

Liverpool Heart and Chest Hospital Charity

Annual Report 2021/22



LHCH
charity

Caring for people with heart and lung disease

Charity Registration Number 1052813

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Chairman's welcome

Welcome to our annual report for 2021/22.

The effect of the Covid-19 pandemic continued to be challenging for both the hospital and the charity during the financial year, exacerbated by the difficult and volatile economic climate in which we operate.

However, our donors have continued to be overwhelmingly generous in their support and it is thanks to them that we have been able to continue and expand on the assistance that we have been able to give during the past 12 months. We owe them an enormous debt of gratitude for their help.

Services that were introduced during the previous year with charitable support – such as tele-medicine have proved so popular, with both patients and staff alike, that they have continued - reducing the need for unnecessary travel and making the best use of staff time. This is also true of the tablets provided to patients to stay in touch with their loved ones as visiting continued to be restricted to reduce infection rates.

In addition, we were able to support new developments in key areas with the purchase of, amongst others, a Transcranial Doppler Ultrasound. This monitors the blood flow to the brain during complicated aortic surgery, with the aim of reducing the incidence of stroke in patients undergoing these procedures. We are proud to say that LHCH is the first hospital in Europe to be able to offer this vitally important addition to our patients.

Another notable enhancement was the delivery of the new Mobile Spirometry Unit which is helping us not only deal with those waiting for lung diagnoses but will, in future, be used to help reach those who are living in economically deprived areas. This new venture has been made possible through a collaboration between LHCH Charity and the University of Liverpool and is the first success of what we hope will be a continuing and fruitful partnership.

Bob Burgoyne – Chairman LHCH Charity



Key highlights of our year

- Introduction of the Mobile Spirometry Unit
- Official opening of the Sir Ken Dodd Training and Education Centre
- Refurbishing our Critical Care Staff Room improving staff well-being for those caring for some of our most poorly patients
- Providing Audio-Visual Equipment for the new Cath Labs enabling live communication for teaching/training purposes



Who we are



The Object of LHCH Charity is:-

“For any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by the Liverpool Heart and Chest Hospital NHS Foundation Trust”.

Aims of LHCH Charity:-

LHCH Charity aims to support Liverpool Heart and Chest Hospital in its care and treatment of patients, their families and staff by:

1 Extending the Excellence

Providing additional amenities and support for our patients, their families and our staff. Many of our patients travel long distance to access our specialist services and we help by providing accommodation for family and loved ones during what is often a very stressful time.

2 Tomorrow's medicine today

Research undertaken at Liverpool Heart and Chest Hospital could change the way heart and lung medicine is practised in the future.

3 The latest and the best

The LHCH Charity ensures that wherever possible our dedicated medical staff have access to the very latest and best in equipment and training. In this way we can make sure that our patients are always receiving the most up to date treatments available.

By doing this LHCH Charity ensures that its legal purpose is fulfilled

How we achieve our aims

The strategy for achieving our aims breaks down into two separate strands:-

1 Identification of areas for support

2 A strategy for fundraising for the identified areas



a) Identification of areas for support

LHCH Charity, in conjunction with the Consultants Fundraising Group, Charitable Funds Committee and Executive Team of the hospital, identify projects that have a criteria that fits within the 3 aims. These projects are broken down by size in terms of cost into short, medium or longer term projects.



In addition each of the Funds which sit underneath the charity umbrella have been requested to complete a form indicating how they propose to spend monies within each 12 month period. The recommendation for each Fund is that in line with best practice at least 33% of the Fund's opening balance is spent within the year unless they are planning on building funds towards a specific service or item of equipment.

b) Fundraising Strategy for identified projects.

The Head of Fundraising produces a yearly strategy which identifies the potential for fundraising for the short term aims (usually required within the financial year) as well as providing details of plans for achieving the medium and long term goals including Income and Expenditure projections as well as a Fundraising Ratio Cost and a Return on Investment Cost. This is approved by the Charitable Funds Committee and then, ultimately, the Corporate Trustee.

The Fundraising Strategy is then evaluated at each meeting of the Charitable Funds Committee in relation to its progress in achieving the support required for each of the projects.

How LHCH Charity Fundraises

LHCH Charity is guided in all of its fundraising by the Code of Fundraising Practice. Campaigns are run and managed by the charity's staff and the charity does not work with professional fundraisers or commercial participators in generating funds.

During the year LHCH Charity received no complaints from its donors or others about the standard of its fundraising approaches. It received no requests from the Fundraising Preference Service for donors to be removed from the database.

LHCH Charity and Social Investment

LHCH Charity was not involved in any social investment during the past 12 months



LHCH Charity and Grant Making

LHCH Charity was not involved in making grants to external organisations during the last 12 months but did make several grants to internal projects as per our aims and objectives during the year.



LHCH Charity and Donated Goods, services and volunteers

The Charity does occasionally receive goods for re-sale in its office at the hospital. These are recorded as gift in kind items and processed through the till with other purchased merchandise. If a gift equalling more than £1,000 is received then this is reported to the Charitable Funds Committee for noting.

The Charity did not work with any volunteers during the past 12 months.

Public benefit

At the core of every charity is the requirement to provide benefit to the public. This is the foundation of their charitable status, and each charity must demonstrate how this requirement is met through their aims and activities.

The focus of our activities is to benefit the public who utilise the services of Liverpool Heart and Chest NHS Foundation Trust. This hospital mainly services the community of Cheshire, Merseyside, North Wales and the Isle of Man, all of whom have equal access to its facilities. Charitable expenditure is made by way of direct grants to the Liverpool Heart and Chest Hospital NHS Foundation Trust, to enhance the patient care already provided.

The Trustee refers to Charity Commission guidance on achieving public benefit when reviewing the aims and objectives of the charity and in the planning of future activities.

During the year the funds raised were distributed to provide a wide range of benefits, over and above what would be expected from statutory sources to our patients, their families and our staff.

The agents of the Corporate Trustee have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission in exercising their powers or duties.



Our achievements

Like many charities LHCH Charity continued to face significant challenges during the financial year. The on-going Covid-19 pandemic once again considerably reduced our ability to hold events for the first part of the year. In addition the reduction in out-patient attendance and patient visiting lowered our merchandise sales through the office. Despite this we were still able to make a significant contribution to the health and well-being of our patients, their families and our staff.

The latest and the best

The Mobile Spirometry Unit

In partnership with the University of Liverpool, LHCH Charity was able to secure a grant of £156,000 to develop a new mobile spirometry unit which has been based at the hospital since September 2021.

This new unit offers additional clinic space to assist in the rapid diagnosis of those with lung problems helping to reduce waiting times. In the future, it will be used as a mobile unit to visit areas identified as having both social, economic and health deprivation. As well as providing access to health services, it will help to identify any early stage lung problems when they are most treatable.

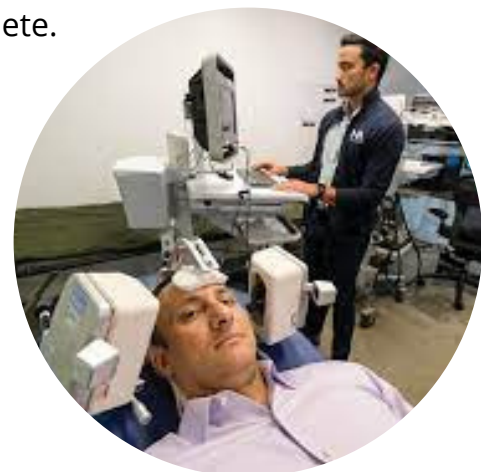


The Transcranial Doppler Ultrasound (TDU)

As a leading specialist centre in heart surgery LHCH undertakes many of the most complicated procedures which can take many hours to complete.

For those undergoing these operations the risk of stroke can be heightened. To help surgical teams the TDU assists with the monitoring of blood flow to the brain during surgery helping them to identify any risks and providing them with the opportunity to modify treatment and significantly reduce the risk of stroke to the patient.

As the first hospital in Europe to have access to this equipment LHCH will also be leading the way in assessing and benchmarking standards for other heart specialists in the future.



The Lucas Chest Compression Device

LHCH Charity was proud to be able to support the purchase of a new Lucas Chest Compression Device which has been medically proven to increase survival rates for those experiencing prolonged cardiac arrests. Providing on-going chest compressions (for up to 90 minutes in some cases) would be impossible for staff yet the device can continue to provide good quality compressions allowing for extra time for other clinical interventions – providing our patients with the best possible chance for recovery.



Extending the Excellence

The Critical Care Unit Garden and Family Facilities

A major campaign raised nearly £100,000 for our Critical Care Unit which assisted with three major initiatives.

Firstly, we were able to purchase Sky Ceiling Tiles for 6 of our critical care rooms which had no access to outside light to help reduce the incidence of delirium in our most poorly patients. Studies have shown that by not being able to recognise day and night many patients can become disassociated which can be a key factor in the development of delirium.



Secondly, we were able to refurbish the family areas within the unit – providing a more comfortable and welcoming space for those who sometimes have to spend many hours with us.

Finally, we were able to refurbish and refresh the Critical Care garden. This now provides a wonderful calm and relaxing space that is completely weather-proof and provides our patients, when they are feeling well enough, and our visitors with access to fresh air and the chance to enjoy being outside again.






Tomorrow's medicine today

Supporting research is a key part of the remit of LHCH Charity. During the past year the charity has supported a number of research initiatives including a grant of £20,000 in support of the work of a Patient Research Ambassador.

In addition LHCH Charity was able to provide £150,000 towards the purchase of audio-visual equipment within the new Cath Lab development which will aid the training and education of the medical staff of tomorrow.

Monitoring our Performance

LHCH Charity, through the Charitable Funds Committee and ultimately the Corporate Trustee, benchmarks its performance in a number of ways:-

-  It identifies fundraising projects and measure its fundraising achievement against the targets set for the achievement of each project.
-  It reviews the external factors which may affect the charity including national and local economic forecasts
-  It provides comparator information with similar charities and measures itself against them in terms of performance, percentage fundraising costs and return on investment.

LHCH Charity achieved significant success during the year but did not quite reach its fundraising target due to two issues. Firstly two legacies which should have been received during the year did not complete and secondly a major bid to a charitable trust was unable to move forward due to delays.

However, a target of £557,000 was achieved from a good balance of major gifts from charitable trusts, legacies, corporate support and donations from our supporters have helped us to achieve this figure which enabled us to do so much more than would have been possible during a very challenging year for the hospital.



How our Supporters Helped

Our supporters continue to provide outstanding assistance in helping LHCH Charity make a difference for our patients, their families and our staff. During the year they once again showed that they would go to extraordinary lengths to raise funds including:-

The Grange Senior School – who rowed the equivalent of Liverpool to Zurich in 24 hours – this amazing feat raised over £4,000 and counting. Not to be outdone by the youngsters Ian Parkin took part in the Coniston End to End Swim raising £1,262.

Of course it wasn't only individuals who helped but companies, charitable trusts and groups and organisations also played their part helping us to make a real difference to thousands of lives during the year.

To all who responded whether you undertook a marathon or wrote a cheque – from everyone here at LHCH thank you from the bottom of our hearts.



How You Can Help

You can get involved with LHCH Charity by:-



Ringling the Charity Office on: 0151 600 1409



Email us at enquiries@lhchcharity.org.uk



Writing to us at: LHCH Charity, Freepost RRL-
KSHT-ZLKE, Thomas Drive, Liverpool L14 3PE

There are so many things you can do:

- Show your support by **making a donation** by post, online or by calling the Charity Office
- Be one of our **Charity Ambassadors** and use your time to promote our work and get people involved – even set up your own local fundraising group
- **Volunteer** – you can help at events, at the Charity Office, be a collection box and badge placer, you can even work at home helping us with research



Structure, governance and management

Charity Structure

LHCH Charity is an umbrella charity which holds a number of individual funds under one Charity Registration Number (Charity Registration Number 1052813). The overall responsibility for the running of the charity lies with the Corporate Trustee i.e. the Board of Directors of Liverpool Heart and Chest Hospital.

The Charitable Funds Committee is established as a Committee of the Board of Directors of Liverpool Heart and Chest Hospital NHS Foundation Trust in order to ensure the Trust's duty as Corporate Trustee of its Charitable Funds has been discharged.

The Charitable Funds Committee operates within Terms of Reference authorised by the Board of Directors of Liverpool Heart and Chest Hospital NHS Foundation Trust. The Committee has no executive powers other than those specifically delegated in its Terms of Reference which are:-

- Develop the strategy and objectives for the Charity for consideration and approval by the Corporate Trustee.
- Oversee the implementation of an infrastructure appropriate to the efficient and effective running of the Charity
- Oversee the development and delivery of the Fundraising Strategy, as aligned to the Trust's annual plan
- Oversee the expenditure of the Charity
- Oversee the Charity's Investment Plans
- Monitor the performance of all aspects of the Charity's activities and ensure that it adheres to the principles of good governance and complies with all relevant legal requirements
- Act as the Committee that discharges the Board's responsibilities (as sole Corporate Trustee) as they relate to Charitable Funds under the Trust's custodianship.
- Ensure that the charitable funds held by the Trust are managed in a manner consistent with the requirements of the relevant regulatory and statutory frameworks and in accordance with the guidance on NHS Charities set out by the Charity Commission.
- When in this role act solely in the best interests of the Charity and in a manner consistent with the Charity Commission's requirements and expectations of the Corporate Trustee.
- Oversee the Charity's strategy, governance, major plans and key risks on behalf of the Corporate Trustee.



- Establish, prioritise and approve major fundraising projects in accordance with the strategy and approve expenditure items in accordance with delegated authority levels set out in Standing Financial Instructions.
- Monitor the performance of fundraising and marketing activity, ensuring that the return on investment is satisfactory and that income targets are met.
- Devise and implement an investment strategy for the charity, including the appointment and monitoring of any investment managers
- Ensure the approval and submission of statutory returns, annual accounts and Trustee's Report in accordance with the Charity Commission's Statement of Recommended Practice.
- Approve any policies and procedures required for the effective management of the Fund
- Members of the Charitable Fund Committee attend quarterly Charitable Funds meetings.

Recruitment and appointment of Trustees

Non-Executive Members of the Board of Directors are appointed by the Council of Governors and Executive Members of the Board are subject to recruitment by the Nominations and Remuneration Committee (Executive). Members of the Board of Directors and the Charitable Funds Committee are not individual Trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

Trustee Training and Induction

The Trust sees Trustee training as important and has provided access to resources and materials including:-

- LHCH Charity is a member of NHS Charities Together and regularly receives updates from this source. In addition Trustees were able to attend a number of courses organised by NHSCT including:-



Legal Issues for NHS Charities
Accounting, Audit and Governance
The Festival of Trusteeship

- The Trustees also have the opportunity to access the Resource Library provided by the Fundraising Regulator which has a wide range of guidance for Trustees
- Trustees also have regular meetings with CCLA (the Charity's Investment Managers) who provide briefing on the status of the current portfolio, the results and predicted future performance.



Trustee Duties

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and by designating funds, the Trustee respects the wishes of our generous donors for the advancement of health or saving lives, to provide patient and staff benefit or for the advancement of education and research.

Day to day management

The Trust has in place a scheme of reservation and delegation to support the day to day management of the charity.

The Head of Fundraising oversees the day to day running of the charity and the planning of fundraising activities for the charity. The Head of Financial Services acts as the principal officer overseeing the day to day financial management and accounting for the charitable funds during the year.

The charity does not directly employ any staff. The charity funds staffing costs of fundraising and administration staff who run and support the charity. These staffing contracts are held by the Foundation Trust and recharged accordingly. Pay grades for those working within the Charity are set using NHS Pay Scales.

Related parties

The Liverpool Heart and Chest Hospital NHS Foundation Trust is the main beneficiary of the charity and is a related party by virtue of being Corporate Trustee of the charity. The accounts of the charity are not consolidated into the accounts of the Trust as they are not material.

Charitable Funds

The Charity's unrestricted fund was established using the model declaration of trust and all funds held on trust as at the date of registration were part of this unrestricted fund.

Subsequent donations and gifts received by the charity that are attributable to the original fund are added to those fund balances within the existing charity.

Risk Management

Using the NHS Trust's own Risk Register policies and procedures, the Trustees have considered potential risks to which the charity is exposed. The LHCH Charity Risk Register is reviewed annually by the Charitable Funds Committee.

There are no major risks that have been identified



Contact us, Trustee and Advisors

Liverpool Heart and Chest Hospital Charity

Registered Charity Number: 1052813

(previous names: The Heart Appeal, The Merseybeat Appeal)

Members of the Liverpool Heart and Chest Hospital Board of Directors

who served during the financial year were as follows:-

Name	Title
Nicholas Brooks	Non - Executive Director
Mark Jones	Non - Executive Director until September 2021
Margaret Carney	Non - Executive Director from September 2021
Julian Farmer	Non - Executive Director
Bob Burgoyne	Non - Executive Director
Karen O'Hagan	Non - Executive Director
Neil Large	Chairman
Jane Tomkinson	Chief Executive Officer
Raphael Perry	Medical Director & Deputy CEO
Karen Edge	Chief Finance Officer
Sue Pemberton	Director of Nursing & Quality
Hayley Kendall	Chief Operating Officer

Principal Financial Advisor

Banker	Solicitor
Barclays Bank Plc North West Larger Businesses P O Box 378 71 Grey Street Newcastle Upon Tyne NE99 1JP	Hill Dickinson Pearl Assurance House Derby Square Liverpool L2 9XL



Investment Broker	Independent Examiner
CCLA Investment Management Senator House, 85 Queen Victoria Street, London EC4V 4ET	McLintocks (NW) Limited 2 Hillards Court Chester Business Park Chester CH4 9PX

Responsibility for the on-going management of funds is delegated by the Corporate Trustee to the Charitable Funds Committee which administers the funds on behalf of the Corporate Trustee. The names of the people who served as agents for the Corporate Trustee, as permitted under regulations 16 of the NHS Trust's (Membership and Procedures) Regulations 1990, were as follows:-

Name	Title
Julian Farmer	Non - Executive Director
Nicholas Brooks	Non - Executive Director
Bob Burgoyne	Non - Executive Director
Jane Tomkinson	Chief Executive Officer
Karen Edge	Chief Finance Officer

Principal office

The principal office for the charity is:
 Liverpool Heart and Chest Hospital Charity
 Thomas Drive
 Liverpool
 L14 3PE

For more information on the LHCH Charity please visit our website at www.lhchcharity.org.uk



Financial Review

The financial statements have been prepared in accordance with the historic cost basis, with the exception of investments which are included at re-valued amounts. The financial statements have been prepared on the going concern basis and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2019)" updated in January 2019, applicable to charities preparing their accounts in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102), effective 1st January 2019.

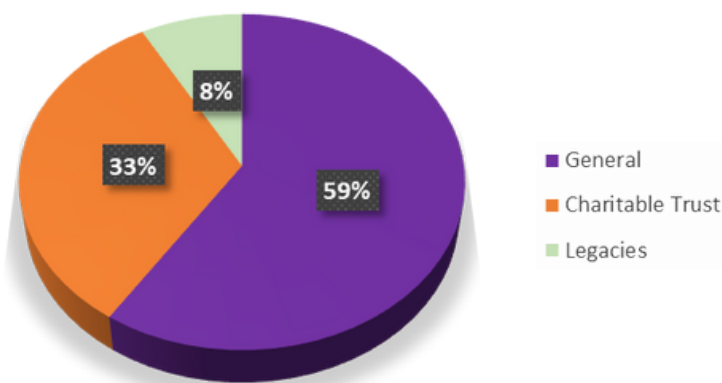
The net assets of the charitable fund as at 31st March 2022 were £1,866 (2020/21 £2,161k), a decrease of £295k during the financial year.

Total incoming resources this year amounted to £557k (2020/21 £1322k). Donations from charitable trusts played a significant part in this with a donation of £156,000 for the Mobile Spirometry Unit. Legacy income was significantly reduced on the year before amounting to some £44,430 compared to £342,672 in the previous year. Of the total expenditure of £937k (2020/21 £982k), expenditure on charitable activities was £770k (2020/21 £852k) and expenditure on raising funds was £164k (2020/21 £127k).

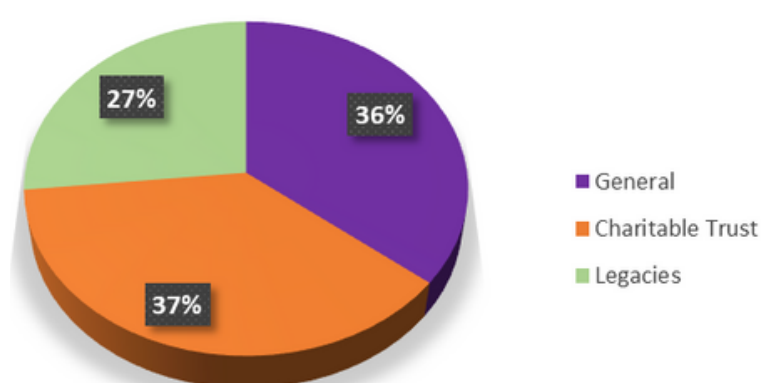
Income summary Table

		2021-22	2020-21
Donations	General	£324,708	£462,355
	Charitable Trusts	£178,750	£486,400
	Legacies	£44,430	£344,273
	Total	£547,888	£1,293,028

Breakdown of Income Sources 2021/22



Breakdown of Income Sources 2020/21



Going Concern

The Trustee has a reasonable expectation that the Charity has adequate resources to continue as a going concern. Expenditure is discretionary and balanced against the reserves policy requirements. Accounting for income and expenditure is on an accruals basis to ensure all committed expenditure is reflected in the reporting process, and the Charity has sufficient resources to meet its committed expenditure for 12 months from the date that the financial statements were approved by the Charitable Funds Committee.

Reserves policy



The Trustee is under a legal duty to apply charity funds within a reasonable time of receiving them. In order to comply with this duty, the Trustee has developed a reserves policy to explain the level of reserves held and set out how they will be managed.

The reserves policy applies to unrestricted funds, and states that the level of reserves should be sufficient to:

- Ensure stability of grant funding;
- Cover between one and three years administration, fund-raising and support costs; and
- Maintain the level of investments at its current level in order to mitigate against significant fluctuations in the levels of donations

Therefore, the Trustee considers it prudent that the target range of unrestricted reserves is between £500,000 and £1,500,000 to ensure that the charity can run efficiently and meet the needs of its beneficiaries. The Balance Sheet shows that the unrestricted reserves is £1,866k at the end of the financial year, which is outside the reserves range required by the policy.

Applications to the charity valued at £712k were approved at the end of March. This gives a reserves balance available for future approvals of £1,154k, which is consistent with the reserves range.

Restricted funds are excluded from this policy, in accordance with the Charity Commission guidance as they are subject to specific trusts and are not fully expendable at the discretion of the Trustee.

On an annual basis, the funds will be examined to ensure compliance with this reserves policy.

Plans for future

In the coming years LHCH Charity aims to continue its work in raising funds in support of Liverpool Heart and Chest Hospital. In particular during the next 12 months it will seek to develop two major campaigns firstly to assist with the new Cath Lab development and also for equipment for our cancer services.



A strategy is being developed over the coming months to assist us with the planning of these major campaigns which will be overseen and supported by the Charitable Funds Committee and the Corporate Trustee. During this development phase the Charitable Funds Committee will review past fundraising initiatives and review the allocation of resources to the charity to enable it to fulfil its aims.

Investment Policy

The charity conforms to the investment powers given by the Charity Commission order for a NHS umbrella charity and the Trustee Act 2000.

Charitable funds are invested by the Chief Finance Officer in accordance with the Trust's policy and subject to statutory requirements.

The members of the Charitable Funds Committee review the performance of investment and banking at the quarterly meetings. The Committee has decided that the Charities Official Invest Fund (COIF) is to be used for the investment of charitable funds. In year the Committee has chosen to invest their monies in the COIF charities ethical fund as this aligns with the Trust values and overall strategy as there are tighter restrictions on alcohol, tobacco and fossil fuels.

Amounts to be invested with COIF are decided by the Charitable Funds Committee. The amount originally invested in COIF was £400k. A further £300k was invested in September 2021. This investment has a current market value, as at 31st March 2022 of £1,165k (31/03/2021 - £780k).

At the end of the financial year the charity held £1,311k (2020/21 - £2,344k) in an instant access bank account. The charity has adopted the trust's policy on investments meaning that all cash balances must remain in a comparatively liquid form. All investments resulting must be realisable and have maturity not exceeding three months. The charity has one investment with COIF, which can be withdrawn within 7 days - in line with trust policy.

Cash deposits are invested in accordance with the Trust's Treasury Management Policy which has been adopted by the Charity.

Short-term investments should be invested with banks rated: A+ Moody's rating.

Long-term investments should be invested with banks rated: A+ Moody's rating. Dividends received are allocated to individual designated funds in proportion to their average closing balances for the relevant quarter.



The risk associated with the normal fluctuation in the value of investments are mitigated by holding investments in a diversified fund of investments and by only investing funds not required in the short or medium.

Fund Expenditure Policy

Expenditure against any Charitable Fund is conditional upon the item being within the terms of the appropriate fund and the procedures approved by the Board of Directors.

Before expenditure is incurred consideration is given to the following:

- The funds may be used for the benefit of hospital staff (both clinical and support) as long as it is in line with the objective of the fund and it does not go beyond what a good employer would consider reasonable to provide.
- The funds cannot be used to campaign or lobby on behalf of the Trust
- Should comply with the requirements of the Charities Act 2006 on the Public Benefit Test where there is an identifiable benefit or benefits and this benefit must be to the public or section of the public
- Should not generally be spent for the benefit of specific individuals
- To supplement the remuneration (directly or indirectly) of officers
- The authorised signatories must consider the following:-
- That the expenditure is within the general and specific restrictions placed upon the funds (the authorising officer must be aware of these)
- Must be applied for the purposes set out in the Governing Document
- That the funds are not freely available from other sources
- Must be applied with complete fairness between persons who are properly qualified to benefit from it.



Independent Examiners Report

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LIVERPOOL HEART AND CHEST HOSPITAL

I report to the trustees on my examination of the accounts Liverpool Heart and chest Hospital (Charity No: 1052813) for the year ended 31st March 2022, which are set out on pages 21 to 32.

Responsibilities and basis of report

As the charity trustees, you are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

I report in respect of my examination of the Charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

I have completed my examination. I can confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe in, any material respect,:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Michael Caputo FCA
McIntocks (NW) Limited
2 Hilliards Court
Chester Business Park
CHESTER
CH4 9PX



Annual accounts 2021/22

Trustee responsibilities statement

The trustees are responsible for preparing the Trustees' 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 and Wales requires the trustees 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 year.

In preparing these financial statements, the trustees are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

Signed on behalf of the trustee:

Bob Burgoyne

Chair of Charitable Funds Committee

Karen Edge

LHCH Chief Finance Officer
Financial Trustee



Liverpool Heart & Chest Hospital Charity

Annual Accounts for year ended 2021/22

Foreword

The Charity was created in 1996 under statutory instrument

The Charity exists for any charitable purpose or other purpose relating to the NHS wholly or mainly for the service provided by Liverpool Heart & Chest Hospital NHS Foundation Trust

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Bob Burgoyne
Chair of Charitable Funds Committee

Karen Edge
Financial Trustee

Statement of Financial Activities for the year ended 31 March 2021

	Note	2021-22 Total Funds £000	2020-21 Total Funds £000
Income and endowments from:			
Donations and legacies	1.3		
Other trading activities	4.5	548	1,293
Income from Investments *	4.6	8	4
Income from Charitable activities		0	24
	6.4	<u>1</u>	<u>1</u>
Total income and endowments		<u>557</u>	<u>1,322</u>
Expenditure on:	1.6, 1.7, 3.1, 4.1		
Raising funds	1.9, 4.2	(164)	(127)
Charitable activities	4.3	(770)	(852)
Other expenditure	4.4	<u>(3)</u>	<u>(3)</u>
Total expenditure		<u>(937)</u>	<u>(982)</u>
Net gains/(losses) on investments	9	85	134
Net income/(expenditure) and net movement in funds		<u>(295)</u>	<u>474</u>
Reconciliation of funds:			
Total funds brought forward		<u>2,161</u>	<u>1,687</u>
Total funds carried forward		<u>1,866</u>	<u>2,161</u>

All the Charity's funds are unrestricted.

Balance Sheet as at 31 March 2021

	Notes	Total at 31 March 2022 £000	Total at 31 March 2021 £000
Fixed Assets			
Investments	1.10, 6.1, 6.2	<u>1,165</u>	<u>780</u>
Total Fixed Assets		<u>1,165</u>	<u>780</u>
Current Assets			
Debtors	7.1	3	255
Stock		6	9
Cash at bank and in hand		<u>1,311</u>	<u>2,344</u>
Total Current Assets		<u>1,320</u>	<u>2,608</u>
Creditors: Amounts falling due within one year	8.1	<u>(619)</u>	<u>(1,227)</u>
Net Current Assets		<u>701</u>	<u>1,381</u>
Total Assets less Current Liabilities		<u>1,866</u>	<u>2,161</u>
Total Net Assets		<u>1,866</u>	<u>2,161</u>
Funds of the Charity			
Income Funds:			
Unrestricted	9.0	<u>1,866</u>	<u>2,161</u>
Total Funds		<u>1,866</u>	<u>2,161</u>

The Financial statements on pages 17 to 27 were approved by the Trustee and authorised for issue on and are signed on their behalf by:

Signed:

Date:

Statement of Cash Flows for the year ended 31 March 2021

	2021-22 Total Funds £000	2020-21 Total Funds £000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	<u>(733)</u>	<u>1,033</u>
Cash flows from investing activities:		
Dividends and interest from investments	0	24
Extra Investment	(300)	0
Net cash provided by (used in) investing activities	<u>(300)</u>	<u>24</u>
Change in cash and cash equivalents in the reporting period	(1,033)	1,057
Cash and cash equivalents at the beginning of the reporting period	2,344	1,287
Cash and cash equivalents at the end of the reporting period	<u>1,311</u>	<u>2,344</u>

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

	2021-22 £000	2020-21 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(295)	474
Adjusted for:		
(Gains)/losses on investments	(85)	(134)
Dividends and interest from investments	0	(24)
(Increase)/decrease in stock	3	(5)
(Increase)/decrease in debtors	252	(255)
Increase/(decrease) in creditors	(608)	977
Net cash provided by (used in) operating activities	<u>(733)</u>	<u>1,033</u>

Analysis of cash and cash equivalents:

	2021-22 £000	2020-21 £000
Cash at bank and in hand	1,311	2,344
Total cash and cash equivalents	<u>1,311</u>	<u>2,344</u>

Notes to the Account

Accounting Policies 1

1.1 Accounting Convention

The financial statements have been prepared on the basis of historic cost convention, as modified for the revaluation of certain investments. The financial statements have also been prepared in accordance with Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) (effective 1 January 2019) and applicable UK accounting standards and the Charities Act 2011.

1.2 Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Where the restriction requires the gift to be invested to produce income but the Trustee has the power to spend the capital, it is classed as expendable endowment. Liverpool Heart & Chest Hospital Charity does not have any restricted funds or expendable endowments.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non binding wishes or where the Trustee, at their discretion, have created a fund for a specific purpose.

1.3 Income Recognition

All incoming resources are included in full in the Statement of Financial Activities as soon as the following three factors can be met:

- i) entitlement - arises when control over the rights or other access to the economic benefit has passed to the Charity;
- ii) probable - when it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity; and
- iii) measurement - when the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

1.4 Income from Donations and Legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is normally probable. This will be when:

- i) there has been a grant of probate;
- ii) the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and
- iii) any conditions attached to the legacy are either within the control of the charity or have been met.

There are no material legacies which have been notified but not recognised as incoming resources in the Statement of Financial Activities.

1.4 Income from Donations and Legacies (cont'd)

a) Donations

- i) All funds are unrestricted but may be designated. These include donations where particular parts of Liverpool Heart and Chest Hospital or its activities were nominated by the donor at the time that the donation was made. Whilst nomination is not binding on the Trustee, the designated funds reflect these nominations. The Charity does not have any restricted funds.
- ii) Where a preference is not expressed by the donor then the donation is applied to Liverpool Heart and Chest Appeal which has four key elements to our fundraising aims;
 - To raise funds for key pieces of medical equipment
 - To develop the Enhancing the Healing Environment programme
 - To support patient centred research
 - To continually invest in our staff to improve their clinical techniques so that we can provide our patients with an unrivalled patient experience.
- iii) Where possible the Trust reclaims tax on donations through the Gift Aid scheme.

1.5 Income from Charitable activities

a) Robert Owen House Accommodation Income

- i) Robert Owen House provides inexpensive overnight accommodation for relatives and friends of patients. Income received is applied to the upkeep and day to day running costs of the house.
- ii) Robert Owen House accommodation income is credited to incoming resources from Charitable Activities within the Statement of Financial Activities.
- iii) Robert Owen House Income is credited net of VAT based on the date of occupancy.
- iv) The Charity has treated income from Robert Owen House as Primary Purpose Trading and as such the profits are exempt from tax.

1.6 Expenditure

The funds held on Trust accounts are prepared in accordance with the accruals concept. All expenditure is recognised when all of the following criteria are met:

- i) obligation - a present legal or constructive obligation exists at the reporting date as a result of a past event;
- ii) probable - it is more likely than not that a transfer of economic benefits, often cash, will be required in settlement; and
- iii) measurement - the amount of the obligation can be measured or estimated reliably.

Grants are mainly made to Liverpool Heart and Chest Hospital NHS Foundation Trust in furtherance of the charitable objects of the funds. A liability for such grants is recognised when approval had been given by the Trustee. The Foundation Trust has full knowledge of the plans of the Trustee, therefore a grant approval is taken to constitute a firm intention of payment which has been communicated to the Foundation Trust, and so a liability is recognised.

Expenditure on raising funds comprises the costs associated with attracting voluntary income. Expenditure on Charitable activities comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and any costs of an indirect nature necessary to support them.

Governance costs include only those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

1.7 Irrecoverable VAT

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

1.8 Governance Costs

Establishment costs and Audit fees are apportioned to resources expended based on the value of transactions within each cost category at the end of the year.

1.9 The Costs of Raising Funds

These costs are salaries and other expenses associated with the Liverpool Heart and Chest Charity Fundraising Team and day to day expenses incurred in running Robert Owen House.

1.10 Fixed Asset Investments

Investments are stated at market value at the balance sheet date.

1.11 Gains and Losses

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

1.12 Change in the Basis of Accounting

There has been no change in the basis of accounting this financial year.

2.0 Related Party Transactions

Under the guidance provided by the Financial Reporting Standard 8, Liverpool Heart & Chest Hospital NHS Foundation Trust is a related party as it is the Corporate Trustee of the charity. During the year the charity has had a number of material transactions with Liverpool Heart & Chest Hospital NHS Foundation Trust (e.g. grant giving). Details are included in note 12.

The Foundation Trust is the sole Trustee of the Liverpool Heart and Chest Charity and as such is considered to be a related party. During the year ended 31 March 2022, the Charity incurred £743k in expenditure and received £0k of income with the NHS Foundation Trust. Amounts owed by the Foundation Trust at 31 March 2022 were £0k and amounts owed to the Foundation Trust were £619K.

The Charitable Trust has made revenue payments to Liverpool Heart & Chest Hospital NHS Foundation Trust where agents of the Corporate Trustee (whose names are listed below) are also members of the Trust Board.

Bob Burgoyne - Chair of Charitable Funds Committee
Jane Tomkinson - Chief Executive
Karen Edge - Chief Finance Officer
Nick Brooks - Non Executive Director
Julian Farmer - Non Executive Director
Lucy Lavan - Associate Director of Corporate Affairs

The Trustee's did not receive any remuneration for work performed in relation to the Charity (2020-21: £nil).

Charitable Trust Accounts - Liverpool Heart & Chest Hospital Charity - 2021/22

Grants made to institutions	3.1	Aggregate amount paid 2022	Aggregate amount paid 2021
Name of recipient and number of grants			
Total resources expended		£000 (937)	£000 (982)
Less cost of generating funds		158	122
Less grants paid to individuals			
Less admin/audit and bank charges		36	35
Liverpool Heart & Chest Hospital NHS FT Trust		(743)	(825)

Analysis of Support Costs 4.1 Support costs are reapportioned across expenditure. The apportionment is based on the value of transactions within each of the expenditure categories reported.

The total value of support costs incurred in the reporting period is £33k and comprises £3k Establishment costs, £2k Audit fee and £28k Staffing Costs.

Expenditure on Raising Funds	4.2	Total costs	Total funds raised	Total costs	Total funds raised
		2022 £000	2022 £000	2021 £000	2021 £000
Fund raising costs		(164)	557	(126)	1,297
		(164)	557	(126)	1,297

Included within the cost of raising funds are the following staff costs:

	Net Cost	National Insurance Employer	Pension Employer	Gross Cost	Gross Cost
	£000	£000	£000	2022 £000	2021 £000
Fundraising Staff	84	9		93	92

The average number of staff employed during the year was 2 (2020/21: 2).

Robert Owen House Supplies has been reclassified as a charitable activities expenditure.

Charitable activities	4.3	Total 2022 £000	Total 2021 £000
Staff Welfare		(405)	(221)
Contribution to Liverpool Heart & Chest research		0	(145)
Purchase of new equipment		(213)	(133)
Patient welfare		(6)	(9)
Education, training and research expenses		(9)	0
New building and refurbishment		(1)	(233)
Expenditure		0	0
Robot Running Costs		(70)	(48)
Robert Owen House Repairs		(18)	4
Robert Owen House Supplies		(48)	(67)
		(770)	(852)

Other expenditure	4.4	Total 2022 Funds £000	Total 2021 Funds £000
Miscellaneous expenditure		(3)	(3)
		(3)	(3)

Note: Miscellaneous expenditure mainly consists of bank charges.

Donations and legacies 4.5

	Total 2022 £000	Total 2021 £000
Donations	(432)	(869)
ROH Donations	(3)	(50)
Legacies	(44)	(344)
Just Giving/Events	(49)	(30)
Donations Research	(20)	0
	<u>(548)</u>	<u>(1,293)</u>

Other trading activities 4.6

	Total 2022 £000	Total 2021 £000
LHCH Merchandise	(8)	(4)
	<u>(8)</u>	<u>(4)</u>

Net movement in Funds	5		Total	Total
			2022	2021
			Funds	Funds
			£000	£000
		Opening Balance	2,161	1,687
		Closing Balance	1,866	2,161
		Net movement in funds for the year	(295)	474
		Net movement in funds available for future activities	<u>(295)</u>	<u>474</u>

Analysis of Fixed Asset Investments	6		2022	2021
	6.1	Fixed Asset Investments:	£000	£000
		Market value at 1st April	780	646
		Additional Investment	300	0
		Net gain/(loss) on revaluation	85	134
		Market value at 31 March	<u>1,165</u>	<u>780</u>
		Historic cost at 31 March	<u>700</u>	<u>400</u>

6.2	Market value at 31 March :	Held	2022	2021
		in UK	Total	Total
		£000	£000	£000
	Investments in a Common Deposit Fund /			
	Common Investment Fund	1,165 #	1,165	780
		<u>1,165</u>	<u>1,165</u>	<u>780</u>

Analysis of gross income from investments	6.3	Total gross income	Held	2021-22	2020-21
			in UK	Total	Total
			£000	£000	£000
		Investments in a Common Deposit Fund /			
		Common Investment Fund	85	85	134
			<u>85</u>	<u>85</u>	<u>134</u>

6.4	Income from Charitable activities		2021-22	2020-21
			Total	Total
			£000	£000
	Income from Robert Owen House accommodation/telephone charges and fundraising sales		1	1
			<u>1</u>	<u>1</u>

6.5 Other income

	2022	2021
	Total	Total
	£000	£000
Interest on short term deposit	<u>0</u>	<u>0</u>

The Corporate Trustees adopted the Treasury Management Policy of Liverpool Heart & Chest Hospital NHS FT & Chest Hospital NHS FT in respect of investments. The majority of cash balances are placed with Barclays, which attracts an interest rate of 0.14%.

Analysis of Debtors

7 Debtors (including trade debtors and loans receivable) are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

	2022	2021
	£000	£000
Donations and legacies	0	252
Other debtors	0	0
Prepayments	<u>3</u>	<u>3</u>
Total debtors falling due within one year	<u>3</u>	<u>255</u>
Total debtors	<u>3</u>	<u>255</u>

Analysis of Creditors

8 The charity has creditors which are measured at settlement amounts less any trade discounts.

	2022	2021
	£000	£000
8.1 Amounts falling due within one year:		
Trade creditors	0	0
Accruals	(619)	(1,047)
Balance owed to Liverpool Heart & Chest	<u>0</u>	<u>(180)</u>
Total creditors falling due within one year	<u>(619)</u>	<u>(1,227)</u>
Total creditors	<u>(619)</u>	<u>(1,227)</u>

Details of material designated funds - Unrestricted funds	9.0	Name of fund	Balance b/fwd 01 April 2021 £000	Incoming resources £000	Resources expended £000	Gains and (losses) £000	Balance c/fwd 31 March 2022 £000
		A Robert Owen House	144	4	-65	-7	76
		B Heart Appeal	244	2	-85	-5	156
		C LHCH Charity	1,197	520	-706	51	1,062
		D Lung Cancer	71	0	-1	6	76
		E Robotics Fund	221	0	-67	-3	151
		F Cystic Fibrosis	62	0	-1	6	67

Material funds are deemed at being in excess of £50,000

Robert Owen House provides inexpensive relatives accommodation.

The Heart Appeal purchases equipment on behalf of the Liverpool Heart & Chest Hospital NHS Foundation Trust. The

The LHCH Charity is for any charitable purpose or purposes relating to services provided by LHCH NHS FT.

The Lung Cancer funds facilitates education and research into adult lung cancer and provides support for patients with this condition.

The Robotics Fund was created for a specific campaign in 2017-18 to fund a Davinci Robot purchased to improve outcomes and recovery time for patients

Contingencies 10 There are no contingent losses or gains included in the accounts

Commitments, Liabilities and Provisions 11 There are no commitments, contingent liabilities or provisions included in 2021-22

11.1 There are no commitments or provisions included in the accounts

Trustee and Connected Persons 12

Transactions 12.1

The Charitable Trust delivers the charitable objectives by making grants to the Liverpool Heart & Chest Hospital NHS Foundation Trust. Grants made amounted to £743k in 2021/2022 (2020/21 £825k).

At 31st March 2022, £619k was owed to the Liverpool Heart & Chest Hospital NHS Foundation Trust (2020/21 £1,227k).

12.2 There was no Trustee indemnity insurance during the year.

Loans or Guarantees Secured against assets of the charity 13

There were no loans or guarantees secured against assets of the Charity.