

Board of Directors

Item

**board
report**

Subject: 2013/14 Charitable Funds Accounts
Date of meeting: 26th January 2015
Prepared by: Ian Cartwright, Head of Financial Accounts
Presented by: David Jago, Chief Financial Officer

Data Quality Rating	BAF Ref	Level of Assurance (Full / Incomplete/ Concerned / Immediate Action)
Silver	N/A	Full

1. Executive Summary

This paper provides an update to the Board of Directors on the 2013/14 charitable funds accounts and annual report. The Board of Directors are asked to approve the accounts and annual report ahead of the submission deadline of 31st January 2015.

2. Background

Liverpool Heart & Chest Hospital consolidated the trust accounts and charitable funds accounts for the first time in 2013/14 in line with mandated guidance. The consolidated final audited accounts were submitted to Monitor and laid before Parliament on 11th July 2014. However, the charitable funds accounts are also subject to audit and are required to be submitted to the Charity Commission by 31st January 2015.

3. Issues

Approval of the 2013/14 Accounts and Annual Report is therefore sought from the Board of Directors, in order for the accounts to be submitted within the prescribed deadline.

4. Conclusion

The Charitable Funds committee have received the Annual Report and Accounts and the external auditors (Grant Thornton) have provided their audit findings report.

5. Recommendations

The Board of Directors are asked to approve the charitable funds accounts and annual report for 2013/14.

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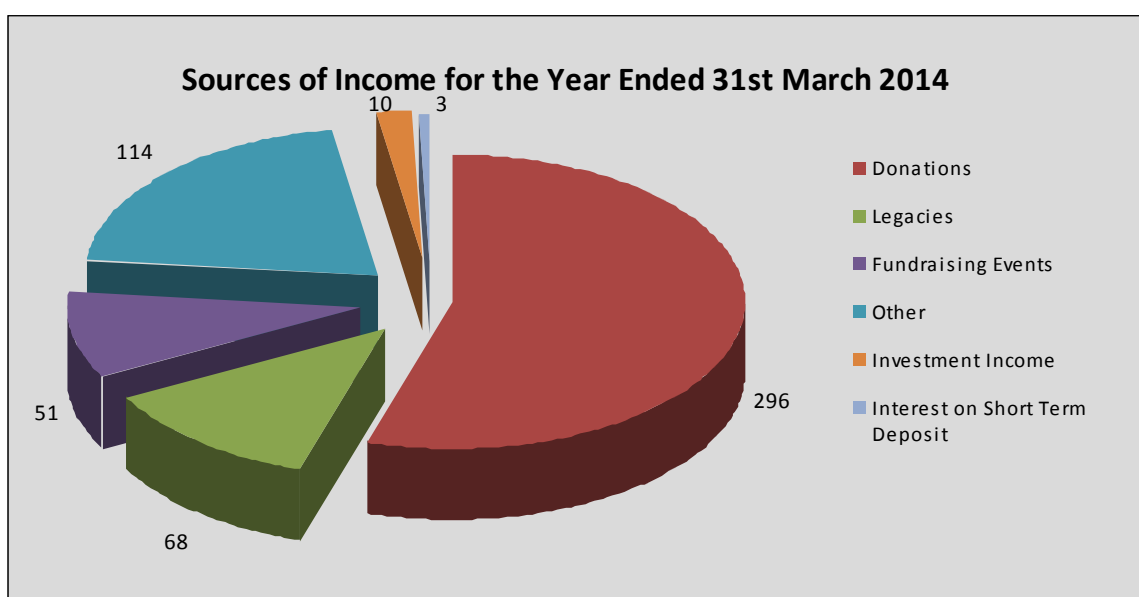
Introduction

This paper updates the Board of Directors on the 2013/14 Charitable Fund Accounts.

2. Background

Income

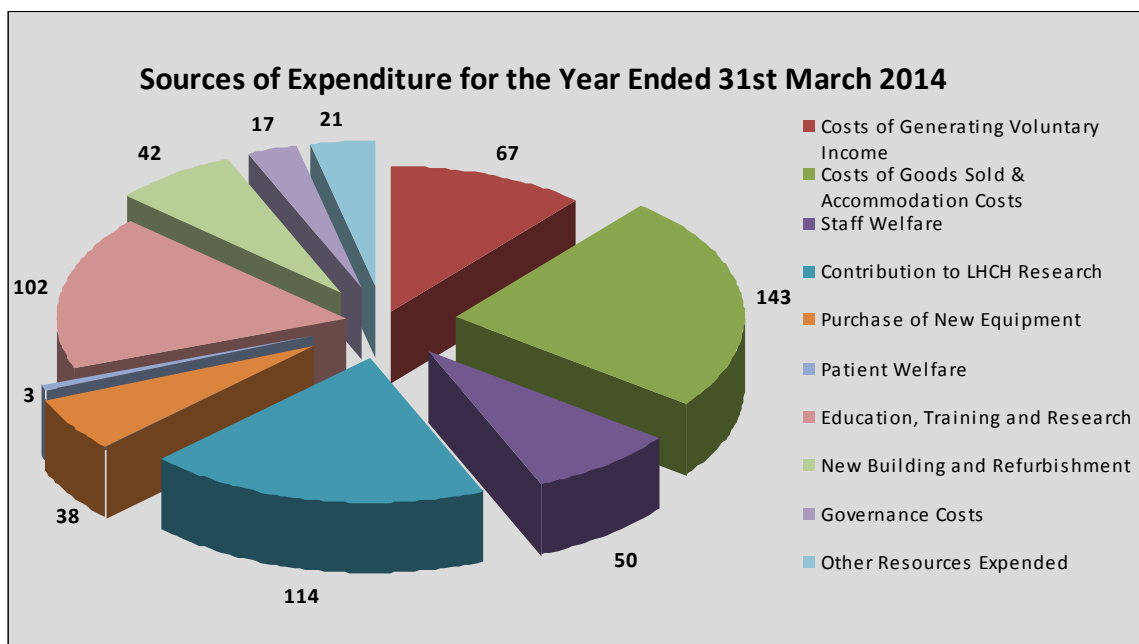
During 2013/14, expenditure exceeded income for the charity by £55,000 (expenditure exceeded income by £411,000 in 2012/13). In total there were £542,000 incoming resources during 2013/14 (£645,000 in 2012/13), which included £296,000 of donations (£188,000 in 2012/13) and £68,000 of legacies (£298,000 in 2012/13).



Source of Income for the Year	2013/14	2012/13	Movement (%)
Donations	296	188	57.4%
Legacies	68	298	-77.2%
Fundraising Events	51	26	96.2%
Other	114	116	-1.7%
Investment Income	10	10	0.0%
Interest on Short Term Deposit	3	7	-57.1%
Total	542	645	-16.0%

Expenditure

Total expenditure in 2013/14 was £597,000 (£1,056,000 in 2012/13).



Sources of Expenditure for the Year	2013/14	2012/13	Movement (%)
Costs of generating Voluntary Income	67	53	26%
Costs of Goods Sold & Accommodation Costs	143	90	58%
Staff Welfare	50	67	-25%
Contribution to LHCH Research	114	534	-79%
Purchase of New Equipment	38	116	-67%
Patient Welfare	3	22	-88%
Education & Training	102	76	34%
New Building & Refurbishment	42	58	-28%
Governance Costs	17	17	2%
Other Resources Expended	21	23	-11%
Total Expenditure	597	1,057	-43%

The main areas of expenditure include:

- Contribution to Liverpool Heart and Chest Research £114k;
- Purchase of New Medical Equipment £38k;
- Staff Welfare £50k;
- Fundraising £67k;
- Tea Bar Supplies £42k
- Robert Owen House £101k;
- Education and Training £102k;
- New Building and refurbishment £42k;

There has been a decrease in the total resources expended of £459k mainly due to a decrease in contribution to LHCH Research. In 2012/13 £500k was transferred to LHCH as a contribution towards the new Research unit. Robert

Owen House expenditure has increased by £53K which has been due to a charge of £38k in 2013/14 for utilities costs relating to 2012/13 and 2013/14 and also a recharge of £10k for administrative support. Education, Training and Research expenditure has increased by £26k which is due to the costs relating to the Aneurysm Symposium.

The total value of the Fund has decreased by £52k to £1.528m.

Some of the main movements are listed as follows:

Fixed Asset investments have increased by £253k due to an addition investment of £250k in the Charity Official Investment Fund (COIF) and an overall favourable movement in the market value of the COIF investment of £3k to give an overall balance of £502k. This investment is based on worldwide stocks and shares and reflects current market conditions.

Cash balances have decreased by £196k. This is mainly due to the Fixed Asset investment of £250k in the COIF. Debtors has decreased by £87k due to Legacy payments expected being received during the year.

There has been an unrealised gain on the C.O.I.F investment of £3,000. This gain is added to the Net outgoing resources of £55,000 leaving a net decrease in fund balances of £52,000 to £1,528,000 (£1,580,000 in 2012/13).

3. Recommendations

The Board of Directors are asked to approve the 2013/14 charitable fund accounts and annual report for submission to the Charity Commission by 31st January 2015.