,586	4,811
Total funds carried forward	5,985	5,586

Unrestricted funds - Balance Sheet

	31 March 2022 £000	31 March 2021 £000
<i>Fixed assets:</i>		
Investments	4,206	2,906
Total fixed assets	4,206	2,906
<i>Current assets:</i>		
Debtors	63	84
Cash at bank and in hand	1,912	2,932
Total current assets	1,975	3,016
<i>Liabilities:</i>		
Creditors falling due within one year	(196)	(336)
Net current assets	1,779	2,680
Total net assets for unrestricted funds	5,985	5,586
Total Unrestricted funds	5,985	5,586

Leicester Hospitals Charity

Notes to the Accounts

Note 3 - Prior year comparatives by type of fund (Continued)

Restricted funds - Statement of Financial Activity

	31 March 2022 £000	31 March 2021 £000
Income from		
Donations and legacies	1,452	2,276
Other trading activities	245	248
Investments	49	45
Total Income	1,746	2,569
Expenditure on		
Raising funds	229	177
Charitable activities	2,427	5,016
Total expenditure	2,656	5,193
Gains/(losses) on investment assets	149	376
Net income/(expenditure)	(761)	(2,248)
Gross transfers between funds in year	7	-
Net incoming/(outgoing) resources	(754)	(2,248)
Reconciliation of funds		
Total funds brought forward	2,462	4,710
Total funds carried forward	1,708	2,462

Restricted funds - Balance Sheet

	31 March 2022 £000	31 March 2021 £000
<i>Fixed assets:</i>		
Investments	1,158	2,279
Total fixed assets	1,158	2,279
<i>Current assets:</i>		
Debtors	107	98
Cash at bank and in hand	545	1,292
Total current assets	652	1,390
<i>Liabilities:</i>		
Creditors falling due within one year	(102)	(1,207)
Net current assets	550	183
Total net assets for restricted funds	1,708	2,462
Total restricted funds	1,708	2,462

Leicester Hospitals Charity

Notes to the Accounts

Note 4 - Related party transactions

Name of connected organisation

University Hospitals of Leicester NHS Trust (the Trust).

The Trust, which is the corporate trustee, provides accommodation and managerial support to the Charity. Members of the Trust Board sit on the Charitable Funds Committee which oversees the workings of the Charity.

Turnover of connected organisation

£1,319 million (£1,284 million in 2020-21)

The Trust is the sole beneficiary of the Charity. Following the approval of grant applications received from the Trust, the Charity incurs expenditure which benefits the Trust's patients, their carers and the staff who look after them. The funding amounted to **£3.1m (£6.1m in 2020-21)** and is reflected under charitable activities within the Statement of Financial Activities. During the year no members of the Trust Board or senior Trust staff or parties related to them were beneficiaries of the Charity.

The Charity has paid charges amounting to **£138k** to the Trust in the year for accommodation charges, finance staff and senior management costs. The Charity's fundraising staff are paid directly by the Trust and recharged to the Charity.

Details of the debtor and creditor balances held between the Trust and the Charity on 31 March 2022 can be found in Notes 9 and 10.

Note 5 - Incoming resources

The income received by the Charity has been categorised on the face of the Statement of Financial Activities. This mainly comprises of donations, legacies, fundraising and investment income.

Note 5.1 - Income from other trading activities

The Charity runs a public lottery, staff lottery and hospital charity shop which are all classed as trading activities. The hospital support shops closed during 20-21 and have not reopened.

Note 5.2 - Income	Total	Total
	2021-22	2020-21
	£'000	£'000
Lottery Income	246	250
Hospital Support Shop Income	0	6
Total Income from trading activities	246	256

Leicester Hospitals Charity

Notes to the Accounts

Note 5.3 - Donations and Legacies

	Income £'000k	Total £'000k
Legacies		
Specific legacy	84	
Specific legacy	79	
Specific legacy	70	
Other legacies	170	
		403
Donations		
NHS Charities Together Grant Stage 3	352	
NHS Charities Together Grant Stage 2	294	
Charitable Foundation	228	
Charitable Foundation	181	
Charitable Foundation	125	
Private donation	69	
Corporate Donation	67	
Charitable Foundation	50	
Charitable Foundation	48	
Returned Donation	-76	
Other donations and fundraising	1246	
		2,584
Total Donations and Legacies		2,987

Note 6 - Resources expended

The Statement of Financial Activities summarises expenditure between charitable activities and the expenditure on raising funds.

Note 6.1 - Expenditure on raising funds

	Unrestricted Funds £'000	Restricted funds £'000	Total 2021-22 £'000	Total 2020-21 £'000
Fundraising team salaries	391	70	461	413
Charity Shop costs	0	0	0	20
Lottery prizes	0	111	111	109
Appeals and events expenditure	77	18	95	11
Printing, stationery & marketing	33	21	54	35
System costs	1	1	2	2
Other miscellaneous costs	18	4	22	35
Investment Manager's Fees	15	5	20	18
Total expenditure on raising funds	535	230	765	643

Leicester Hospitals Charity

Notes to the Accounts

Note 6.2 - Expenditure on charitable activities

The only charitable activity that the Charity undertakes is the awarding of grants. The Charity does not make grants to individuals and the actual disbursement received by the beneficiaries for each category is disclosed below. These figures include an apportionment of support costs.

	Grant Funded Activity £'000	Support Costs £'000	Total 2021-22 £'000	Total 2020-21 £'000
Patient welfare and amenities	521	30	551	429
Staff welfare and amenities	193	11	204	393
Research	192	11	203	189
Capital contributions	2,067	117	2,184	5,040
Total expenditure on charitable activities	2,973	169	3,142	6,051

All grants are made to the Trust. The Trustee operates a Scheme of Delegation through which all grant funded activity is managed by fund managers, responsible for the day to day disbursements on their projects. This activity is undertaken in accordance with the directions set out by the Trustee in its Standing Orders and Standing Financial Instructions which have been adopted by the Charity.

	Unrestricted Funds £000s	Restricted funds £000s	Total 2021-22 £000	Total 2020-21 £000
Patient welfare	240	281	521	419
Staff welfare	123	70	193	384
Research	9	183	192	184
Capital	211	1,856	2,067	4,919
Total grants	583	2,390	2,973	5,906

Note 6.3 - Analysis of staff costs

The Charity does not employ any direct staff but is recharged with the costs of staff from the NHS trust. These staff provide administration, accounting, fundraising and management support to the Charity and their costs are summarised in the Table below:

	2021-22 £'000	2020-21 £'000
Fundraising & appeals team	461	433
Finance accounting & administration	119	107
Total staff costs	580	540

This can be further analysed as follows:

	2021-22 £'000	2020-21 £'000
Salaries	474	442
Pensions	60	58
National insurance contributions	46	40
Total staff costs	580	540

The average number of full time equivalent employees during the year was 13 (12 in 2020-21). 1 employee had emoluments in excess of £60,000 and had employee benefits excluding employer pension costs of between £80,000 and £90,000. (1 employee in 2020-21 between £70,000 and £80,000).

Note 6.4 - Auditor's remuneration

The External Auditor's remuneration of £12,000 inclusive of VAT (£7,080 in 2020-21 inclusive of VAT) related solely to the audit of the Charity's accounts, with no additional work undertaken.

Note 6.5 - Grants and donations returned to third parties

No grants were returned to third parties in 2021-22 (£nil in 2020-21). One donation was returned for £76,327. (£nil in 2020-21) following the cancellation of a planned project funded by a specific donation.

Leicester Hospitals Charity

Notes to the Accounts

Note 7 - Financial Instruments

The Charity has financial assets and financial liabilities in the following categories:

	31 March 2022 £'000	31 March 2021 £'000
Financial Assets		
Financial assets measured at fair value through income and expenditure:		
Cash at Bank and in hand	2,456	4,224
Debt instruments measured at amortised cost:		
Trade debtors	59	56
Other debtors	37	12
Total	<u>96</u>	<u>68</u>
Financial Liabilities		
Financial Liabilities measured at amortised cost:		
Trade payables	235	1,251
Other creditors	63	292
Total	<u>298</u>	<u>1,543</u>

Note 8 - Fixed asset investments

The Charity does not hold any tangible or heritage assets. The only fixed assets that the Charity holds relate to an investment portfolio managed by the Trust's investment manager's instructed to maximise the level in growth in funds that is consistent with a broadly low risk strategy.

Note 8.1 - Movement in fixed asset investments	2021-22 £'000	2020-21 £'000
Market value at 1 April 2021	5,185	4,324
Add: additions to investment at cost	655	326
Less: disposals at carrying value	(674)	(345)
Add: realised gain on disposal *	82	26
Add: Unrealised gain on revaluation *	116	854
Market value as at 31 March 2022	<u>5,364</u>	<u>5,185</u>
*Total gains for 2021-22 - £198k (2020-21 - £880k gains)		

Leicester Hospitals Charity

Notes to the Accounts

Note 8.2 - Analysis of investment portfolio

	Held in UK £'000	Held outside UK £'000	2021-22 Total £'000	2020-21 Total £'000
Investments listed in unit trusts	1,660	3,588	5,248	5,085
Cash held as part of investment portfolio	116		116	100
Market Value as at 31 March 2022	1,776	3,588	5,364	5,185

Note 8.3 - Analysis of gross income from investments

	Unrestricted Funds £'000	Restricted Funds £'000	2021-22 Total £'000	2020-21 Total £'000
Income from investment manager's portfolio	72	49	121	105
Other investments	-	-	-	3
Total investment income	72	49	121	108

Leicester Hospitals Charity

Notes to the Accounts

Note 8.4 - Investments

	Value as at 31st March 2022 £'000	Value as at 31st March 2022 £'000	% of portfolio as at 31st March 2022 %
Equities			
<i>UK equities</i>			
BP Ord USD0.25	61		1.1%
Royal Dutch Shell 'B'Ord Euro.07	55		1.0%
Croda Intl Ord GBP0.10609756	65		1.2%
Rio Tinto Ord GBP0.10	98		1.8%
Howdens Joinery GR Ord GBP0.10	56		
Unilever Plc Ord GBP0.031111	61		1.1%
Glaxosmithkline Ord GBP0.25	84		1.6%
Relx PLC GBP0.1444	83		1.6%
Compass Group Ord GBP0.1105	56		1.0%
Intercontinental Hotels Ord GBP0.208521303	56		1.0%
National Grid Ord GBP0.12431289	94		1.8%
Lloyds Banking Gp Ord GBP0.10	58		1.1%
Admiral Group Ord GBP0.001	69		1.3%
Hiscox Ord GBP0.065 (DI)	41		0.8%
Legal & General GP Ord GBP0.025	74		1.4%
Link Fund Sol Ltd Gresham HS UK Mul Cap F Inc	59		1.1%
<i>International equities</i>			
Ballie Gifford American B Nav Acc	206		3.8%
JPMorgan Funds Lrt US Equity Inc	115		2.1%
Vanguard Inv UK LT US Equity IDX	711		13.3%
BNY MELLON GLB FDS US EQUITY INCOME E GBP DIS	77		1.4%
FIDELITY UCITS ICA US QUAL INC UCITS ETF GBP I	106		2.0%
Kone OYJ Ser'b'npv	47		0.9%
Alcon AG CHF0.04	57		1.1%
Blackrock FM Ltd European Dynamic	128		2.4%
Premier Portfolio PM European Opps B Acc	75		1.4%
Ballie Gifford Japanese	123		2.3%
Hermes Invest Mngm Asia Ex-Japan EQTY F	155		2.9%
MSIM Fund MGMT Asia Opportunity J USD Acc	88		1.6%
Blackrock FM Ltd BFM Emerging Markets	40		0.7%
Total Equities		3,001	55.9%
Bonds			
<i>UK Bonds</i>			
Pimco Global Advis UK Corp	202		3.8%
<i>International Bonds</i>			
Henderson Investment Janus	138		2.6%
Jupiter UT Managers Strategic Bond	253		4.7%
Newton Global DYNM	250		4.7%
Xtrackers II	234		4.4%
Maitland INSTL SVC MI Select MNGRS Bond	83		1.5%
Total Bonds		1,160	21.6%
Property			
Charities Prop FD Property fund income	71		1.3%
London Metric PROP ORD GBP0.10	58		
Mayfair Capital in Prop inc Trust for charities	133		2.5%
Total Property		262	4.9%
Other			
FRANKLIN TMPLTN F2 FTF CLRBRIDGE GBL INFRA INC	117		2.2%
JPMORGAN AM UK LTD GBL MACRO OPPS C NET INC	57		1.1%
Link fund Sol Ltd Capita Trojan X Dis	207		3.9%
Ninety One FD Mgrs Diversified Income	129		2.4%
Blackrock (Lux) SA UK Emg Cos Abs Rtn s" GBP	191		3.6%
Int Public Partner ord GBP0.0001	77		1.4%
SEQUOIA ECONOMIC I NPV	48		0.9%
Total Other		825	15.4%
Cash			
Total cash		116	2.2%
Total investments		5,364	100%

Leicester Hospitals Charity

Notes to the Accounts

Note 9 - Analysis of debtors

	2021-22 £'000	2020-21 £'000
<i>Amounts falling due within one year:</i>		
Accrued income	74	114
Debtors - recharges due from UHL NHS Trust	59	56
Other debtors	37	12
Total debtors	170	182

Note 10 - Analysis of creditors

	2021-22 £'000	2020-21 £'000
<i>Amounts falling due within one year:</i>		
Creditors - recharges due to UHL NHS Trust	235	1,251
Other creditors	63	292
Total creditors	298	1,543

Note 11.1 - Endowment funds

The Charity held no endowment funds during the year 2021-22 (2020-21 - Nil).

Note 11.2 - Analysis of material restricted & unrestricted funds

	Balance at 1 April 2021 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains and losses £'000	Balance at 31 March 2022 £'000
<i>Restricted Funds</i>						
Childrens' Appeal	1,559	638	(1,881)	0	24	340
NHSCCT stage 2	0	302	(196)	0	4	110
Staff lottery	257	248	(183)	(29)	3	296
Vascular Research	108	182	(188)	0	0	102
Spiritual Care Space	0	353	(7)	0	0	346
Others (26 funds)	538	23	(201)	36	118	514
Total restricted funds	2,462	1,746	(2,656)	7	149	1,708
<i>Unrestricted Funds</i>						
Breast Care Services	98	26	(11)	0	1	114
Cardio Respiratory	405	153	(117)	0	5	446
Chemotherapy Suite	0	314	(11)	0	0	303
Critical Care	91	41	(12)	0	2	122
Diabetes	628	9	(60)	0	5	582
General Purposes of Leicester Hospitals	385	363	(250)	347	4	849
Haematology	120	60	(30)	0	1	151
Kidney care	103	98	(18)	0	1	184
Lincoln Renal Unit - Patients & Staff	113	3	(11)	0	1	106
Neonatal	126	32	(39)	0	1	120
Oncology	177	59	(32)	0	2	206
Ophthalmology	772	45	(25)	0	1	793
Out Space Cancer	88	10	(16)	0	2	84
Pancreatic & Hepatobiliary Research	180	33	(61)	0	6	158
Surgery - Breast Care Services	213	11	(19)	0	2	207
Others (57 funds)	2,087	351	(539)	(354)	15	1,560
Total unrestricted funds	5,586	1,608	(1,251)	(7)	49	5,985
Total Funds	8,048	3,354	(3,907)	-	198	7,693

All transfers between funds have been appropriately approved in accordance with the Charity's policy. Where transfers have been made between restricted and unrestricted funds the purpose of both the restricted and unrestricted funds involved in the transfer were the same.

All unrestricted funds are designated funds apart from the General purposes fund. The Charity designates funds by department and as either staff benefit, patient benefit, equipment or research. The Charity permits transfers between designated funds.

Leicester Hospitals Charity

Notes to the Accounts

Note 11.3 - Details of material restricted funds as in 11.2

Name of fund	Description, nature and purpose of fund
Childrens' Appeal	To support the development of the Childrens' Hospital.
Spiritual Care space	To support the development of the Spiritual Care space.
Vascular Research	Research into vascular disease and limb amputation.
NHS Stage 2	To receive and distribute the NHS Stage 2 community grants.
Staff lottery	Provision of a lottery with the surplus used for the benefit of staff.

Note 12 - Contingencies

The Charity does not have any contingencies to be included in the accounts for the financial year 2021-22 (2020-21 - Nil).

Note 13 - Commitments, liabilities and provisions

The Charity has the following commitments as at the 31 March 2022:

	2021-22 £'000	2020-21 £'000
Charitable projects	1,117	798
Total	1,117	798

The Charity recognises liabilities in the accounts once there is a legal or constructive obligation to expend funds. The commitments in this note reflect the Charity's intentions to spend, and as such are not classed as liabilities in the accounts. They are all due within one year.

		2021-22 £'000	2020-21 £'000
Movement within year	Opening value	798	516
	Arising in year	3,620	6,358
	Utilised in year	(3,054)	(5,823)
	Unused / reversed	(247)	(253)
Closing value		1,117	798

Note 14 - Trustee expenses and remuneration

The Charity did not make any reimbursements for expenses or remuneration to the Corporate Trustee or any of its agents during the financial year 2021-22 (2020-21 - Nil).

Note 15 - Details of transactions with the Trustee or connected parties

The Charity did not have any connected person, other than the connected organisation noted in Note 4.

Note 16 - Volunteers

There are no volunteers attached to the Charity. UHL volunteer staff occasionally help in various projects. Other volunteers may be available at various events. These occasional volunteers enable the charity to more effectively raise funds.