

# Charity Accounts & Trustee’s Annual Report 2018/19

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Trust Board paper N2

## Purpose of report:

This paper is for:	Description	Select (X)
Decision	To formally receive a report and approve its recommendations OR a particular course of action	X
Discussion	To discuss, in depth, a report noting its implications without formally approving a recommendation or action	
Assurance	To assure the Board that systems and processes are in place, or to advise a gap along with treatment plan	
Noting	For noting without the need for discussion	

## Previous consideration:

Meeting	Date	Please clarify the purpose of the paper to that meeting using the categories above
CMG Board (specify which CMG)		
Executive Board		
Trust Board Committee	03/10/2019	Decision – to receive a report and approve its recommendations
Trust Board		

# Executive Summary

## Context

The report presents the Annual Accounts (Appendix 1); Trustee’s Annual Report (Appendix 2); Audit Findings Report (Appendix 3) and the Management Representation letter (Appendix 4) for the year ending 31st March 2019.

## Questions

1. Are the Accounts and Trustee’s Annual Report complete?
2. Has the audit been completed?
3. Are there any other issues to report to the Board?

## Conclusion

1. The Accounts and Trustee’s Annual Report are complete. One adjustment was required.
2. The External Audit is complete and Grant Thornton will issue an unqualified audit opinion following receipt of our Management Representations Letter and signed certificates.
3. There are no issues that are required to be reported to the Board.

## Input Sought

The Trust Board is invited to:

- note the contents of the above report, and the Letter of Representation;
- approve the Charitable Funds Annual Accounts and Trustees' Annual Report for the year 2018/19;
- approve the signing (in non-black ink) of the following certificates by members of the Trust Board, as follows (signatories are shown in brackets):
  - Charitable Funds – Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements (Chairman, and the Chief Financial Officer acting on behalf of the corporate trustee);
  - Balance Sheet (a member of the Trust Board acting on behalf of the corporate trustee), and
  - Management Letter of Representation (Chairman).

### ***For Reference:***

**This report relates to the following UHL quality and supporting priorities:**

#### **1. Quality priorities**

Safe, surgery and procedures	Not applicable
Safely and timely discharge	Not applicable
Improved Cancer pathways	Not applicable
Streamlined emergency care	Not applicable
Better care pathways	Not applicable
Ward accreditation	Not applicable

#### **2. Supporting priorities:**

People strategy implementation	Not applicable
Estate investment and reconfiguration	Not applicable
e-Hospital	Not applicable
More embedded research	Not applicable
Better corporate services	Not applicable
Quality strategy development	Not applicable

#### **3. Equality Impact Assessment and Patient and Public Involvement considerations:**

- What was the outcome of your Equality Impact Assessment (EIA)? Not relevant.
- Briefly describe the Patient and Public Involvement (PPI) activities undertaken in relation to this report, or confirm that none were required. None Required.
- How did the outcome of the EIA influence your Patient and Public Involvement? N/A for this report.
- If an EIA was not carried out, what was the rationale for this decision? Not relevant.

#### 4. Risk and Assurance

##### Risk Reference:

Does this paper reference a risk event?	Select (X)	Risk Description:
<b>Strategic:</b> Does this link to a <b>Principal Risk</b> on the BAF?		
<b>Organisational:</b> Does this link to an <b>Operational/Corporate Risk</b> on Datix Register		
<b>New Risk</b> identified in paper: What <b>type</b> and <b>description</b> ?		
<b>None</b>		

5. Scheduled date for the **next paper** on this topic: TBC
6. Executive Summaries should not exceed **5 sides** My paper does comply

## **UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT TO: TRUST BOARD**

**DATE: 3<sup>rd</sup> OCTOBER 2019**

**REPORT FROM: NICK SONE  
CHARITY FINANCE LEAD**

**SUBJECT: FINAL ACCOUNTS AND ANNUAL REPORT 2018/19 FOR THE  
LEICESTER HOSPITALS CHARITY**

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### **1. INTRODUCTION**

- 1.1 The report presents the audited annual accounts (Appendix 1); Trustee's annual report (Appendix 2); Audit Findings report on the accounts (Appendix 3); and a Letter of Representation (Appendix 4) for the Leicester Hospitals Charity for the year ending 31 March 2019.
- 1.2 The Accounts and Trustee's Annual Report have been reviewed by the Charitable Funds Committee at their September 2019 meeting together with the auditor's report from Grant Thornton (Appendix 3).
- 1.3 We are asking the Trust Board to approve and adopt the Annual Report and Accounts (on the recommendation of CFC).

### **2. SUMMARY FINANCIAL PERFORMANCE**

#### **Balance Sheet**

- 2.1 The net assets of the Charity have increased by £959k to £7,480k during the 12 months ending 31 March 2019 (the Income and Expenditure section of this report gives further details).
- 2.2 The balance sheet shows an increase in net current assets of £918k due to an increase in cash (£1,699k), a decrease in debtors (£1,605k) and an decrease creditors (£824k) at year end. This means that the Charity now has net current assets of £2,755k.
- 2.3 The balance sheet shows an increase of £41k in the value of fixed asset investments.

#### **Income & Expenditure**

- 2.4 The Charities activities in 2018/19 resulted in a £959k surplus on the Statement of Financial Activities, with an excess of income compared to expenditure.

#### **Income**

- 2.5 Total income has decreased from £4,235k in 2017/18 to £3,089k in 2018/19.

- Donated income and legacies has decreased from £3,814k in 2017/18 to £2,660k in 2018/19.
- Income from trading activities has increased from £260k in 2017/18 to £277k in 2018/19.
- Investment income has decreased from £161k in 2017/18 to £152k in 2018/19.

### **Expenditure**

2.6 Total Charity expenditure has decreased from £3,042k in 2017/18 to £2,188k in 2018/19.

- The cost of raising funds has decreased from £661k in 2017/18 to £543k in 2018/19.
- Grant expenditure has decreased from £2,381k in 2017/18 to £1,645k in 2018/19.

**Table 1 – Summary of Grant Expenditure 2016/17 & 2017/18**

<b>Grant Category</b>	<b>2017/18 (£'000)</b>	<b>2018/19 (£'000)</b>	<b>Change (£'000)</b>
Patient Benefits	833	675	(158)
Staff Benefits	320	253	(67)
Research	196	250	54
Capital Contributions	1,032	467	(565)
<b>Total</b>	<b>2,381</b>	<b>1,645</b>	<b>(736)</b>

### **3. MANAGEMENT RESPONSES TO EXTERNAL AUDIT RECOMMENDATIONS**

- 3.1 Following external audit by Grant Thornton, one adjustment was made to the accounts. There are no unadjusted audit differences which need to be reported.
- 3.2 Grant Thornton will issue an unqualified audit opinion on receipt of our signed certificates and our management representation letter.
- 3.3 The Audit Findings report is included in Appendix 3. There is one recommendation contained in the report which is a follow up point from the 2017/18 audit. The action has now been updated and an update to this point is given below (see page 8 of the report headed “Follow up of prior year recommendations”)

Recommendation	Risk level	Management response / responsible officer / due date
Risks relating solely to the Charity do not currently appear to be documented and reviewed on a formal basis. The Charity should therefore consider whether the current arrangements are adequate to ensure that risks relating to the Charity are recorded and managed.	Medium	<p><b>Management response</b></p> <p>The UHL Risk Management Assessment Form has been completed relating to a potential loss from a fall in the market value of investments. This has been approved by the Director of Operational Finance and we are awaiting its inclusion on the risk register.</p> <p><b>Responsible Officers</b></p> <p>Financial Controller Director of Charity</p>

#### 4. LETTER OF REPRESENTATION

- 4.1 Appendix 4 contains a proposed Letter of Representation from Grant Thornton and they do not require any specific representations.
- 4.2 A letter headed copy of this letter and copies of required certificates will be circulated separately at the meeting.

#### 5. RECOMMENDATION

- 5.1 The Trust Board is invited to:
- **note** the contents of the above report, and the Letter of Representation;
  - **approve** the Charitable Funds Annual Accounts and Trustees' Annual Report for the year 2018/19;
  - **approve** the signing (*in non-black ink*) of the relevant certificates by members of the Trust Board, as follows (*signatories are shown in brackets*):
    - Charitable Funds – Statement of Trustee's responsibilities in respect of the Trustee's annual report and the financial statements (Chairman, and the Chief Financial Officer acting on behalf of the corporate trustee);
    - Balance Sheet (a member of the Trust Board acting on behalf of the corporate trustee), and
    - Management Letter of Representation (Chairman).

**NICK SONE**  
**CHARITY FINANCE LEAD**

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# **Leicester Hospitals Charity**

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## **Annual Accounts 2018-19**

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The Leicester Hospitals Charity is the Charity linked with the University Hospitals of Leicester NHS Trust and these accounts are for these funds held on trust.

### **STATUTORY BACKGROUND**

The NHS Trust is the Corporate Trustee of the funds held on trust under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990.

The Leicester Hospitals Charity funds held on trust are registered with the Charity Commission. They include funds in respect of the three hospitals that make up the University Hospitals of Leicester NHS Trust namely, Leicester Royal Infirmary, Leicester General, and Glenfield Hospitals. The Charity was formerly known as University Hospitals of Leicester NHS Trust Charitable Funds, the name having been changed to Leicester Hospitals Charity on 1 March 2007.

### **MAIN PURPOSE OF THE FUNDS HELD ON TRUST**

The main purpose of the charitable funds held on trust is to apply income for any charitable purpose relating to the National Health Service wholly or mainly for the services provided by the University Hospitals of Leicester NHS Trust to patients, their carers and the staff who look after them.

## LEICESTER HOSPITALS CHARITY

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### Statement of the Trustee's Responsibilities in respect of the Trustee's Annual Report and the Financial Statements

Under the trust deed and rules of the Charity and Charity Law, the Corporate Trustee ("the Trustee") is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the excess of expenditure over Income for the period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustee should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed and rules, 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 appropriate to presume that the Charity will continue in business.

The Trustee is required to act in accordance with the trust deed and the rules of the Charity, within the framework of trust law. It is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by it under section 42(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under the provision. It has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

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

By order of the Corporate Trustee

Signed

**Chairman** ..... **3 October 2019**

**Chief Financial Officer** ..... **3 October 2019**



**Leicester Hospitals Charity**  
**Statement of Financial Activities for the year ending 31 March 2019**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 18-19 £000	Total Funds 17-18 £000
<b>Income from</b>					
Donations and legacies	4.3	1,196	1,464	2,660	3,814
Other trading activities	4.2	37	240	277	260
Investments	6.4	93	59	152	161
<b>Total Income</b>		<b>1,326</b>	<b>1,763</b>	<b>3,089</b>	<b>4,235</b>
<b>Expenditure on</b>					
Raising funds	5.1	371	172	543	661
Charitable activities	5.2	1,286	359	1,645	2,381
<b>Total expenditure</b>		<b>1,657</b>	<b>531</b>	<b>2,188</b>	<b>3,042</b>
(Gains)/losses on investment assets	6.1	(73)	15	(58)	13
<b>Net income/(expenditure)</b>		<b>(258)</b>	<b>1,217</b>	<b>959</b>	<b>1,180</b>
Gross transfers between funds in year	9.2	(33)	33	0	0
<b>Net incoming/(outgoing) resources</b>		<b>(291)</b>	<b>1,250</b>	<b>959</b>	<b>1,180</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		3,861	2,660	6,521	5,341
<b>Total funds carried forward</b>		<b>3,570</b>	<b>3,910</b>	<b>7,480</b>	<b>6,521</b>

**Notes**

Donations and legacies in 2018-19 included a one-off major donation of £1,000,000.00

Donations and legacies in 2017-18 included a one-off major donation of £2,000,000.00

Both of these donations are shown in debtors in the accounts

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 2019**

	Note	Unrestricted Funds £000	Restricted Funds £000	Total Funds 18-19 £000	Total Funds 17-18 £000
<b>Fixed assets</b>					
Investments	6	2,808	1,917	4,725	4,684
<b>Total fixed assets</b>		<b>2,808</b>	<b>1,917</b>	<b>4,725</b>	<b>4,684</b>
<b>Current assets</b>					
Debtors	7	96	1,092	1,188	2,793
Cash at bank and in hand		898	968	1,866	167
<b>Total current assets</b>		<b>994</b>	<b>2,060</b>	<b>3,054</b>	<b>2,960</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	8	(232)	(67)	(299)	(1,123)
<b>Net current assets</b>		<b>762</b>	<b>1,993</b>	<b>2,755</b>	<b>1,837</b>
<b>Total net assets</b>		<b>3,570</b>	<b>3,910</b>	<b>7,480</b>	<b>6,521</b>
<b>Funds of the Charity</b>					
Restricted funds	9.2	0	3,910	3,910	2,660
Unrestricted funds	9.2	3,570	0	3,570	3,861
<b>Total funds of the Charity</b>		<b>3,570</b>	<b>3,910</b>	<b>7,480</b>	<b>6,521</b>

## Leicester Hospitals Charity Statement of Cash Flow at 31 March 2019

<b>Table 1: Statement of Cash Flow</b>	<b>18-19 Total Funds £000's</b>	<b>17-18 Total Funds £000's</b>
<b>Cash flows from operating activities:</b>		
<b>Net cash provided by (used in) operating activities</b>	1,646	(571)
<b>Cash flows from investing activities:</b>		
Dividends, interest and rents from investments	152	161
<b>Net cash provided by (used in) investing activities</b>	<u>152</u>	<u>161</u>
Change in cash and cash equivalents in the reporting period	1,699	(377)
Cash and cash equivalents at the beginning of the reporting period	167	544
Cash and cash equivalents at the end of the reporting period	1,866	167

<b>Table 2: Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>18-19 Total Funds £000's</b>	<b>17-18 Total Funds £000's</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	959	1,180
<b>Adjustments for:</b>		
(Gains)/losses on investments	58	(13)
Dividends, interest and rents from investments	(152)	(161)
(Increase)/decrease in debtors	1,605	(2,322)
Increase/(decrease) in creditors	(824)	745
<b>Net cash provided by (used in) operating activities</b>	<u>1,646</u>	<u>(571)</u>

**Table 3: Analysis of cash and cash equivalents**

	<b>£000's</b>	<b>£000's</b>
Cash in Hand	<u>1,866</u>	<u>167</u>
<b>Total cash and cash equivalents</b>	<b>1,866</b>	<b>167</b>

# Leicester Hospitals Charity

## Notes to the Accounts

### Note 1 - 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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

#### 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
- 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 categorised 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.

#### 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 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 form part of its pension arrangements. Recharges to the Charity are inclusive of pension costs.

**Note 1 - 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](http://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.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

**Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

**Full actuarial (funding) valuation**

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

**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 trustees' 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 6.

**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 2 - 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 for the year ended 31st March 2019

	31st March 2019 £000	31st March 2018 £000
<b>Income from</b>		
Donations and legacies	1,196	1,439
Other trading activities	37	33
Investments	93	138
<b>Total Income</b>	<b>1,326</b>	<b>1,610</b>
<b>Expenditure on</b>		
Raising funds	371	498
Charitable activities	1,286	1,806
<b>Total expenditure</b>	<b>1,657</b>	<b>2,304</b>
(Gains)/losses on investment assets	(73)	(3)
<b>Net income/(expenditure)</b>	<b>(258)</b>	<b>(691)</b>
Gross transfers between funds in year	(33)	1
<b>Net incoming/(outgoing) resources</b>	<b>(291)</b>	<b>(690)</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	3,861	4,551
<b>Total funds carried forward</b>	<b>3,570</b>	<b>3,861</b>

#### Unrestricted funds - Balance Sheet as at 31st March 2019

	31st March 2019 £000	31st March 2018 £000
<i>Fixed assets:</i>		
Investments	2,808	4,186
<b>Total fixed assets</b>	<b>2,808</b>	<b>4,186</b>
<i>Current assets:</i>		
Debtors	96	517
Cash at bank and in hand	898	99
<b>Total current assets</b>	<b>994</b>	<b>616</b>
<i>Liabilities:</i>		
Creditors falling due within one year	(232)	(941)
<b>Net current assets</b>	<b>762</b>	<b>(325)</b>
<b>Total net assets for unrestricted funds</b>	<b>3,570</b>	<b>3,861</b>
<b>Total Unrestricted funds</b>	<b>3,570</b>	<b>3,861</b>

# Leicester Hospitals Charity

## Notes to the Accounts

### Note 1 Continued - Restricted funds - Statement of Financial Activity for the year ended 31st March 2019

	31st March 2019 £000	31st March 2018 £000
<b>Income from</b>		
Donations and legacies	1,464	2,375
Other trading activities	240	227
Investments	59	23
<b>Total Income</b>	<b>1,763</b>	<b>2,625</b>
<b>Expenditure on</b>		
Raising funds	172	163
Charitable activities	359	575
<b>Total expenditure</b>	<b>531</b>	<b>738</b>
(Gains)/losses on investment assets	15	16
<b>Net income/(expenditure)</b>	<b>1,217</b>	<b>1,871</b>
Gross transfers between funds in year	33	(1)
<b>Net incoming/(outgoing) resources</b>	<b>1,250</b>	<b>1,870</b>
<b>Reconciliation of funds</b>		
Total funds brought forward	2,660	790
<b>Total funds carried forward</b>	<b>3,910</b>	<b>2,660</b>

### Restricted funds - Balance Sheet as at 31st March 2019

	31st March 2019 £000	31st March 2018 £000
<i>Fixed assets:</i>		
Investments	1,917	498
<b>Total fixed assets</b>	<b>1,917</b>	<b>498</b>
<i>Current assets:</i>		
Debtors	1,092	2,276
Cash at bank and in hand	968	68
<b>Total current assets</b>	<b>2,060</b>	<b>2,344</b>
<i>Liabilities:</i>		
Creditors falling due within one year	(67)	(182)
<b>Net current assets</b>	<b>1,993</b>	<b>2,162</b>
<b>Total net assets for restricted funds</b>	<b>3,910</b>	<b>2,660</b>
<b>Total restricted funds</b>	<b>3,910</b>	<b>2,660</b>

# Leicester Hospitals Charity

## Notes to the Accounts

### Note 3 - Related party transactions

<b>Name of connected organisation</b>	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.
<b>Turnover of connected organisation</b>	<b>£992 million</b> in 2018-19 (£961 million in 2017-18)
<b>Surplus/(deficit) of connected organisation</b>	<b>£45 million</b> deficit in 2018-19 (£37 million deficit in 2017-18)

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 **£1.6m (£2.4m in 2017-18)** 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 **£108k** 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.

### Note 4 - 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 4.1 - Income from other trading activities

The Charity runs a public lottery, staff lottery and hospital charity shop which are all classed as trading activities.

<b>Note 4.2 - Income</b>	<b>Total</b>	<b>Total</b>
	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
Lottery Income	241	228
Hospital Support Shop Income	36	32
<b>Total Income from trading activities</b>	<b>277</b>	<b>260</b>

# Leicester Hospitals Charity

## Notes to the Accounts

### Note 4.3 - Donations and Legacies

	Income £'000k	Total £'000k
<b>Legacies</b>		
Specific legacy - Neonatal	53	
Specific legacy - Surgery	51	
Specific legacy - General purpose	45	
Specific legacy - Diabetes & Cardiology	43	
Specific legacy - Cardiology	37	
Specific legacy - General purpose	26	
Other legacies	52	
		<b>307</b>
<b>Donations</b>		
Charitable Foundation	1,000	
Charitable Foundation	181	
Charitable Foundation	60	
Charitable Foundation	50	
Private donation	48	
Private donation	43	
Other donations and fundraising	971	
		<b>2,353</b>
<b>Total Donations and Legacies</b>		<b>2,660</b>

### Note 5 - Resources expended

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

### Note 5.1 - Expenditure on raising funds

	Unrestricted Funds £'000	Restricted funds £'000	Total 2018-19 £'000	Total 2017-18 £'000
Fundraising team salaries	244	38	282	253
Major appeal project costs	27	0	27	177
Lottery prizes	0	121	121	120
Appeals and events expenditure	15	1	16	2
Printing, stationery & marketing	5	0	5	9
System costs	14	3	17	15
Other miscellaneous costs	51	7	58	75
Investment Manager's Fees	15	2	17	10
<b>Total expenditure on raising funds</b>	<b>371</b>	<b>172</b>	<b>543</b>	<b>661</b>

# Leicester Hospitals Charity

## Notes to the Accounts

### Note 5.2 - 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 2018-19 £'000	Total 2017-18 £'000
Patient welfare and amenities	623	52	675	833
Staff welfare and amenities	233	20	253	320
Research	231	19	250	196
Capital contributions	430	37	467	1,032
<b>Total expenditure on charitable activities</b>	<b>1,517</b>	<b>128</b>	<b>1,645</b>	<b>2,381</b>

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 2018-19 £000	Total 2017-18 £'000
Patient welfare	554	69	623	788
Staff welfare	152	81	233	303
Research	55	176	231	185
Capital	415	15	430	977
<b>Total grants</b>	<b>1,176</b>	<b>341</b>	<b>1,517</b>	<b>2,253</b>

### Note 5.3 - 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:

	2018-19 £'000	2017-18 £'000
Fundraising & appeals team	282	253
Finance accounting & administration team	90	92
<b>Total staff costs</b>	<b>372</b>	<b>345</b>

*This can be further analysed as follows:*

	2018-19 £'000	2017-18 £'000
Salaries	309	296
Pensions	37	25
National insurance contributions	26	24
<b>Total staff costs</b>	<b>372</b>	<b>345</b>

The average number of full time equivalent employees during the year was 10 (10 in 2017-18). No employee had emoluments in excess of £60,000. (1 in 2017-18).

### Note 5.4 - Auditor's remuneration

The External Auditor's remuneration of £7,080 inclusive of VAT (£7,080 in 2017-18 inclusive of VAT) related solely to the audit of the Charity's accounts, with no additional work undertaken.

### Note 5.5 - Grant returned to third parties

There were no grants returned to third parties in 2018-19 (£0 in 2017-18).

# Leicester Hospitals Charity

## Notes to the Accounts

### Note 6 - 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.

	2018-19 £'000	2017-18 £'000
Market value at 1st April 2018	4,684	4,704
Add: additions to investment at cost	780	1,967
Less: disposals at carrying value	(797)	(1,974)
Add: realised gain (loss) on disposal *	24	1
Add: Unrealised gain (loss) on revaluation*	34	(14)
<b>Market value as at 31st March 2019</b>	<b>4,725</b>	<b>4,684</b>

\*Total realised and unrealised gains/losses for 2018-19 £58k gain (2017-18 £13k loss)

### Note 6.2 - Analysis of investment portfolio

	Held in UK £'000	Held outside UK £'000	2018-19 Total £'000	2017-18 Total £'000
Investments listed in unit trusts	3,404	1,094	4,498	4,214
Cash held as part of investment portfolio	227	0	227	470
<b>Market Value as at 31st March 2019</b>	<b>3,631</b>	<b>1,094</b>	<b>4,725</b>	<b>4,684</b>

### Note 6.3 - Investments

	Value £'000	% portfolio
<b>Equities</b>		
<i>UK equities</i>		
The Equity Income Trust for Charities	1,065	22.5%
Schroder Charity Equity Fund	641	13.6%
<i>International equities</i>		
Stewart Investors Asia Pacific	354	7.5%
Schroder European Alpha Income Fund	164	3.5%
Brown Advisory US Sustainable Growth	343	7.3%
Schroder Global Sustainable Growth	233	4.9%
<b>Total equities</b>	<b>2,800</b>	<b>59.3%</b>
<b>Bonds</b>		
<i>UK Bonds</i>		
Cazenove Charity UCITS Fund	131	2.8%
Schroder Sterling Corporate Bond Fund	318	6.7%
Schroder Strategic Credit Fund	353	7.5%
<b>Total Bonds</b>	<b>802</b>	<b>17.0%</b>
<b>Multi-Asset Fund</b>		
Ruffer Charity Assets Trust	487	10.3%
<b>Property</b>		
Charities Property Fund	115	2.4%
Property Income Trust for Charities	226	4.8%
<b>Total Property</b>	<b>341</b>	<b>7.2%</b>
<b>Other</b>		
International Public Partnerships	68	1.4%
<b>Cash</b>		
Total cash	227	4.8%
<b>Total investments</b>	<b>4,725</b>	<b>100%</b>

### Note 6.4 - Analysis of gross income from investments

	Unrestricted funds £'000	Restricted funds £'000	2018-19 Total £'000	2017-18 Total £'000
Income from investment manager's portfolio	90	58	148	160
Other investments	3	1	4	1
<b>Total investment income</b>	<b>93</b>	<b>59</b>	<b>152</b>	<b>161</b>

# Leicester Hospitals Charity

## Notes to the Accounts

### Note 7 - Analysis of debtors

	2018-19 £'000	2017-18 £'000
<i>Amounts falling due within one year:</i>		
Accrued income	1,066	2,201
Debtors - recharges due from UHL NHS Trust	87	532
Other debtors	35	60
<b>Total debtors</b>	<b>1,188</b>	<b>2,793</b>

### Note 8 - Analysis of creditors

	2018-19 £'000	2017-18 £'000
<i>Amounts falling due within one year:</i>		
Creditors - recharges due to UHL NHS Trust	273	994
Other creditors	26	129
<b>Total creditors</b>	<b>299</b>	<b>1,123</b>

### Note 9.1 Endowment funds

The Charity held no endowment funds during the year 2018-19 (2017-18 Nil).

### Note 9.2 - Analysis of material restricted & unrestricted funds

	Balance at 31 March 2018 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Gains and losses £'000	Balance at 31 March 2019 £'000
<i>Restricted Funds</i>						
Cardio-respiratory	100	64	(28)	0	0	136
Childrens appeal	2,000	1,118	0	0	8	3,126
Vascular Research	84	182	(170)	0	0	96
Mens Surgery	23	53	(14)	0	0	62
Pathology - Blood Bank	76	2	(10)	0	0	68
Staff lottery	127	245	(139)	(84)	0	149
Others (26 funds)	250	99	(170)	117	(23)	273
<b>Total restricted funds</b>	<b>2,660</b>	<b>1,763</b>	<b>(531)</b>	<b>33</b>	<b>(15)</b>	<b>3,910</b>
<i>Unrestricted Funds</i>						
Cardio Respiratory	52	145	(78)	0	1	120
Breast Care Services appeal	61	41	(17)	0	1	86
Childrens appeal	851	24	(218)	0	8	665
Childrens Services	101	97	(122)	0	1	77
Critical Care	62	70	(13)	0	1	120
General Purposes of Leicester Hospitals	404	168	(330)	(31)	3	214
Lincoln Renal Unit - Patients & Staff	141	4	(11)	0	1	135
Neonatal	45	108	(34)	0	1	120
Nursing - GHSS	80	37	(24)	0	1	94
Nursing - RVS	407	103	(291)	0	2	221
Oncology	84	109	(39)	0	1	155
OUR SPACE Cancer Appeal	135	45	(89)	0	1	92
Pancreatic & Hepatobiliary Research	166	41	(17)	0	2	192
Renal Unit - Patients Benefit	118	37	(79)	0	1	77
Surgery - Breast Care Services	179	21	(32)	0	2	170
Unrealised Gains - Unrestricted	226	0	0	0	40	266
Others (64 funds)	749	276	(263)	(2)	6	766
<b>Total unrestricted funds</b>	<b>3,861</b>	<b>1,326</b>	<b>(1,657)</b>	<b>(33)</b>	<b>73</b>	<b>3,570</b>
<b>Total Funds inc endowment</b>	<b>6,521</b>	<b>3,089</b>	<b>(2,188)</b>	<b>0</b>	<b>58</b>	<b>7,480</b>

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 9.3 - Details of material restricted funds as in 8.2

Name of fund	Description, nature and purpose of fund
Cardio-respiratory	For the benefit of patients in the Cardio-Respiratory department.
Childrens appeal	To support the development of the Childrens Hospital.
Vascular Research	Research into vascular disease and limb amputation.
Mens Surgery	For the benefit of the mens surgery department.
Pathology - Blood Bank	To purchase equipment for the benefit of the Pathology department.
Staff lottery	Provision of a lottery with the surplus used for the benefit of staff.

### Note 10 - Contingencies

The Charity does not have any contingencies to be included in the accounts for the financial year 2018-19 (2017-18 -Nil).

### Note 11 - Commitments, liabilities and provisions

The Charity has the following commitments as at the 31st March 2019:

	2018-19 £'000	2017-18 £'000
Charitable projects	554	988
<b>Total</b>	<b>554</b>	<b>988</b>

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.

	2018-19 £'000	2017-18 £'000
<b>Movement within year</b>		
Opening value	988	1,493
Arising in year	1,697	2,087
Utilised in year	(1,593)	(2,046)
Unused / reversed	(538)	(546)
<b>Closing value</b>	<b>554</b>	<b>988</b>

### Note 12 - 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 2018-19 (2017-18 - Nil).

### Note 13 - 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 2.

### Note 14 - 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.

Appendix 2



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**TRUSTEE'S ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2019**

# Foreword

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## **Karamjit Singh, Chairman, 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 2019.

Leicester Hospitals Charity is the official charity of the University of Leicester NHS Trust (Leicester's Hospitals), 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 seen another successful year, with total income of £3.1m having been generated and over £1.6m spent on charitable activities, funding grants from the Charity to support many valuable improvements to Leicester's Hospitals.

Most outstandingly for this year, we have seen the Charity fund the creation of the Phase 2 Emergency Floor of our Emergency Department at the Leicester Royal Infirmary. The additional enhancements made possible by the Charity's funding have been vital in making the area more comfortable and safe for our elderly and frail patients – especially those living with dementia – as well as for their loved ones.

Additionally, the Charity has also funded the appointment of a dedicated Thoracic Research Nurse as well as the introduction of a Roaming Dialysis System that will benefit our Renal patients. These are alongside other important items and enhancements that are too numerous to mention.

We have been pleased to welcome Lisa Davies to our hospitals as the new Director of Leicester Hospitals Charity. As Director, Lisa is already making a strong impact on the Charity's fundraising activities and we look forward to seeing what she and her dedicated team will achieve in this upcoming year.

These annual reports and accounts have been prepared by the Corporate Trustee in accordance with the Charities Act 2011.

The Charity's report and accounts include all the separately established funds which benefit staff, patients and their carers, and the communities served by Leicester Hospitals Charity.

From our Charity 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.

**– Karamjit Singh**

## Report of the trustees for the year ended March 31 2019

The trustees present their annual report and financial statements of the Charity for the year ended 31st March 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Declaration of Trust (originally 19/06/96, amended 28/03/02 and 10/03/07 for change of name), the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and UK Generally Accepted Practice as it applies from 1 January 2015.

## Who we are

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Leicester Hospitals Charity (the Charity) exists to support patients, their carers; and the NHS staff who look after them in Leicester, Leicestershire, Rutland and beyond.

It does this through targeted fundraising campaigns and effective management of donations, to provide additional resources, assets and skills which link closely with the strategic aims of UHL and the broader strategic aims of NHS healthcare in the East Midlands.

## Our objective for achieving public benefit

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The Charity aims to achieve benefit for the public in all of its activities.

The University Hospitals of Leicester NHS Trust (UHL) Board reviews the Charity Commission's general guidance on public benefit when setting the terms of reference for the Charitable Funds Committee. The Charitable Funds Committee takes account of the Charity Commission's guidance on public benefit in planning the budget for each year, and in setting or reviewing the guidelines for Fund Advisors, who allocate charitable spending.

The funds of the Charity are comprised primarily of donations and legacies from members of the public and private organisations. The Charity's overall objective is to use these funds to benefit the public.

The Charity achieves this by ensuring that its funds are used for the following purposes:

- To purchase medical, surgical and other equipment and services;
- To purchase or construct assets for donation to the Trust; and
- To fund research projects

These activities benefit the public. They are not covered, or not fully supported by core NHS funds. The Charity defines 'the public' as patients, their carers and the NHS staff who look after them in Leicester, Leicestershire, Rutland and beyond.

All grant applications from the Trust for charitable expenditure are subject to review and challenge before they are approved. All applications are reported to the Charitable Funds Committee. This includes confirmation that the expenditure is for public benefit and cannot be met through core NHS funds.

Leicester Hospitals Charity is at its most effective when it combines the expertise and commitment of highly skilled NHS staff, with the generous support of the Leicester, Leicestershire and Rutland communities to bring about better quality care and support for patients.

UHL, as Corporate Trustee, confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant-making policy for the year.

## Our fundraising practices

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While our aim is to help raise as much funds for our hospitals as we can, we are devoted to doing so in a proper and responsible manner. That is why we take a friendly approach to all of our fundraising efforts and activities and reject aggressive fundraising methods.

We have active procedures and systems in place to help make sure that all gifts donated towards specific wards, departments or areas reach them. We also endeavour to recognise and acknowledge every donation we receive and thank those who contribute to our charitable efforts in any way.

Every year we organise a variety of fundraising events to not only directly help raise money for our hospital causes, but also to provide fun and family-friendly occasions for our supporters to enjoy, and for us to engage new potential donors. As so many people and community groups in our region want to actively support their hospitals of their own volition, our charity also provides support for those holding their own independent fundraising events, including assisting with marketing or providing equipment to make collecting funds easier and safer.

All fundraising undertaken by individuals or groups on behalf of Leicester Hospitals Charity is actively monitored. Fundraiser details are securely entered and stored in our database, where we also record their activities and which of our appeals they are supporting. We ensure we keep in contact with these fundraisers through phone calls, emails, post or through social media channels in order to offer them support and advice as well as to keep track of their activities.

After their fundraising has concluded, we make sure to follow up with our fundraisers to offer our appreciation and gratitude and make it as simple and easy for them as possible to hand in the funds they have helped to raise. It also provides us with an opportunity to receive important feedback to identify any issues experienced during the fundraising process and help improve our procedures into the future.

As part of our commitment to ensuring all our fundraising is done in a responsible manner, anyone acting on behalf of Leicester Hospitals Charity must adhere to the 'Fundraising on

UHL Sites' policy if fundraising on a hospital trust site. Anyone who signs up as a fundraiser online on our website must agree to the terms of our 'Fundraising Registration Form Statement' in order to complete registration.

Some of our fundraising activities are carried out in collaboration with selected trusted third-party organisations, such as Pennies from Heaven or Unity, who promote our public lottery. Details for all third party organisations we work with and the carefully selected information we share with them as part of these activities can be found in our Privacy Statement on our website at [www.lhcharity.org.uk/privacy](http://www.lhcharity.org.uk/privacy).

Leicester Hospitals Charity is proud to have voluntarily subscribed to the Fundraising Regulator national scheme. This reflects our desire to carry out our fundraising and charitable activities in a proper, responsible and transparent manner. We have not been notified of any individual acting on behalf of Leicester Hospital Charity having subscribed to any fundraising standards or scheme for fundraising regulation.

We can proudly declare that we have complied fully with our obligations and standards set under the Fundraising Regulator scheme this year and state that there has been no failure on our part to adhere to the standards set by this voluntary scheme.

Leicester Hospitals Charity has a robust complaints procedure to allow individuals to raise concerns and make complaints and also affords us opportunities for redress in the event a complaint is raised or if we fail to live up to our charity's standards. In 2018-19 we received no formal complaints that were raised under this procedure.

Privacy is also of great importance to our charity, in order to protect vulnerable people and other members of the public from behaviour which is an unreasonable intrusion on their privacy, unreasonably persistent, or places undue pressure on them to give money or other property. Leicester Hospitals Charity practices responsible respect for privacy by abiding by UHL's Trust Values, following guidelines set out by the Fundraising Regulator and ensuring we adhere to the new legal obligations introduced by the enactment of General Data Protection Regulations (GDPR) in early 2018. The most practical example of this in action is that we have implemented an 'opt-in' approach to email and postal mailings and only contact individuals about our fundraising activities when they have actively provided explicit consent for us to do so.

# Our impact in 2018-19

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In 2018-19, the charity spent a total of £1.6m on our charitable activities, giving out grants to benefit patients and staff across our hospitals in the main areas of clinical equipment, patient areas and research. Here are some brief examples of some of the programmes and improvements we were proud to fund for our hospitals over the last 12 months.

## **Clinical equipment**

As highly skilled as our hospitals' consultants, doctors, nurses and other clinical staff are, they are only able to work as effectively as the equipment they have available allows them to. While the NHS budget ensures that all obsolete or broken clinical equipment will be replaced, if we as a charity have an opportunity to provide our clinical areas with newer, significantly improved or additional equipment that could improve patient outcomes, increase patient comfort, reduce waiting times or enhance our hospital experience in any way, then we want to help provide that for our patients and our staff.

## **Hoverjack air lifting system**

When elderly or frail patients receiving treatment in our hospitals suffer from trips or falls, they need to be lifted safely. While our hospitals already have standard hoist systems for use in these situations, the Hoverjack system is strapless and works without attachments, making it a simpler, safer and more comfortable option for our patients.

We were proud to fund two additional Hoverjack air lifting systems for our hospitals this year. With the two new systems, patients can be recovered safely if they are not able to be raised using a conventional hoist. It also eliminates the occasional need for multiple staff to raise certain patients manually, which can be uncomfortable for patients and also puts staff at risk of harm.

Another key benefit of this is that each hospital site now has its own Hoverjack system located in it – meaning patients and staff who need to use a Hoverjack will never again have to wait while one is relocated from one hospital to another. The extra systems give increased opportunities for staff to be trained to use the systems.

## **Mobile Dialysis Service**

Our hospitals care for around 400 patients with End Stage Renal Disease (ESRD). These patients require regular dialysis either at home or at one of our haemodialysis units. Because of the complex health conditions of these patients, they may require moving from one hospital site to the Leicester General Hospital's Renal Unit to receive dialysis before being transported back their original site. This is undesirable for patients as well as the clinical staff who help provide their treatment.

Using funds raised through our Kidney Care Appeal, we were able to purchase an entirely new Mobile Dialysis Service to be introduced into our hospitals. This service is providing a range of benefits for our patients with ESRD and our staff, the most important being that dialysis machines can now be brought to the patients instead of demanding that patients come to the dialysis machines.

Not only does this relieve pressure on hospital transport services, it means ESRD patients receiving treatment in departments like Cardiology, Respiratory or Vascular always remain in those departments and under the care of those speciality clinical staff.

Beyond this, the service is helping to reduce the risk of the spread of infections, it will decrease the demand for beds in our Renal, Respiratory and Cardio-Vascular wards, where patients receiving dialysis effectively occupy two beds for up to eight hours.

## **Patient areas**

At their core, hospitals are clinical spaces where important medical treatment is given to patients in need. Hospitals are designed to provide as effective an environment as possible for medical attention to be given.

While the clinical spaces at Leicester's Hospitals meet these requirements, it's also true that for the everyday members of the public who receive treatment at our hospitals, there is often scope to help make the wards, departments and other patient areas more relaxing, attractive or comfortable.

We believe that all our patients deserve to be treated in the best possible environments – spaces that allow for important medical treatment to be given, while remaining as pleasant and comforting as possible. Adding the human touch of attractive decorations, additional or upgraded furniture for comfort or other extras to provide entertainment for patients during long stays helps to make our hospitals a more personal, compassionate place. Not only just for our patients, but also for their loved ones and visitors.

## **Phase 2 Emergency Floor**

After our charity helped to provide important enhancements to our Trust's impressive new Accident & Emergency Department which opened last year, we showed further commitment to the project by supporting its second phase – the creation of a frailty friendly Emergency Floor alongside the Emergency Department itself.

We provided a series of major enhancements, specifically with the benefit of our frail and elderly patients in mind, valued at £335,438, and supported by a generous donation from the Royal Voluntary Service. This major investment allowed us to make the Emergency Floor as safe and as comfortable as possible for the over 20,000 frail and elderly patients a year who will be assessed there.

Among the many enhancements to this area that we proudly funded included frailty-friendly flooring – the first of its kind in England which provides for easier walking and orientation among frail and elderly patients, helping to reduce patient falls as a result.

We funded the installation of PearsonLloyd signage on the Floor. These nationally-recognised, informative signs explain clearly to patients and those unfamiliar with Emergency Departments a simple, step-by-step explanation of how the treatment process works in the department. This helps to keep patients and those with them informed through an easily understood and accessible medium, helping to reduce patient and visitor confusion and anxiety. They have even been recognised to actively reduce instances of violence towards clinical emergency staff.

Bed head enhancements help to conceal medical equipment away from sight when not in use, helping to make the units more comfortable by helping them to feel less like a clinical hospital space. Special variable lighting was also purchased and installed across the Emergency Floor to compliment the natural day-night cycle to improve patient orientation and increase quality of sleep.

Another key aspect of the Emergency Floor is the improvements we have funded to benefit our patients living with dementia or delirium.

For frail and elderly patients living with dementia, we have helped to transform one of the corridors into a 'Memory Lane' with colourful graphics of a beachside scene. This attractive, relaxing space provides a pleasant environment for patients to enjoy and recover away from the clinical setting of their hospital bed, while they can also receive support from therapy staff and Meaningful Activity Co-ordinators to undertake activities of daily living and ensure they remain as independent as possible.

The Floor also features the 'Happy Times Café', a place for patients and their loved ones can sit and enjoy tea and coffee away from the clinical environment. We were proud to fund dementia-friendly clocks, a radio and a TV in this area to make it a more comfortable space for patients with dementia.

To further support patients with dementia, we also provided a series of 'sensory units' – entertainment systems that feature classic movies, music and photographs from bygone eras that these patients often enjoy to help reduce their anxiety during their time on the Emergency Floor and have been shown to aid recovery.

### **Changing Places toilets**

Across the country, hundreds of thousands of people living with or caring for people with a range of conditions needs require speciality accessibility needs that most public and disabled toilets do not meet. For these people, special Changing Places toilets help to provide them with the space and facilities they need in order to ensure their needs can be met in a safe, comfortable and dignified manner.

With these people in mind, we were delighted to help fund the installation of the first two Changing Places facilities for Leicester's Hospitals at the Leicester Royal Infirmary – one at the Children's Emergency Department and the second opening on the ground floor of the Balmoral Building in early 2019.

The new facilities feature larger and more spacious restrooms, centrally-placed toilets, hoist systems for ease of access, wide tear-off bench covers for improved hygiene as well as bright, attractive wall art to create a pleasant environment.

Access to the new Balmoral facility is granted through the use of a 'RADAR' key, commonly held by patients and carers with these accessibility requirements. If visitors do not have a RADAR key but require the use of the facilities, they can be opened by security on request.

## Research

Medical research is an increasingly important and growing area of Leicester's Hospitals. Our hospitals' dedicated clinical research and innovation staff, clinicians, nurses and other healthcare professionals work with volunteer patients of all ages and backgrounds to investigate the clinical challenges that many of us face.

Clinical trials look at new ways to prevent, detect, or treat disease. Treatments might be new drugs or new combinations of drugs, new surgical procedures or devices, or new ways to use existing treatments.

As the charity of Leicester's Hospitals, we strongly support the research and innovation undertaken at our hospitals and have been heavily involved in helping to fund and create the Children's Clinical Research Facility at the Leicester Royal Infirmary in recent years. We also enable clinical research trials to begin, by helping to match funding to 'pump-prime' for research to take place. This is invaluable to the Research Team at our hospitals, as it allows trials, over time, to become effectively self-funding.

### Thoracic Research Nurse – Rebecca

This year, we were able to support research at Leicester's Hospitals significantly by funding for the recruitment of a new, dedicated Thoracic Research Nurse.

Our Thoracic Surgery Team has important national significance as Leicester's Hospitals is the national referral centre for diseases related to mesothelioma. But despite this, the Team previously had no dedicated research nurse and had to rely on research resources from outside of our Trust.

This important role, funded thanks to a generous legacy left to our charity, works closely with the Multi-Disciplinary Team, Thoracic Surgery Team and Cancer Research Nurses to increase patient recruitment into clinical trials and maintain holistic support for all clinical trials participants.

Thanks to the appointment of Rebecca, the nurse recruited into the role, the Research and Innovation Team have been able to bring more patients on board for studies as well as opening up new opportunities for patients to participate in studies here in Leicester, rather than having to travel to other cities.

### Adult Research Space

Following on from the proud opening of our hospitals' Children's Research Space which we helped to fund, this year we also assisted in the much-needed refurbishment of the Adult Research Space.

Our charity provided funds to acquire new non-clinical equipment, including furniture, office equipment and storage. Our funding allowed for a comprehensive refurbishment of the Adult Research Space, including meeting rooms, corridors, offices and consulting rooms as well as toilets and storage rooms. Furthermore, we funded the installation of attractive wall art and decorations in the space.

This important refurbishing project will ensure that our Research Team can continue to support a full spectrum of clinical trials in clean, modern surroundings for benefit of the patients participating in research studies as well as the staff who conduct and manage them.

The newly refurbished space will play an important role in encouraging people to join and remain in our clinical trials, and enhance the Hospitals' capacity to grow both clinical and non-clinical research.

## How we raised the funds

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### General donations

As a charity, by far the biggest source of donations by volume comes from general donations from members of the public. These vary in amount from £50 or £100 and more to even the occasional 50p donation into a collection tin or bucket. Often, these kind donations are not for any specified appeal or cause and go towards general funds. Such generosity, especially in a year where we celebrated 70 years of our NHS during the NHS70 festivities, reflects the high regard in which the public hold our hospitals as well as our NHS as a national institution.

### Events

Our fundraising events form a major part of how we help to raise money for specific appeals as well as increase the profile of our charity and the work we do to support our hospitals. This year, our biggest fundraising events included the annual Butterfly Walk at Leicester Racecourse to raise money for Glenfield Hospital's Breast Care Centre, with hundreds of participants helping to raise £38,138. We also held our Walk for Wards event around Victoria Park in September, with over £3,377 raised to help support a variety of wards and departments from across all three hospitals.

### Community

There are many local community groups who make generous gifts to our charity to show their support for our 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.

We receive generous gifts from local service clubs, as well as places of religious worship including the Leicester Jain Centre, Masjid Al Falah mosque and the Ladies Satsang Group at Geeta Bhavan.

In particular, following the tragedy at King Power Stadium in which five people lost their lives – including Leicester City Football Club chairman Vichai Srivaddhanaprabha – we were deeply touched when the family behind the 'Walk for Vichai' memorial event chose to raise money for our Children's Hospital in memory of the late chairman who had previously donated £2m to the project. Thousands of LCFC fans walked and raised almost £3,000 during the event, while fans from across the world donated over £13,700 to our charity in memory of Leicester City's much-loved chairman.

## **Legacies / Gifts in Memory**

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.

This year, we were pleased to help raise awareness of the good that leaving legacies to our charity can do during our Will Week event in December alongside Josiah Hinks and Edward, Hands & Lewis solicitors. We also received a boost from holding another Legal Surgery event in association with Wilson Browne Solicitors in March.

## **Corporate donations**

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.

This year, we are grateful to have received donations from several organisations, including multiple donations of goods and Halloween items from Park Road Tesco in Loughborough and a £6,007 donation from the Morrisons Foundation towards a courtyard garden at Glenfield Hospital and £1,782 from local corporate clothing supplier Dimensions.

## **Grants & Trusts**

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.

Most significantly, we were honoured to be contacted by the Leicester and County Convalescent Home Society (ARC Leicester) in 2018, informing us that the organisation would be granting us £1m towards the Leicester Children's Hospital.

## **Major gifts**

Major gifts are the smallest source of donations by volume, but can often have some of the greatest impacts on achieving funding for our hospital projects. This is a fledgling area of fundraising for our charity and we aim to significantly increase the volume of major gifts given to our charity over the coming years.

## **Shop**

Leicester Hospitals Charity runs two official charity shops at Leicester's Hospitals. The Glenfield Hospital shop is open five days a week, while the shop opened at the Leicester General Hospital last year is in operation on Tuesdays and Thursdays.

We regularly receive generous donations of items at both of our shops from members of the public and even from our hospital staff. Shops are staffed by teams of friendly volunteers who give their time to run the stores to help raise money for their local hospitals. Our charity shops have been bolstered this year by the appointment of Joanne Spence into the newly created role of Charity Shop Volunteer Manager.

## **Lottery**

As a charity, we run two lotteries that offer people a chance to support our charity work financially as well as giving them the opportunity to win some fantastic prizes.

Our most popular lottery is our staff lottery, which over 3,000 members of Leicester's Hospitals staff regularly participate in, with numbers increasing in the run up to special lottery draws. By far our most popular draw this year was a special Summer Draw to celebrate NHS70. The top prize was £7,000, while also featuring two second tier prizes of £700 and ten third tier prizes of £70.

We also run a publicly available lottery with draws occurring frequently throughout the year.

# Five year objectives

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As our charity continues to grow – both financially and as a team – we have ambitious plans for how to increase the impact we can have on our hospitals even further into the future. With the appointment of Lisa Davies as our new Director, the role of Head of Fundraising to be filled over the next financial year, we have an opportunity as a charity to look to the future with a refreshed structure and focus on how we can continue to develop and increase the impact we can have on our hospitals.

By far the most important of our plans for the future is in working closely with our Trust to develop and support the Leicester Children's Hospital project. Our charity has played a key role in this major project that aims to revolutionise how our hospitals' children's services are delivered to our patients from across Leicester, Leicestershire, Rutland and even the wider East Midlands. We will continue to directly support this by launching a public Leicester Children's Hospital Appeal in the Summer of 2019 and raising the £7.5m needed to complete the first phase and move all of our hospitals' children's heart services to the Leicester Royal Infirmary.

We recognise the power and importance of major gifts to our fundraising programmes and see greater potential in this particular donation source. For this reason, we aim to establish and grow a Major Giving Programme that will allow us to maximise the potential of major gifts and increase the amount donated per year.

While we have a clear visual presence at the Leicester General Hospital and Glenfield Hospital, we recognise the importance of increasing our visibility at the Leicester Royal Infirmary – the busiest of Leicester's Hospitals by number of visitors. With this in mind, we have taken steps to secure a permanent presence in the Leicester Royal Infirmary by creating a Charity Hub in what is currently a 24 hour vending space next to the L'Eat restaurant. By having a dedicated location on the site where members of the public and hospital staff can contact us and learn more about what we do for Leicester's Hospitals and how they can support our fundraising efforts, this should help to raise awareness of our charity and grow our supporter base and donations.

We see potential in focussing on our legacies and gifts in wills donation stream and will invest more time and resources into developing a more comprehensive legacies programme for long term benefit.

Through our cooperation with grant making organisations, we have been able to forge important partnerships. These have opened doors to receive further support from these organisations for additional projects. We want to capitalise on more of these opportunities and focus on developing more of these partnerships with grant making organisations in order to deliver more impact for our hospitals.

Following the success of NHS70 and the national outpouring of appreciation for the NHS that hospital charities like ours witnessed, we look forward to the 75<sup>th</sup> anniversary of the National Health Service in 2023 and aim to do more to better recognise and thank the hard working clinical staff who we support through our work and harness the public admiration for our hospitals to increase our impact on their services.

# Governance and Finance

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## Trustees

The Charity has a Corporate Trustee, the University Hospitals of Leicester NHS Trust. The members of the NHS Trust's Board who served during the financial year, were as follows:

Mr K Singh CBE	Trust Chairman
Mr J Adler	Chief Executive
Ms V Bailey	Non-Executive Director
Prof P Baker	Non-Executive Director
Ms R Brown	Chief Operating Officer (from 25.6.18)
Col (Ret'd) I Crowe	Non-Executive Director
Ms Eileen Doyle	Interim Chief Operating Officer (until 24.6.18)
Ms C Fox	Chief Nurse (from 1.10.18)
Mr A Furlong	Medical Director
Ms K Jenkins	Non-Executive Director (from 1.12.18)
Mr A Johnson	Non-Executive Director
Ms E Meldrum	Acting Chief Nurse (from 23.4.18 – 30.9.18)
Mr R Moore	Non-Executive Director (until 30.11.18)
Mr B Patel	Non-Executive Director
Ms J Smith	Chief Nurse (until 20.4.18)
Mr M Traynor OBE	Non-Executive Director
Mr P Traynor	Chief Financial Officer

## Maintaining a healthy balance sheet

The assets and liabilities of the Charity as at 31 March 2019 are stated below, compared with the position at 31 March 2018.

	Total Funds 2018-19 £000	Total Funds 2017-18 £000
Fixed Asset Investments	4,725	4,684
Net Current Assets	2,755	1,837
<b>Total Net Assets</b>	<b>7,480</b>	<b>6,521</b>
<b>Funds of the Charity</b>		
Endowment Funds	0	0
Restricted Funds	3,910	2,660
Unrestricted Funds	3,570	3,861
<b>Total Funds of the Charity</b>	<b>7,480</b>	<b>6,521</b>

### 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 Trustees 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 Trustees.

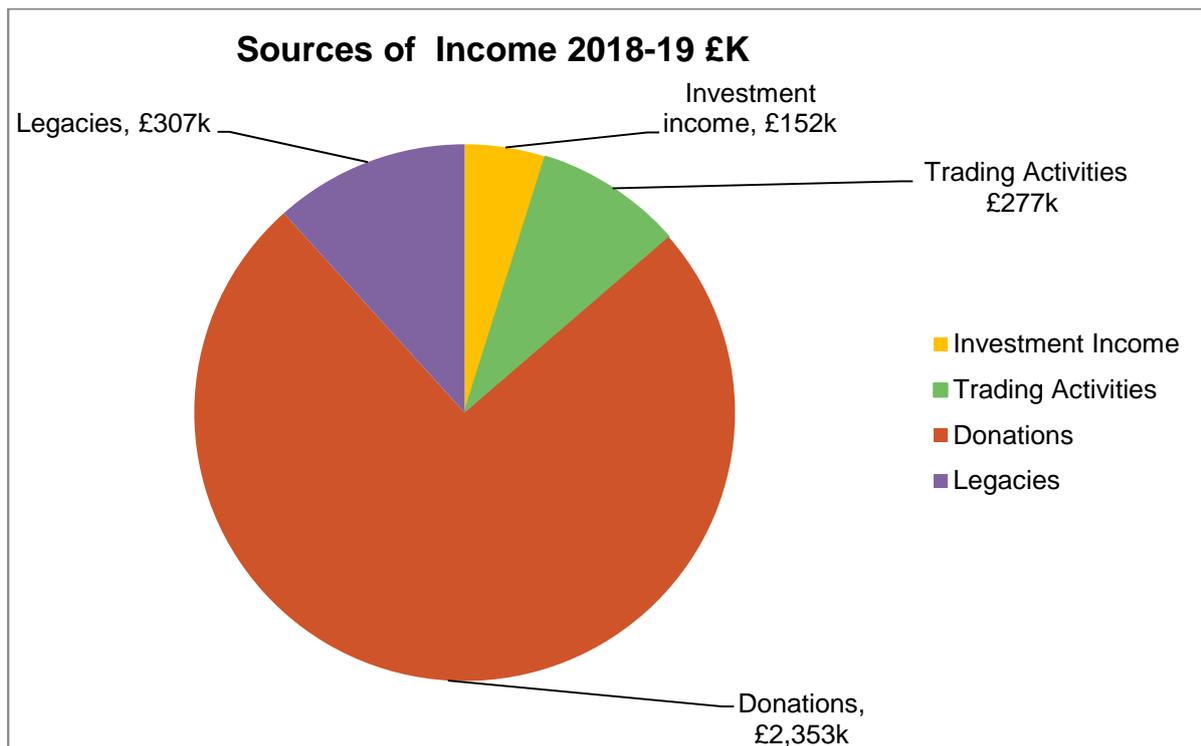
### Sources of funds

Total income decreased from £4,235 in 2017-18 to £3,089 in 2018-19. Voluntary income decreased by £1,154 due to a decrease in donations of £1,287k. Legacies have increased by £133k.

Total resources expended decreased from £3,055k in 2017-18 to £2,130 in 2018-19 mainly due to a decrease in charitable activities of £736k relating to grants awarded for patient welfare and amenities. Variations in the investment markets resulted in investment gains of £58k in 2018-19 compared to losses of £13k in 2017-18.

The Charity generated an overall surplus of £959k on the Statement of Financial Activities.

Income was received from the following sources:

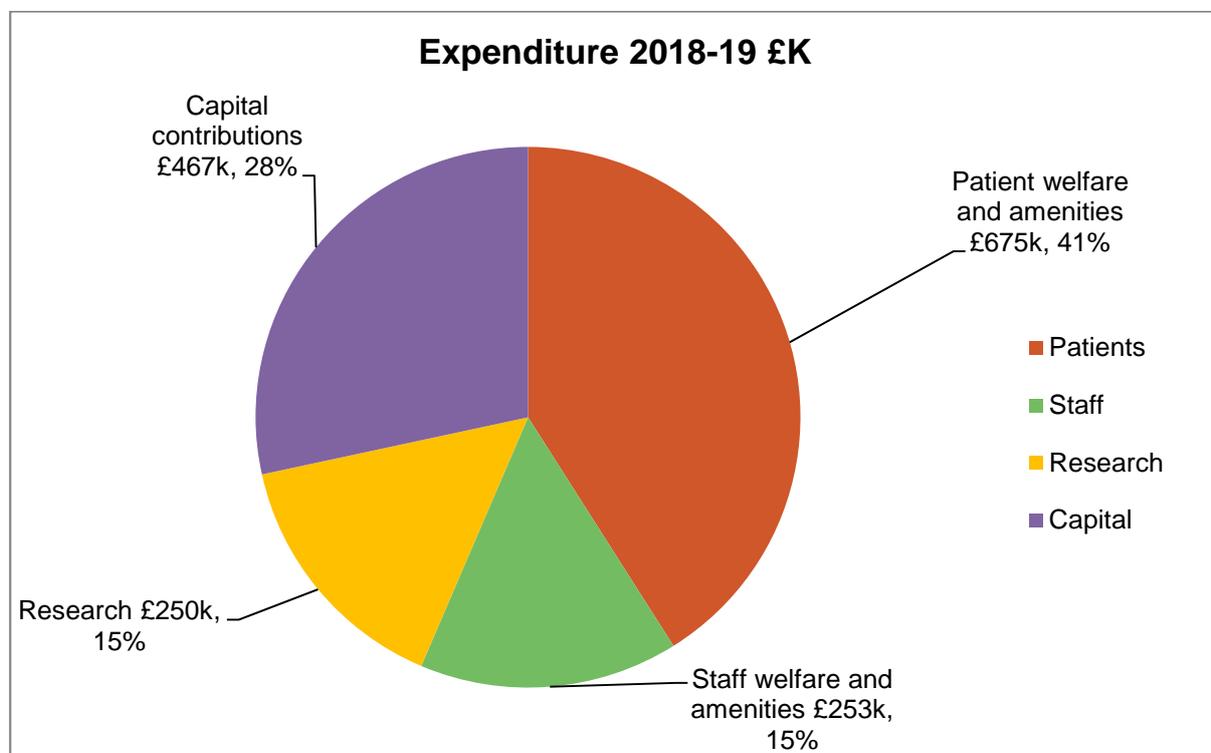


Voluntary income included legacies of £307k; 6 legacies were over £10k. A further £46k was raised through the gift aid scheme. A total of £277k was raised through trading income including £241k from the staff lottery.

During the year, the total investment return, including dividends and interest, was £152k (2017-18: £161k). The Charity investments made a gain of £58k (loss of £13k in 2017-18) reflecting the performance of the stock market over the last twelve months.

# Where we spent the money

The awarding of grants represents the main activity for the Charity. During the 2018-19 financial year the Charity expended £1,645k in grants as shown below:



## Grants to provide benefits to patients

The Charity spent £675k (2017-18: £833k) on grants to provide benefits to patients, including:

- Furnishings of Patient Areas £280k
- Purchases of medical and dental equipment £84k
- Purchases of other equipment £43k

## Grants to provide benefits to staff

The Charity spent £253k (2017-18: £320k) on grants to provide benefits to the Trust of investing in staff, including:

- Educational and Training Support £62k
- Social Activities £34k
- Furnishing Improvements to Staff Areas £16k

## Capital projects for donation to the NHS Trust

The Charity spent £467k (2017-18: £1,032k) on grants to provide benefits to patients and staff through capital expenditure, including:

- Construction works £132k
- Medical and dental equipment £291k
- Computer and other equipment £7k

### Grants awarded for research projects

The Charity spent £250k (2017-18: £196k) on grants to support research related activities, including:

- Medical and other equipment & consumables £35k
- Funding of research posts £193k

## Risk management

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The Charity has identified no new material risks during 2018-19, with the main risk being the potential loss from a fall in the market value of investments.

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.

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.

The Trust's Audit Committee routinely receives updates on the Charity's performance and is responsible for the controls over the financial probity and management of the Charity and for overseeing the work of the auditors.

## Grant-making policy

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The use of our funds is restricted by the governing document which established the Charity to purposes connected with the NHS. When approving grant expenditure consideration is first given to the public benefit that will be generated from the expenditure, as this is a core value in our activities.

The main activity for the Charity is the awarding of grants to UHL. 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.

The Committee approves grants up to £50,000 in relation to the use of the Charity's funds. The Charity Finance Manager is empowered by the Committee to consider and approve all grant applications of up to £10,000 from restricted or designated funds within the criteria set by the Committee.

Applications involving proposed expenditure of £50,000 or more are referred to the NHS Trust Board, as Corporate Trustee, with the Committee's recommendation as to whether or not they should be approved or rejected.

## Reserves

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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 Corporate Trustee's intent is that general funds are spent within a reasonable period of receipt and therefore foresee a need to only maintain reserves at a sufficient level to provide certainty of funding for the ongoing running costs of the Charity. This is in line with the following legal requirement:

"...reserves must be justified and by law, the Charity must spend income it receives within a reasonable period of time unless there's a good reason not to".

The Charity must be clear about the reasons for keeping reserves and is required to have a reserves policy. This helps explain to others why we are setting money aside rather than spending it on the charity's aims. The Charity Commission defines reserves as the part of the Charity's funds which are "freely available" and excludes endowment, restricted and committed funds. The level of reserves available for general use as at 31<sup>st</sup> March 2019 is as follows:

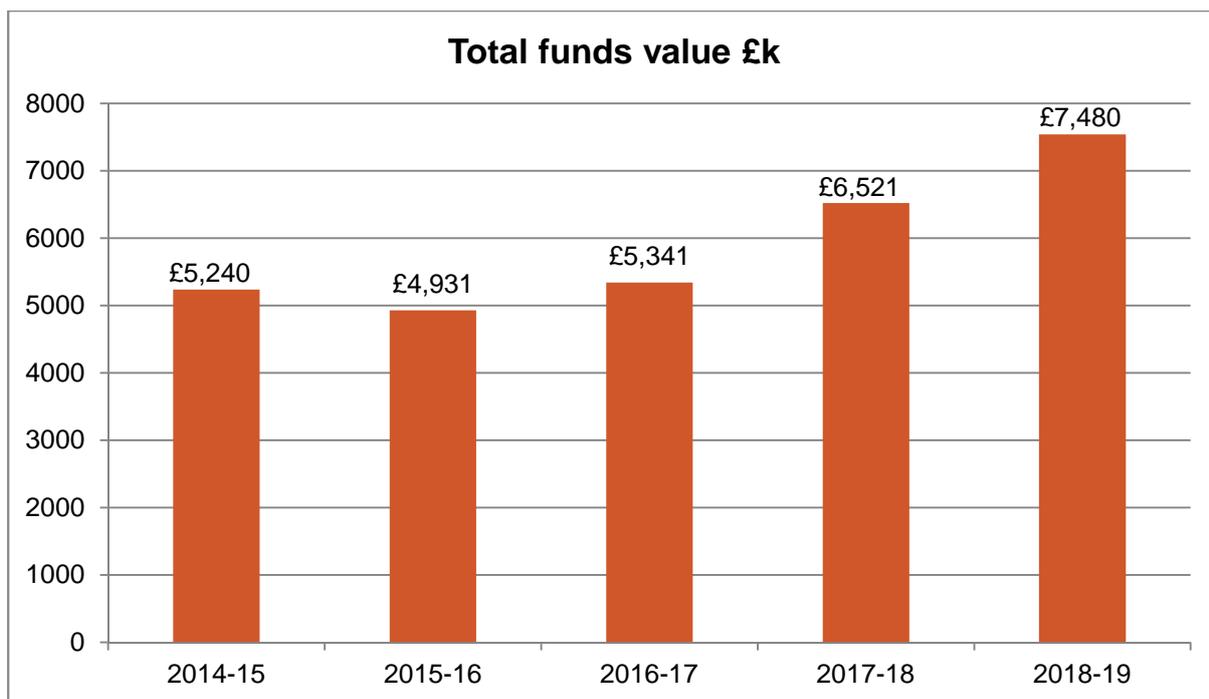
<b>Breakdown of reserves</b>	<b>£'000</b>
Total funds	7,480
less restricted funds	(3,910)
less committed funds	(554)
Freely available reserves	3,016

The Charity's income and expenditure, inclusive of investment gains and losses from 2014-15 to 2018-19 is shown in the table below.

<b>Year</b>	<b>Income</b>	<b>Expenditure</b>	<b>Net movement in funds</b>	<b>Total fund balances as at 31st March</b>	<b>Movement as a % of total funds</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>%</b>
2018-19	3,089	2,130	959	7,480	12.8%
2017-18	4,235	3,055	1,180	6,521	18.1%
2016-17	1,802	1,392	410	5,341	7.7%
2015-16	2,191	2,500	-309	4,931	-6.3%
2014-15	1,823	2,173	-350	5,240	-6.7%

The net movement in funds is usually not material when compared to the total level of fund balances. On average the annual net movement in funds has been an increase of £378k over the 5 year period.

Overall fund balances have remained constant and there is a regular core level of income. The graph below shows the total fund balances over the last five years.



The Charity has calculated that it requires approximately £100k to meet its ongoing running costs and fund the spending that would be required to wind the Charity down should the need ever arise.

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 £500k to ensure that the Charity has sufficient funds to cover its immediate commitments, plus sufficient funds to cover any likely annual deficit.

Linking the level of reserves to an annual level of spend is consistent with the Trust's own going concern assessment.

Each year, as part of the accounting process, the Trust assesses whether it will be operating as a going concern for the next financial year. The going concern assumption is less of a risk to the Charity as it is to the Trust as the majority of the Charity's expenditure is discretionary.

The Charity will be refining its approach to annual and long term planning, and will be linking spending plans to fundraising requirements. The going concern of the Charity would therefore not be put at risk if a large item of expenditure was identified as this would be supported by a fundraising scheme to meet any shortfall in available funds. There is therefore minimal risk to the Charity by reducing its reserves from the current level as expenditure is not approved unless funds, or fundraising plans, are in place.

The Charity currently has a level of freely available reserves which is significantly higher than the required level and the Charity's planning process will take this into account and aim to stabilise the reserves at the required level.

# Our investments

The investments of the Charity are managed by Cazenove Capital Management (Cazenove) with the emphasis on maintaining a high level of liquidity and a low to moderate investment risk.

As part of the investment policy, Cazenove has the delegated authority to invest funds into equity, property and bond markets as well as maintain cash holdings. The investment firm are expected to work within the agreed portfolio mix shown below.

Investment Class	Permissible Range (%)	Market Value £K 31/03/19	Proportion as at 31/03/19 (%)	Proportion as at 31/03/18 (%)
Equities (UK/Overseas)	45 to 65	2,800	59.3	53.7%
Bonds	10 to 30	802	16.9	17.2%
Multi-Asset Funds	0 to 20	487	10.3	10.7%
Property & other	0 to 10	409	8.7	8.45%
Cash	Balance	227	4.8	10.0%
	Total	4,725	100%	

The following restrictions also apply to the Charity's investment portfolio:

- investments that are not readily realisable must not exceed 10% of the total portfolio;
- investment in any one issuer's securities should not exceed 10%; and
- payment must be made on demand to the Charity in line with agreed procedures and approved signatories.

The Charity's governing document imposes further restrictions on the Charity's power to invest funds:

- the Charity must not make any speculative or hazardous investment (and for the avoidance of doubt, this power to invest does not extend to the laying out of money on the acquisition of futures or traded options).
- the Charity must not engage in trading ventures and
- the Charity does not invest in companies whose principal activities are tobacco related or any direct or indirect exposure to tobacco related investments.

The Charitable Funds Committee reviews investment management performance at each meeting. The investment managers provide the Charity with monthly performance reports highlighting performance against key indices such as the FTSE All Share Index. The investment managers also provide the Charity with a commentary in relation to the portfolio

and market outlook. The Charity receives regular advice from its investment managers and reviews opportunities to amend the Investment Strategy.

The Charity does not apportion unrealised investment gains or losses across funds unless they are in excess of £250k.

# Reference and administration details

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Charity Name	Leicester Hospitals Charity
Fundraising Team	Belgrave House Gwendolen Road Leicester General Hospital LE5 4PW
Registered Number	1056804

## Charity Staff

Lisa Davies	Director of Leicester Hospitals Charity – from February 2019
Tim Diggle	Head of Charity – until December 2018
Debbie Adlerstein	Head of Business Development
Kamlesh Mistry	Community and Events Fundraising Manager
Sue Stevenson	Trust & Foundations Fundraising Manager
Marie Hough	Legacy Manager & Fundraising Administrator
Will Wood	Marketing & Communications Officer
Rebecca Porteous	Fundraising Administration Assistant
Lydia Sharman	Fundraising Admin Apprentice – until April 2018 Bank Fundraising Admin Assistant – from April 2018
Beth Standley	Fundraising Apprentice – until August 2018 Bank Fundraising Assistant – from August 2018
Toby Briggs	Fundraising Apprentice – until August 2018 Bank Fundraising Assistant – from August 2018
Joanne Spence	Charity Shop Volunteer Manager – from November 2018
Nick Sone	Charity Finance Lead
Julie Woolley	Charity Finance Manager
Mandy Tuddenham	Charitable Funds Administrator
Emma Tracey	Charitable Funds Assistant – from January 2019

External Auditors	Grant Thornton UK LLP The Colmore Building 20 Colmore Circus Birmingham B4 6AT
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	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
Corporate Trustee And Registered Charity Address	University Hospitals of Leicester NHS Trust Trust Headquarters Level 3, Balmoral Building Leicester Royal Infirmary Infirmary Square, LE1 5WW

# Thank you

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On behalf of all the patients who continue to benefit from improved services due to donations and legacies, Leicester Hospitals Charity would like to thank all patients, relatives, staff and partners for their support.

If you want to know more about how to become involved in the work of the Trust, or take part in fundraising activities, or simply make a donation, contact the Leicester Hospitals Charity Fundraising team on 0116 258 8709, or email [lhcharity@uhl-tr.nhs.uk](mailto:lhcharity@uhl-tr.nhs.uk).

# The Audit Findings for Leicester Hospitals Charity

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Year ended 31 March 2019

August 2019



# Contents



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2. Significant risks
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4. Independence, ethics and fees

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## Appendices

- A. Follow up of prior year recommendations
- B. Audit adjustments
- C. Audit Opinion

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Headlines

This table summarises the key issues arising from the statutory audit of Leicester Hospitals Charity ('the Charity') and the preparation of the Charity's financial statements for the year ended 31 March 2019 for those charged with governance.

<b>Financial Statements</b>	<p>Under International Standards of Audit (ISAs (UK)), we are required to report whether, in our opinion:</p> <ul style="list-style-type: none"><li>the Charity's financial statements give a true and fair view of the financial position of the Charity and its expenditure and income for the year.</li></ul> <p>We are also required to report whether the information given in the Trustees' Annual Report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p>	<p>Our audit work was completed on site during August. Our findings are summarised on pages 5 to 6. We have identified one adjustment to the financial statements that has resulted in a £60k reduction in the Charity's net incoming resources. This audit adjustment is detailed in Appendix B. Our follow up of recommendations from the prior year's audit are detailed in Appendix A.</p> <p>Our work is substantially complete and there are no matters of which we are aware that would require modification of our audit opinion (Appendix C) or material changes to the financial statements, subject to the following outstanding matters:</p> <ul style="list-style-type: none"><li>- ensuring all material disclosures have been agreed to support;</li><li>- receipt of management representation letter;</li><li>- review of the final set of financial statements; and</li><li>- final consideration of post balance sheet events at the date of approval of our Auditor's Report.</li></ul> <p>We have concluded that the other information to be published with the financial statements, which includes the Trustees' Annual Report, is consistent with our knowledge of your organisation and the financial statements we have audited.</p> <p>Our anticipated audit report opinion will be unmodified.</p>
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## Acknowledgements

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

# Summary

## Overview of the scope of our audit

This Audit Findings Report presents the observations arising from the audit that are significant to the responsibility of those charged with governance to oversee the financial reporting process, as required by International Standard on Auditing (UK) 260. Its contents have been agreed with management prior to sharing with the Charitable Funds Committee.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) and the Code, which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

## Audit approach

Our audit approach was based on a thorough understanding of the Charity's business and is risk based, and in particular included:

- An evaluation of the Charity's internal controls environment, including its IT systems and controls;
- Substantive testing of significant transactions and material account balances

We have not had to alter or change our audit plan, as communicated to you on 1 August 2019.

## Conclusion

We have substantially completed our audit of your financial statements and subject to outstanding queries being resolved, we anticipate issuing an unqualified audit opinion following the Trust Board meeting on 3 October 2019, as detailed in Appendix C. These outstanding items include:

- ensuring all material disclosures have been agreed to support;
- receipt of management representation letter;
- review of the final set of financial statements; and
- final consideration of post balance sheet events at the date of approval of our Auditor's Report.

## Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Our assessment of the value of materiality, performance materiality and trivial matters has been adjusted from that reported in our Audit Plan to reflect the Charity's actual income for 2018/19. We detail in the table below our updated determination of materiality for the Charity.

	Amount (£)	Qualitative factors considered
Materiality for the financial statements	79,000	No specific risk factors noted
Performance materiality	59,250	No specific risk factors noted
Trivial matters	4,000	None

# Significant risks

We have detailed below the two significant risks identified in our Audit Plan and provide commentary on our subsequent work and findings.

Risks identified in our Audit Plan	Commentary
<p>1 Occurrence of voluntary income</p>	<p><b>Auditor commentary</b></p> <p>We have:</p> <ul style="list-style-type: none"> <li>documented and gained an understanding of controls around monitoring and receipt of cash donations and the recording in the general ledger</li> <li>obtained the breakdown of voluntary income for the period and agreed to supporting records</li> <li>tested a sample of in-year voluntary income and year-end balances to supporting records</li> </ul> <p>We identified income of £60k relating to a legacy which was accrued into the accounts. On review of the evidence, we were not satisfied that this met the 'entitlement' criteria set out in the Charities SORP, as the deceased person's will set out a discretionary trust arrangement. The trustees confirmed via a deed dated 17 June 2019 that the charity would receive a share, therefore in our view the income should be recognised in 2019/20. It should be noted this is a timing issue only as the Charity has since received the cash for this legacy. This audit adjustment is detailed in Appendix B.</p> <p>Our audit work has not identified any other issues in respect of the occurrence of voluntary income.</p>
<p>2 Management over-ride of controls</p>	<p>We have:</p> <ul style="list-style-type: none"> <li>evaluated the design effectiveness of management controls over journals</li> <li>analysed the journals listing and determined the criteria for selecting high risk unusual journals</li> <li>tested unusual journals made during the year and the accounts production stage for appropriateness and corroboration</li> <li>gained an understanding of the accounting estimates and critical judgements applied by management and considered their reasonableness</li> </ul> <p>Our audit work has not identified any issues in respect of management override of controls.</p>

# Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards to communicate to those charged with governance.

Issue	Commentary
① <b>Matters in relation to fraud</b>	<ul style="list-style-type: none"> <li>We have not been made aware of any incidents in the period and no issues have been identified during the course of our audit procedures.</li> </ul>
② <b>Matters in relation to related parties</b>	<ul style="list-style-type: none"> <li>We are not aware of any related parties or related party transactions which have not been disclosed.</li> </ul>
③ <b>Matters in relation to laws and regulations</b>	<ul style="list-style-type: none"> <li>You have not made us aware of any significant incidences of non-compliance with relevant laws and regulations and we have not identified any incidences from our audit work.</li> </ul>
④ <b>Written representations</b>	<ul style="list-style-type: none"> <li>A letter of representation has been requested from the Charity, which is included in the Charitable Funds Committee papers.</li> </ul>
⑤ <b>Confirmation requests from third parties</b>	<ul style="list-style-type: none"> <li>We requested from management permission to send confirmation requests to the Charity's bank and to its investment manager. This permission was granted and the requests were sent. Both requests were returned with positive confirmation.</li> </ul>
⑥ <b>Accounting practices</b>	<ul style="list-style-type: none"> <li>We have evaluated the appropriateness of the Charity's accounting policies, accounting estimates and financial statement disclosures. Our review found no material omissions in the financial statements. A small number of improvements to disclosures were identified and these are summarised in Appendix B.</li> </ul>
⑦ <b>Audit evidence and explanations/significant difficulties</b>	<ul style="list-style-type: none"> <li>All information and explanations requested from management were provided on a timely basis.</li> </ul>

# Independence, ethics and fees

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and confirm that we, as a firm, and each covered person, are independent and are able to express an objective opinion on the financial statements

We confirm that we have implemented policies and procedures to meet the requirements of the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Details of fees charged are detailed below.

## Audit and Non-audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Charity. No non-audit services were identified which were charged from the beginning of the financial year to August 2019.

We confirm below our final fees charged for the audit and confirm there were no fees for the provision of non audit services.

## Audit Fees

	Proposed fee	Final fee
Charity Audit	5,900	5,900
<b>Total audit fees (excluding VAT)</b>	<b>£5,900</b>	<b>£5,900</b>

- The fees reconcile to the financial statements, though it should be noted that the disclosure in the accounts is inclusive of VAT whereas the figure above is exclusive of VAT.

# Follow up of prior year recommendations

We identified the following issue in the audit of Leicester Hospitals Charity's 2017/18 financial statements, which resulted in one recommendation being reported in our 2017/18 Audit Findings report.

	Assessment	Issue and risk previously communicated	Update on actions taken to address the issue
1	<p><b>TBC</b></p> <p>The trustees have a legal obligation to manage risk, as set out in the Charity Commission's guidance 'Charities and risk management (CC26)'. The Charity does not maintain its own risk register, but instead risks relating to the Charity would be expected to be included on the Corporate Trustee's risk register as this is overseen by the Trust Board.</p> <p>The Trust's risk register currently contains two risks relating to the Charity. These are not reflected in the 'Risk Management' section of the Trustees' Report, we understand this is on the basis that these risks relate mainly to the risk to the Trust rather than to the Charity.</p> <p>The key risk to the Charity as disclosed in the Trustees' Report is a potential loss from a fall in the market value of investments. This is not currently reflected in the Trust's risk register.</p> <p>Risks relating solely to the Charity do not currently appear to be documented and reviewed on a formal basis. The Charity should therefore consider whether the current arrangements are adequate to ensure that risks relating to the Charity are recorded and managed.</p>	<p><b>Response in prior year:</b></p> <p>The UHL Risk Management Assessment Form has been completed relating to a potential loss from a fall in market value of investments. This is awaiting endorsement by the Director of Operational Finance prior to escalating onto the risk register.</p> <p><b>Management update:</b></p> <p>TBC</p>	

#### Assessment

- ✓ Action completed
- X Not yet addressed

# Audit Adjustments

We are required to report all non trivial misstatements to those charged with governance, whether or not the accounts have been adjusted by management.

## Impact of adjusted misstatements

All adjusted misstatements are set out in detail below along with the impact on the key statements and the reported net incoming resources for the year ending 31 March 2019.

Detail	Statement of Financial Activities £'000	Balance Sheet £'000	Impact on total net incoming resources £'000
1 Legacy income accrued which does not meet the 'entitlement' criteria for 2018/19 as set out in the Charities SORP, as the deceased person's will set out a discretionary trust arrangement and the trustees did not confirm that the charity would receive a share until June 2019. It should be noted this is a timing issue only as the Charity has since received the cash for this legacy. Legacy income and debtors are overstated.	60,000	(60,000)	60,000
<b>Overall impact</b>	<b>£60,000</b>	<b>(£60,000)</b>	<b>£60,000</b>

## Misclassification and disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Disclosure omission	Detail	Auditor recommendations	Adjusted?
<b>Analysis of investment balances by fund type</b>	<ul style="list-style-type: none"> <li>The split of investment and cash balances between restricted and unrestricted funds was calculated on a different basis to the prior year</li> </ul>	<ul style="list-style-type: none"> <li>The disclosure should be consistent to ensure comparability</li> </ul>	✓
<b>Comparatives</b>	<ul style="list-style-type: none"> <li>The comparative information for the Statement of Financial Activities and Balance Sheet did not include an analysis by type of fund</li> </ul>	<ul style="list-style-type: none"> <li>Comparative information for restricted/unrestricted funds should be included either on the face of the accounts or in the notes.</li> </ul>	✓
<b>Various</b>	<ul style="list-style-type: none"> <li>We identified a small number of other minor improvements to disclosures. None of these are deemed significant enough to bring to the attention of the Charitable Funds Committee.</li> </ul>	<ul style="list-style-type: none"> <li>The accounts should be amended to reflect these minor improvements.</li> </ul>	✓

# Audit opinion

We anticipate we will provide the Charity with an unmodified audit report

## Independent auditor's report to the corporate trustee of Leicester Hospitals Charity

### Opinion

We have audited the financial statements of Leicester Hospitals Charity (the 'charity') for the year ended 31 March 2019, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow 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 2019 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 have been appointed as auditor under section 149 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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

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

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

## Other information

The corporate trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report, set out on pages **[\*\*xx to xx\*\*]** 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.

# Audit opinion

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of the corporate trustee for the financial statements

As explained more fully in the Statement of Trustee's Responsibilities \*\*set out on page x\*\*, the corporate trustee is responsible for the preparation of the 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 corporate 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 corporate 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the charity's corporate trustee, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's corporate trustee those matters we are required to state 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 its corporate trustee, for our audit work, for this report, or for the opinions we have formed.

## Signature

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants

## Birmingham

## Date

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



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B4 6AT

3<sup>rd</sup> October 2019

Dear Sirs

**Leicester Hospitals Charity Financial Statements for the year ended 31 March 2019**

This representation letter is provided in connection with the audit of the financial statements of Leicester Hospitals Charity for the year ended 31 March 2019 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with Section 154 of the Charities Act 2011.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

**Financial Statements**

- i. We have fulfilled our responsibilities for the preparation of the financial statements in accordance with the Charities Act 2011, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('Charities SORP (FRS 102)'), issued by the Charity Commission for England and Wales and any subsequent amendments or variations to this statement. In particular, the financial statements give a true and fair view in accordance therewith.
- ii. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- iii. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- iv. Except as stated in the financial statements:
  - a. there are no unrecorded liabilities, actual or contingent;
  - b. none of the assets of the charity has been assigned, pledged or mortgaged;
  - c. there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- v. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Charities SORP (FRS 102) and any subsequent amendments or variations to this statement.

- vi. All events subsequent to the date of the financial statements and for which the Charities SORP (FRS 102) and any subsequent amendments or variations to this statement require adjustment or disclosure have been adjusted or disclosed.
- vii. We have considered the adjusted misstatements, and misclassification and disclosures changes schedules included in your Audit Findings Report. The financial statements have been amended for these misstatements, misclassifications and disclosure changes and are free of material misstatements, including omissions.
- viii. We can confirm that:
  - a. all income has been recorded;
  - b. the restricted funds have been properly applied;
  - c. constructive obligations for grants have been recognized; and
  - d. we consider there to be appropriate controls in place to ensure overseas payments are applied for charitable purposes.
- ix. The charity has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.
- x. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- xi. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of UK Generally Accepted Accounting Practice.

#### **Information Provided**

- xii. We have provided you with:
  - a. access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - b. additional information that you have requested from us for the purpose of your audit; and
  - c. unrestricted access to persons from whom you determine it necessary to obtain audit evidence.
- xiii. We have communicated to you all deficiencies in internal control of which we are aware.
- xiv. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- xv. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- xvi. We have disclosed to you our knowledge of fraud or suspected fraud affecting the charity involving:
  - a. management;
  - b. employees who have significant roles in internal control; or
  - c. others where the fraud could have a material effect on the financial statements.
- xvii. We have disclosed to you our knowledge of any allegations of fraud, or suspected fraud, affecting the charity's financial statements communicated by employees, former employees, analysts, regulators or others.

- xviii. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- xix. We have disclosed to you the identity of the charity's related parties and all the related party relationships and transactions of which we are aware.
- xx. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
- xxi. We confirm that we have reviewed all correspondence with regulators, which has also been made available to you, including the guidance 'How to report a serious incident in your charity' issued by the Charity Commission (updated in September 2017). We also confirm that no serious incident reports have been submitted to the Charity Commission, nor any events considered for submission, during the year or in the period to the date of signing of the balance sheet.

Yours faithfully

Name.....

Position.....

Date.....

**Signed on behalf of University Hospitals of Leicester NHS Trust, the Corporate Trustee**