

Liverpool Heart and Chest Hospital Charity

Annual Report and Accounts 2013/14



Liverpool Heart and Chest Hospital Charity
Thomas Drive
Liverpool
L14 3PE

Tel: 0151 600 1616

Registered with: The Charity Commission
Charity Number: 1052813

Liverpool Heart and Chest Hospital Charity Annual Report and Accounts 2013/14

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Liverpool Heart and Chest Hospital Charity

Annual Report and Accounts 2013/14

Foreword

The Corporate Trustee presents the Charitable Funds Annual Report together with the Audited Financial Statements for the year ended 31st March 2014.

The Charity's annual report and accounts for the year ended 31 March 2014 have been prepared by the Corporate Trustee in accordance with the Charities Act 1993 (as amended by the Charities Act 2006), the Charities (Accounts & Reports) Regulations 2008 and United Kingdom Generally Accepted Accounting Practice which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of the charity's state of affairs at the end of the financial year. The Charity's report and accounts include all the separately established funds for which the Liverpool Heart & Chest Hospital NHS Foundation Trust is the sole beneficiary.

The Charity has a Corporate Trustee: Liverpool Heart & Chest Hospital NHS Foundation Trust.

Members of the NHS Trust Board who served during the financial year were as follows:

Name	Title
J Tomkinson ¹	Chief Executive Officer
R Jain ²	Chief Executive
G Russell	Medical Director
D Jago	Chief Finance Officer
S Pemberton	Director of Nursing
C Pratt ³	Deputy Director of Nursing
M Jackson	Director of Research & Informatics
P N Large	Chair
G Appleton	Non-Executive Director
D Bricknell	Non-Executive Director
L Cotter ⁴	Non-Executive Director
M Fuller ⁵	Non-Executive Director
M Savill ⁶	Non-Executive Director
P Firby ⁷	Non-Executive Director
R Toomey ⁸	Non-Executive Director
B Leek ⁹	Non-Executive Director

¹ J Tomkinson commenced as Chief Executive on 8th October 2013;

² R Jain left the Trust on 7th October 2013;

³ C Pratt was acting Director of Nursing from 11th October;

⁴ L Cotter commenced as Non-Executive Director on 1st June 2013;

⁵ M Fuller commenced as Non-Executive Director on 1st May 2013;

⁶ M Savill commenced as Non-Executive Director on 1st May 2013;

⁷ P Pirby left the Trust on 31st May 2013;

⁸ B Leek left the Trust on 31st May 2013;

⁹ R Toomey left the Trust on 30th May 2013;

The Charitable Funds are registered with the Charity Commission (no. 1052813) in accordance with the Charities Act 1993.

1.1 Reference and Administrative Details

Charity Name: Liverpool Heart and Chest Hospital Charity

Charity registration number: 1052813

Registered Office and Operational address: Liverpool Heart & Chest Hospital Charity,
Thomas Drive,
Broadgreen, Merseyside,
L14 3PE

The main charity Liverpool Heart and Chest Hospital Charity was entered on the Central Register of Charities on the 19th December 1995. The charity is constituted of 29 funds as at the 31st March 2014, with a fund balance of £1.426m (excluding the unrealised gain on the COIF investment). This compares to 33 funds as at 31st March 2013 where the fund balance was £1.479m. The notes to the accounts distinguish the type of fund held and disclose separately all material funds.

Charitable funds received by the charity are accepted, held and administered as funds and property held on trust for purposes relating to the National Health Service and Community Care Act 1990 and these funds are held on trust by the corporate body.

1.2 Trustee

The Liverpool Heart & Chest Hospital NHS Foundation Trust is the Corporate Trustee of the charitable funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 1993.

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

Name	Position
David Bricknell	Non-Executive Director and Chair of Charitable Funds Committee
Mark Fuller ¹	Non-Executive Director
David Jago	Chief Finance Officer and Financial Trustee of Charitable Funds Committee
Mark Jackson	Director of Research & Informatics
Sarah Booth ²	Head of PR & Communications/Trust Secretary

¹ Mark Fuller commenced as Non-Executive Director on 1st May 2013

² Sarah Booth left the Trust on 8th October 2013

1.3 Principal Charitable Fund Advisors to the Board

Under the Scheme of Reservation and Delegation (SoRD) the Chair of the Charitable Funds Committee and Chief Finance Officer has day to day responsibility for the management of the Charitable Funds.

Expenditure up to £5,000 from the Liverpool Heart and Chest Appeal or General Fund must be approved by two Executive Directors whilst expenditure up to £5,000 from other funds must be approved by the Fund holder plus an Executive Director. Expenditure over £5,000 or recurring expenditure such as salaries must be approved by the Charitable Funds Committee. The Chair of the Charitable Funds Committee and the Chief Finance Officer can jointly approve expenditure outside of the quarterly Charitable Funds meetings.

The Head of Financial Accounts acts as the principal officer overseeing the day to day financial management and accounting for the charitable funds during the year.

1.4 Principal Office

The principal office for the charity is:

Liverpool Heart and Chest Hospital Charity
Thomas Drive
Liverpool
L14 3PE

1.5 Principal Professional Advisors

Banker:	Solicitor:	Auditor:	Investment Manager:
Barclays Bank Plc, North West Larger Businesses, PO Box 378, 71 Grey Street, Newcastle Upon Tyne, NE99 1JP	Hill Dickinson, Pearl Assurance House, Derby Square, Liverpool, L2 9XL	Grant Thornton UK LLP, 4 Hardman Square, Manchester, M3 3EB	COIF, St Alphage House, 2 Fore Street, London, EC2Y 5AQ

1.6 Structure, Governance and Management

The Charity has complied with current statutory requirements, the requirements of the governing document and the requirements of the Statement of Recommended Practice (SoRP) 2005.

The Charity's unrestricted fund was established using the model declaration of trust and all funds held on trust as at the date of registration were part of this unrestricted fund. Subsequent donations and gifts received by the charity that are attributable to the original funds are added to those fund balances within the existing charity.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and by designating funds, the Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff.

The charitable funds available for spending are allocated to specialties within the NHS Trust's directorate management structure. There are charitable funds for each of the wards as well as larger funds for Liverpool Heart and Chest Appeal, Robert Owen House, Heart, Aneurysm Project and Cystic Fibrosis.

Non-Executive Members of the Trust Board are appointed by the Council of Governors and executive members of the Board are subject to recruitment by the NHS Foundation Trust Board. Members of the Trust Board and the Charitable Funds Committee are not individual Trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

The agents of the Corporate Trustee during the year have included Non-Executive and Executive Directors.

The Charitable Funds Committee operates within Terms of Reference authorised by the Board of Liverpool Heart and Chest Hospital NHS Foundation Trust.

This document defines the;

- Purpose of the Committee
- Authority of the Committee
- Objectives
- Governance
- Membership
- Attendance
- Quorum and Frequency
- Reporting

A Charitable Funds Policy and Procedure Manual have been issued to each Trustee, which clearly defines their roles and responsibilities. They are also issued with the Corporate Governance Manual which includes Standing Financial Instructions, Standing Orders and the Scheme of Reservation and Delegation. Members of the Finance department are available to provide training sessions which give an overview of Charitable Funds procedures. In addition Trustees attend quarterly Charitable Funds meetings, where they are kept up to date with current issues.

Purpose of the Committee

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

The committee has no executive powers other than those specifically delegated in its Terms of Reference

Authority

The Charitable Funds Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek information it requires of any employee (or contractor acting on behalf of the Trust) and all employees (or contractor acting on behalf of the Trust) are directed to co-operate with any request made by the committee. The committee is authorised to obtain legal advice or other professional advice from internal or external sources. The committee has delegated authority from the Board to:

- Maintain the Charity's governing document and registration with the Charity Commission.
- Review and advise on those aspects of Standing Orders and Standing Financial Instructions that appertain to the charity and its operation.
- Apply all charitable funds in accordance with the NHS Acts, Charities Acts and good practice and ensure that decisions on the use of investments of such funds are restricted to the explicit conditions or purpose of each donation, bequest or grant.

- Make decisions involving the use of charitable funds for investments subject to the powers laid down in the “Declaration of Trust” and with regard to the Trustee Act 2000 and any subsequent legislation.
- Consider the appointment of investment advisors and monitor the performance of the charitable fund portfolio.
- To oversee the investment policy of the Charitable Funds as required by the Trustee Investment Act 1961 and the NHS Acts.
- The committee acts as the control mechanism for any approved fundraising appeals which may be initiated by ensuring that the appointment and control of fundraisers is in line with regulations and guidance contained in part 2 of the Charities Act 1992 “Controlling of Fundraising” and subsequent legislation.
- The committee oversees and monitors the functions performed by the Chief Finance Officer and Chief Executive with regard to the investment, accounting and reporting on the use of charitable funds.
- The committee receives Annual Accounts and Reports of the Trust’s charitable funds for consideration and recommendation for final approval or otherwise to the Board of Directors

Committee Objectives

The role of the committee is to oversee the management of the affairs of the Liverpool Heart and Chest Hospital Charitable Fund. This is a delegated duty carried out on behalf of the Liverpool Heart and Chest Hospital NHS Foundation Trust which is the sole corporate trustee of the charity. The role is to ensure that the charity acts within the terms of its declaration of trust and appropriate legislation and to provide information to the Audit Committee to enable it to provide assurance to the Board that the charity is properly governed and well managed across the full range of activities.

This includes:

- Ensuring that unacceptable levels of assurance and risks related to financial performance of the Charitable Fund or associated investments are reported to the Board for consideration
- The review and adoption of the annual accounts and annual report of the charity and to ensure relevant information is disclosed
- The review and update annually of the terms of reference, recommending any changes to the Board of Directors
- The investment and application of income, funds and property of the charity in accordance with the governing document
- Maintenance of the solvency and continuing effectiveness of the Charity
- Safeguarding permanent endowments as appropriate
- Evaluation of the membership and performance on an annual basis and report findings to the Board of Directors

- Investment and review of funds not needed for immediate application, in accordance with the Charity's investment objectives and the principles outlined in the Trust's Investment Policy
- Providing advice to the Board and the Fundraising Group on fundraising matters
- The review and monitoring of the effectiveness derived from grants of money and property to the Trust
- Operation of a visible and transparent decision making process for grants of money and property to the Centre
- Ensuring equality and diversity is a key dimension of the committee's work in particular when considering requests for use of charitable monies and agreeing fundraising activities
- The delivery of the Charitable Funds annual plan and strategic objectives as issued by the Board of Directors in its role as Corporate Trustee
- The approval of policies and procedures required for effective management of the Fund to be delivered. This includes oversight of associated compliance arrangements such as those required by the Charities Commission
- Ensuring that the Trust's Investment Policy and Treasury Management policies are adhered to when considering related actions – evenly spread over the year as appropriate
- Providing assurance to the Board that the systems, policies and procedures put in place to deliver Charitable Funds plans operate in compliance with appropriate standards, are effective, are focused on key risks and drive the delivery of the Trust's objectives via an annual report

The Board, as a corporate body has sole discretion on the appointment of all agents of the Corporate Trustee.

The Trustees meet quarterly at the Charitable Funds Committee and review the performance of the fund. The review includes performance of investments, contributions to Research and Development, Liverpool Heart and Chest Appeal fundraising, details of balances and movements over £1,000, and any expenditure items requiring approval over £5,000.

The Accounting records and the day to day administration of the funds are dealt with by the Finance Department located at Moroney House, Liverpool Heart & Chest Hospital NHS Foundation Trust, Thomas Drive, Liverpool L14 3PE.

During the year other appeals conducted by the Charity were 'The Heart Appeal' and 'Liverpool Heart and Chest Appeal'. A separate fundraising steering group, chaired by Mr Alan Birchall leads the fundraising effort for the Liverpool Heart and Chest Appeal. Two Trustees - the Chair and the Financial Trustee - are members of this steering group.

1.7 Risk Management

The Trustees have considered potential risks to which the charity is exposed. There are no major risks that have been identified other than those associated with the normal fluctuation in value of investments. The Trustees believe these risks are managed by holding investments in a diversified fund of investments and by only investing funds not required in the short or medium term.

At 31st March 2014 the market value of investments in the COIF (Charity Official Investment Fund) was £502,000 out of total reserves of £1,528,000.

Risks have been carefully considered and there are procedures in place to review the investment policy which mirrors that of the Trust, to ensure that both spending and firm financial commitments remain in line with income. The Investment Committee which is a sub-committee of the Trust Board develops and recommends to the Trust Board a written Treasury Management Policy which includes attitude to risk associated with investments. This policy is approved by the Trust Board and reviewed annually.

1.8 Partnership Working

Liverpool Heart & Chest Hospital NHS Foundation Trust is the main beneficiary of the charity and is a related party by virtue of being Corporate Trustee of the charity. By working in partnership with the Trust, the charitable funds are used to best effect. When deciding upon the most beneficial way to use charitable funds, the Corporate Trustee has regard to the main activities, objectives, strategies and plans of the Trust.

The Charity is indebted to the work of individuals, rotary clubs, inner wheel societies, schools and many groups/organisations across the region in support of the Liverpool Heart and Chest Appeal. We also appreciate the work of the volunteers in the Tea Shop which helps to support the day to day running costs of Robert Owen House.

If you want to know more about how to become involved or to take part in the fundraising or to make a donation please contact the Fundraising Department on 0151 600 1409.

1.9 Charity Objectives and Strategy

The Charity's main fund has NHS wide objectives as follows:

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

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

The majority of the 29 funds within the umbrella charity are for the charitable purposes of advancement of health or saving of lives or for the advancement of education.

1.10 Annual Review April 2013 – March 2014: Our Activities



NHS funding ensures that we provide our patients with a first class service, year on year, but there is always a need for additional income so that we can further enhance patient care at Liverpool Heart and Chest Hospital.

Additional income is generated by our hospital's Appeal so that we can continue to develop as one of the leading specialist cardiothoracic hospitals in this country and overseas.

Funds raised through our Appeal are crucial to our success so that we can carry on saving lives for people suffering from chronic heart and lung disease in our region.

Charitable funds also enable Consultants and other medical staff to attend courses, not funded by the NHS, which will update them on the new ideas and modern techniques in their specialities.

The ward charitable funds receive many donations specifically given to thank the nursing staff and these are used for charitable activities that will benefit staff.

The aims of our Appeal in 2013-2014 were to raise funds as follows:

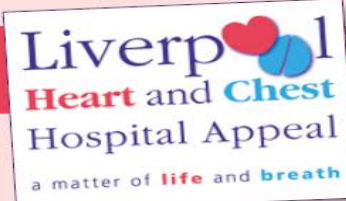
- Develop our patient and family centred care programme;
- Purchase key pieces of equipment;
- Support patient centred research;
- Improve our hospital environment;

Once again, it is encouraging to report that despite the current economic climate, support for our hospital's Appeal continuing to grow with patients, staff and the wider communities.

Engaging and harnessing support with patients, staff, FT members and our wider community

This year the Appeal communicated how charitable funds were being spent to patients, staff and Foundation Trust Members. This communication was highlighted in the Trust's newsletter Members Matters which is distributed to over 10,000 Members, as well as the staff newsletter Pulse. Both publications are also published on the Trust website www.lhch.nhs.uk

Thank you!



As a member of staff it is important that we share with you how the Trust is utilising our charitable funds and to demonstrate to you how these funds are helping us to make a real difference to patient care at Liverpool Heart and Chest Hospital.

The aim of our charity is to raise money to enable the hospital to continue to provide the very best of care for our patients and their families. Our LHCH Appeal continues to receive donations from a variety of sources and it is this valuable additional income that enables the Trust to purchase and provide items that would otherwise be unaffordable under the NHS.

Countless number of people support our LHCH Appeal as a way of saying 'thank you' to staff for their dedication to patient care. We recognise this unsung contribution and would like to take this opportunity to express our thanks to all staff who go above and beyond to make LHCH the specialist centre of excellence that it is today.

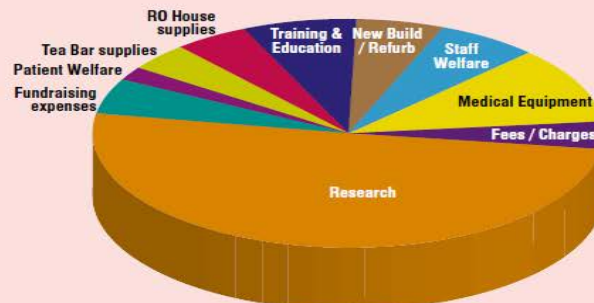
We are very grateful for every donation we receive and our Charitable Funds Committee will continue to ensure that charitable funds are managed and spent wisely for the benefit of our patients today and in the future.

Thank you

Mark Jackson
Exec Lead for Fundraising

Chris Bell
Head of Corporate Campaigns

Charitable Funds Expenditure 2012-13



Total spend £1,058,000

Staff Welfare costs have remained static. The main expenditure relates to Staff Christmas Party, Staff Awards Evening, Long Service Awards and Physiotherapy.

Description	£000s	
Medical Equipment	116	↑
Fees / Charges	42	↑
Research	534	↓
Fundraising expenses	53	↓
Patient Welfare	22	↑
Tea Bar supplies	40	↑
RO House supplies	50	↑
Training & Education	76	↓
New Build / Refurb	58	↑
Staff Welfare	67	↔

One example of how charitable donations have made a difference!



Before and after shots of the LHCH Research Unit

To get involved, contact our Appeal Office on 0151 600 1409

06/07

Events organised by the Appeal have been well attended by staff and members of the general public.

- The 7th Annual Hope Mountain Hike was held on Sunday 28th April 2013



- Bentley Drivers Club Grand Charity Ball was held on Thursday 4th July 2013

Members of the Bentley Drivers Club raise £30,000 for LHCH Appeal

Grateful thanks to Rita and Christopher Jones, who very kindly organised the 2013 Bentley Drivers Club Rally and Grand Charity Ball to support Liverpool Heart and Chest Hospital Appeal.

250 people attended the Ball, which took place at Thornton Hall Hotel on Thursday 4th July. The event was an enormous success and the atmosphere electric. The evening also launched the 2013 Bentley Drivers Club Rally Grand Tour of Ireland.

Over 50 magnificent Bentley cars were participating in the Grand Tour and Ball guests were able to view this amazing spectacle at the Hotel. Photographs and more information about the Ball and Rally are available on the Appeal pages of our hospital website www.lhch.nhs.uk.

The generosity of the Ball guests was overwhelming and the bidding for all the auction prizes was energetic, raising a staggering £30,000. A Regent Seven Seas 7 night Mediterranean Cruise was the star prize during the auction, but the prizes were all fantastic and ranged from a 3 nights Ball at the Fairmont Monte Carlo hotel which included lunch at the famous Cello de Paris to a signed Monaco Grand Prix collaboration frame signed by former World Champions Fernando Alonso, Jenson Button and Michael Schumacher.

The list of prizes for our raffle was endless and every table secured a prize. Thank you to everyone who supported our hospital and sponsored prizes for the evening.

Funds raised will go to support the innovative research programme currently being undertaken by our hospital's clinicians. The Institute of Cardiovascular Medicine and Science (ICMS) Research programme aims to deliver better outcomes for patients through advances in the diagnosis, management and treatment of cardiovascular disease.

Heartfelt thanks to everyone involved, especially Rita and Christopher Jones, Ruth Barnstone and Alan Birchall.

Appeal Office: 0151 600 1409

- 10th Anniversary of International Wear Red Day was held on Friday 7th February 2014



- Red Dress Cabaret Dinner at Willington Hall was held on Friday 7th March 2014



Marketing and Communications – Promotions of the Community support has been widely highlighted in all Trust communication channels under the banner “Great people doing great things” as shown below in the Trust’s newsletter Members Matters.

6 members matters May 2014

Thank you to all our supporters, we're funded by your generous donations.
Also thank you to the
Voluntary Chairman LHCCH Appeal
Chris Ball
Head of Corporate Campaigns LHCCH Appeal



Red Dress Cabaret Dinner at Willington Hall Hotel raises £5,000 for our Appeal

The Red Dress Cabaret Dinner was organised by Diana Begbie owner of the beautiful Willington Hall Hotel in Cheshire. Diana is also a heart patient of Liverpool Heart and Chest Hospital and a keen supporter of our Appeal.

150 people attended the black tie dinner, which was held on Friday 7th March 2014. The evening got off to a sparkling start with a champagne reception and the excellent atmosphere continued throughout the whole evening as guests enjoyed a delicious 4 course meal held in the Hamilton Suite of Willington Hall.

The Guest Speaker for the evening was Professor Lawrence Coote, Non-Executive Director of Liverpool Heart and Chest Hospital, who entertained the audience with an extremely humorous account of his experiences working as a Consultant Cardiologist in the UK, prior to his retirement.



The Toastmaster for the evening was Mr Chris Caroe. During dinner, background music was performed by singer Matt Roberts and the after dinner comedian was Mel Blake. Cheshire Life has covered this event to raise awareness of our Appeal and its Red Dress Campaign and our thanks to them for allowing us to publish photographs from the evening.

Huge thanks to everyone involved. In this event for their generosity and of course special thanks to Diana and Stuart Begbie for their overwhelming kindness and willingness to support our hospital and its Appeal.

Medal winner

Gary Cumming is truly deserving of his medal after completing the Liverpool Half Marathon in a race that he said "nearly killed me!"

Gary only started running again in November 2013 and signed up to do the Half Marathon to raise funds for our Appeal after his father's heart surgery at LHCCH. Regular morning runs at 5.00 a.m. saw him tackle our winter weather with gusto as his training developed. His efforts have paid off because Gary completed the Half Marathon in record time and raised £500 in sponsorship for our Appeal. Well done Gary and thank you on behalf of everyone at LHCCH.



Great people doing great things

Great Orme charity walk

Last year 35 year old Jessica Elsdon from Llandudno, North Wales, underwent treatment at LHCCH for a rare heart condition as her heart was beating almost four times faster than normal.

Following her successful treatment and, against all odds, Jess has just completed a 5 mile charity walk around Llandudno's famous Great Orme for our Hospital's Appeal.

Jess said "After reading the Appeal pages in Members Matters I contacted the Appeal Office to let them know I was thinking of organising a charity walk wearing a 'onesie' to thank staff at LHCCH for the wonderful treatment I received".

From then on Jess started raising funds in earnest collecting raffle prizes and receiving donations and sponsorship from family, friends and the community in and around Llandudno who had read Jess' article in the North



Wales Daily Post highlighting the charity walk and Jess' efforts given her rare heart condition.

The walk took place on Saturday 29th March 2014. It was a very cold and windy morning when the walk started at 10.00 a.m. but despite the weather everyone was keen to get going. Alan Birchall our voluntary Appeal Chairman cut the ribbon marking the start of the walk. Altogether 20 participants completed the walk and afterwards held a charity lunch in the Lilly Bar and Restaurant in Llandudno where they continued to raise funds for our Appeal. Jess is not sure how much she has managed to raise as funds are still coming in but she is hoping that it will be in the region of £2,000.

Running the marathon for love

Nikki Power is running her first ever full Marathon in May 2014 to thank Liverpool Heart and Chest Hospital for saving her Dad's life.



"I am running it to raise money for an Appeal which saves lives and sustains hope. I am running it because I want to say thank you for the support both me and my family received. But, perhaps most importantly, I am running it for love."

So I am asking you to please sponsor me through my JustGiving page as I am running the Liverpool Rock'n Roll Marathon in support of the patients, families and staff at LHCCH who are all amazing in their own special ways www.justgiving.com/Nikki-Power1 Thank you."

In between her training Nikki has also managed to raise £1,018.30 from a Valentine's Charity Ball which she organised for our Appeal. The event was held on Saturday 16th February at the Hard Day's Night Hotel in Liverpool.

We understand from Nikki that the night was fantastic from the word go. Everyone had a fabulous time and it seemed that the theme for the evening was happiness. Nikki's Dad Edmund thanked all the guests saying "Because of my little 'bip' over the summer it's wonderful that we've all come together this evening to raise money for such a fantastic charity."

Putting the 'fun' into fundraising



Mr Harold Greenall, Chris Ball and Tom Ollerton

St Mary's Club in Billinge, Wigan, have been putting the 'fun' into fundraising over the years and have now raised over £8,000 for our Appeal. Every summer, heart bypass patient Harold Greenall starts his fundraising efforts along with the support of Tom Ollerton and members of St. Mary's to support his two favourite charities, LHCCH Appeal and Willowbrook Hospice.

Funds raised are divided and then given to each charity at their annual Christmas Party where the members welcome us with open arms. Harold told Members Matters that he had received terrific treatment when he had his surgery and couldn't speak highly enough of all the staff that cared for him and in particular his surgeon Mr Abbas Rashid.

Toni's epic challenge raises £3,200 for our Appeal



Toni Harris works in Saudi Arabia but it was during a trip to Jordan in April 2013 that she received the news that her beloved Grandad, Michael Duff, had passed away.

Toni said "I was devastated that I never got to say goodbye and even now, nearly a year later, that's the one thing I'd love to change. Although my Grandad had been in ill health for many years, having the first of his four heart attacks back in the early 90s, developing COPD and requiring oxygen pretty much 24 hours a day, his passing still came as a massive shock."

My Grandad had always done a lot for charity and so our family decided to organise a charity night on 4th October 2013 to mark his 75th birthday. The event was a great success but I wanted to do more. I decided to climb Mount Kilimanjaro in Africa in memory of my Grandad.

So, on the 6th February 2014, I started the 6 day climb to the roof of Africa

which is 5,895 meters 19,341 feet high. The first day was enjoyable, the weather was beautiful. Halfway through the second day the weather took a turn for the worse and as we started to get higher up into the clouds we had torrential downpours. Everything was wet and the higher we got the colder it got -12C was the lowest temperature. Apparently it was the worst weather the mountain had seen in the last couple of years but it did not deter me. My love for Grandad spurred me on.

So far we have managed to raise £3,200.00 from the charity night and thank everyone for their kind donations and sponsorship. We know that the money we have raised in memory of my Grandad will benefit patients at Liverpool Heart and Chest Hospital and I know that my Grandad would be very proud that we have helped the hospital that cared for him."

On behalf of everyone at Liverpool Heart and Chest Hospital we'd like to congratulate Toni on her magnificent achievement and thank her for braving the elements to raise funds for our Appeal. Well done.



The Appeal now has a dedicated 4 page section in the Trust’s newsletter Members Matters which goes out to over 10,000 members across our region. As a result of this additional advertising space for our Appeal, income has doubled from this funding source.

Thank You

The Appeal would like to thank everyone for all the support they have given during the past twelve months.

Individuals and organisations who require more information about the Liverpool Heart and Chest Hospital Charity or 15 the Liverpool Heart and Chest Appeal should contact the Fundraising Office on 0151 600 1409.

Funds received are helping us tackle some of the more difficult challenges facing heart and lung disease here in the North West of England. It is helping us to prevent heart disease through patient centred research, purchasing equipment that will improve treatments for our future patients and provide our patients with first class patient experience at Liverpool Heart and Chest Hospital as a result of our patient and family centred care programme.

Enhancing the Healing Environment

Enhancing the Healing Environment is a programme of planned work which aims to improve the environments across all ward areas of the organisation and the departments of pharmacy, radiology, ECG, physiotherapy and pulmonary function.

The ambitions around this work are to improve the environments in line with our patient and family experience vision. This work will go above and beyond the normal maintenance work that is carried out across the Trust such as routine painting and repairs.

This scheme focuses on enhancing the healing environments for our patients, families and for our staff. Making the environments more welcoming and comfortable is a key requirement of this work. This will involve looking at colours and art work for the walls.

Outside areas and gardens will also be reviewed and improvements suggested, as will the corridors within the hospital and signage. Patients and their families will be involved in the design of mood boards to ensure we capture their ideas. Our staff from the areas will work together with patients and their families to discuss and design these improvements for patient and family areas whilst also improving the areas for our staff.

The Executive Team have considered a number of proposals for utilising Liverpool Heart and Chest Appeal funds to support the achievement of the Patient and Family Experience Vision over and above what is expected through traditional NHS funding. During the year the Charitable Funds Committee approved the following expenditure:

Supporting the Patient and Family Experience Vision through the Enhancing the Healing Environment Initiative:

Inpatient area environmental improvements	£71,490
Outdoor spaces and public corridor areas	£3,306
Total	£76,796

Aneurysm Project

The Aneurysm Project continues to support research into the aetiology and frequency of thoracic aneurysms and also research projects on young patients who undergo aneurysm surgery to improve their outcomes.

In addition, the Aneurysm project funds the Aortic Surgery Symposium, an international showcase on the management of aortic aneurysms. The fifth biennial Aortic Surgery Symposium was hosted by the Trust at the Liverpool Arena and Convention Centre on 24th and 25th May 2013, providing an interactive environment to allow delegates and faculty to review important areas in aortic pathology and advances in surgical and endovascular management.



Cystic Fibrosis Fund

The Cystic Fibrosis Fund facilitates education and research into adult cystic fibrosis and also provides some support for patients with this condition.

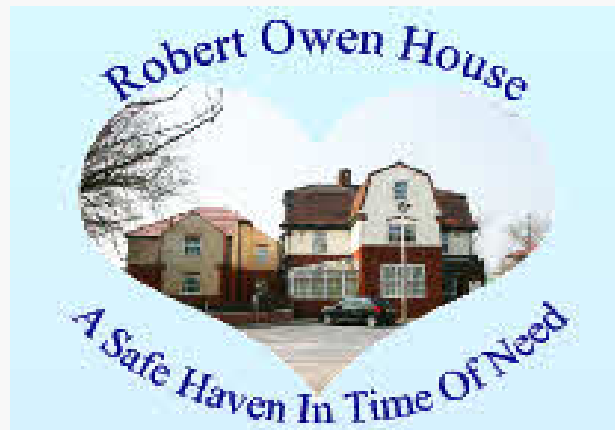
Heart Appeal

The Heart Appeal continues to fund the purchase of medical equipment.

Robert Owen House Appeal

The Robert Owen House Appeal supports the provision of inexpensive overnight accommodation for relatives and friends of patients. This is particularly important given the wide catchment area of

Liverpool Heart & Chest Hospital NHS Foundation Trust which extends to the Isle of Man and Wales.



The relatively low cost of the accommodation has been possible due to the on-going fundraising of various groups and individuals, in particular the Isle of Man Friends of Robert Owen House who donated £35,000 and the volunteers who work in the Tea Shop, whose surplus helps to support the day to day running costs of Robert Owen House.

The Appeal would like to take this opportunity to offer its sincere thanks to everyone who has continued to contribute towards the success of our Appeal. In particular to thank Mr Alan Birchall, who has been the Chair of Liverpool Heart and Chest Hospital Appeal for thirteen years. Despite running his own highly successful business, Alan continues to devote an inordinate amount of time and energy to this voluntary role, promoting and raising much needed funds for our hospital.

For more information about our Appeal please log onto http://www.lhch.nhs.uk/About-Us/lhch_charity.aspx

There are a number of ways you can donate to our Appeal:

- By debit/credit card
- By cheque
- By direct debit in the form of a covenant
- By creating a JustGiving page
- By texting through JustGiving

Cheques should be made payable to 'Liverpool Heart and Chest Hospital Appeal' and sent to:

Appeal Office
Liverpool Heart & Chest Hospital NHS Foundation Trust
Thomas Drive

Liverpool
L14 3PE

Appeal Office 0151 600 1409 Email: LHCHApeal@lhch.nhs.uk

Legacy

Liverpool Heart and Chest Appeal benefitted from legacy income of £67,660 during the year. This income is gratefully received and will be applied to further the objectives of the Charity.

In the Community

We are often astounded by the generosity shown to the Appeal from our patients, their friends and families who continue to organise their own fundraising events to say “thank you” to the hospital for the care they received.

1.11 Fund Expenditure Policy

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

Expenditure on Charitable Funds must be authorised by a Fund-holder’s signature and countersigned by the Chief Executive or one of the Executive Directors. Purchases in excess of £5,000 are considered by the Charitable Funds Committee. However, urgent purchases may be approved jointly by the Chair of the Charitable Funds Committee and the Chief Finance Officer outside of the quarterly Charitable Funds meetings and subsequently reported to and ratified by the Charitable Fund Committee.

Before expenditure is incurred consideration is given to the following:

- The funds may be used for the benefit of hospital staff (both clinical and support) as long as it is in line with the objective of the fund and it does not go beyond what a good employer would consider reasonable to provide;
- The funds cannot be used to campaign or lobby on behalf of the Trust;
- Should comply with the requirements of the Charities Act of 2006 on the Public Benefit Test where there is an identifiable benefit or benefits and this benefit must be to the public, or a section of the public;
- Should not generally be spent for the benefit of specific individuals
- To supplement the remuneration (directly or indirectly) of officers

The authorised signatory must consider the following:

- That the expenditure is within the general and specific restrictions placed upon the funds (the authorising officer must be aware of these);
- Must be applied for the purposes set out in the governing document;
- That the funds are not freely available from other sources;
- Must be applied with complete fairness between persons who are properly qualified to benefit from it;

1.12 Reserves Policy

Charitable Funds are invested by the Chief Finance Officer in accordance with the Trust's policy and subject to statutory requirements. The Charity's policy is to retain reserves of £500,000.

The Charitable Funds' Trustees review the performance of investments and banking at the quarterly committee meetings. The Committee has decided that the Charities Official Investment Fund (C.O.I.F) is to be used for the investment of charitable funds.

Amounts to be invested with C.O.I.F are to be decided by the Charitable Funds Committee, with a maximum limit of one half of the Trust's charitable funds. The amount invested in C.O.I.F at the end of 2013/14 was £400,000. This investment has a current market value as at 31st March 2014 of £502,000.

At the end of the financial year the Charity held £983,000 in an Instant Access account with Government Banking Service and £180,000 in an Instant Access account with Barclay's.

The Charity has adopted the Trust's Policy on investments, all cash balances must remain in a comparatively liquid form and all investments resulting from them must be realisable and have maturity not exceeding six months.

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

Short term investments should be invested with Banks rated;

- P-1 Moody's rating

Long term investments should be invested with Banks rated;

- A+ Moody's rating

Dividends received are allocated to individual designated funds in proportion to their average closing balances for the relevant quarter.

1.13 The Future

Robert Owen House

An extensive upgrade and modernisation of Robert Owen House has been approved by the Robert Owen House Committee, with an estimated cost of £236k (completion date TBC). Robert Owen House provides bed and breakfast accommodation for the relatives of patients' undergoing treatment at Liverpool Heart and Chest Hospital. The house comprises 17 twin en-suite bedrooms. The following works will be carried out:

- Refurbishment of all bedrooms and communal areas;
- Development of a family quiet room;
- Redesign reception area;
- New flooring, light fixtures, lounge and dining room furniture, wardrobes, beds and electrical appliances

The redesign of the accommodation is in line with the Trust's Patient and Family Experience Vision through the Enhancing the Healing Environment Initiative. Full engagement with relatives, families and friends has been undertaken and is on-going.

Enhancing the Healing Environment

During 2013/14 work continued towards the Enhancing the Healing Environment projects, as mentioned above. At the end of 2013/14, £77,000 had been spent leaving a balance of £86,000 which will be used to complete the projects during 2013/14.

On-going Projects

The larger funds will continue their good work in supporting the Trust through the following areas:

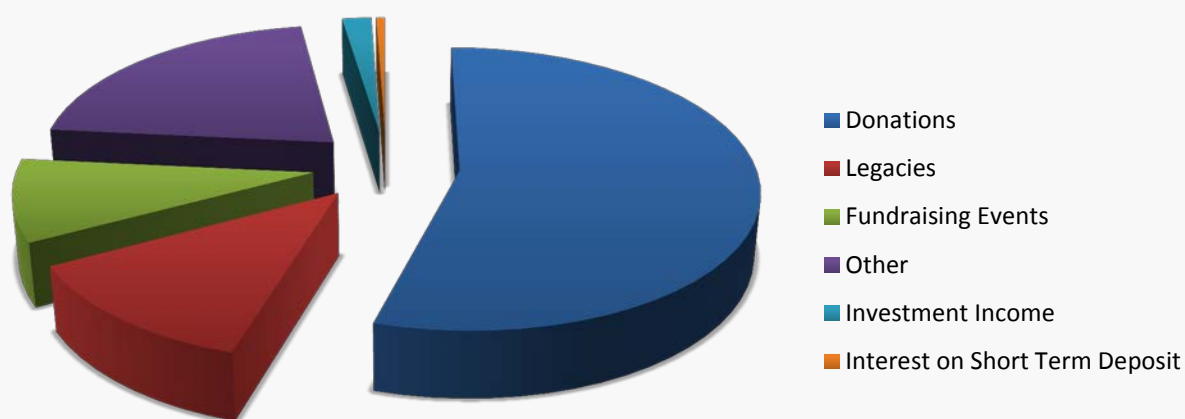
- Liverpool Heart and Chest Appeal supporting any charitable purpose or purposes relating to the National Health Service wholly or mainly for the service provided by the Trust;
- The Heart Appeal providing equipment;
- Robert Owen House providing inexpensive overnight accommodation for patients relatives and friends;
- Cystic Fibrosis supporting research into Adult CF;
- The Aneurysm Project supporting research into thoracic aneurysms;

1.14 A Review of our Finances, Achievements and Performance

Income

Income consists of donations and legacies from patients and their relatives. In addition, we also receive considerable benefit from the support of many businesses. In total, £541,972 was received during 2013/14 (£645,161 2012/13), which included £295,789 of donations (£188,029 in 2012/13) and £67,660 of legacies (£298,623 in 2012/13). The generosity of all those who made a donation is very much appreciated.

Analysis of sources of income 2013/14



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%

The Charity's investment policy is to hold investments in a diversified fund of investments and by only investing funds not required in the short or medium term in such funds. The Charity forecasts its income, expenditure and cash flow at the beginning of each year, and invests any surplus either in the Charity Official Investment Fund (COIF) or as cash deposits. These are permissible

investments available to the Trustees, under the Trustee Investment Act 1961. During 2013/14 the charity expended resources at a higher level than incoming resources, with a closing fund balance of £1,528,000, a reduction of 3.29% on 2012/13.

The return earned on investments totalled £13,285 (£17,134 in 2012/13). This consisted of £3,234 from current account interest and £10,052 from dividends on the COIF investment.

The average percentage return (dividends) for the COIF has remained relatively consistent at 6.70% (6.63% in 2012/13).

There has been a further reduction in the interest earned in 2013/14 compared to the previous year. This is largely due to the effect of the Charity adopting the Investment criteria within the Trust's Treasury Management Policy. To comply with the policy all surplus cash is held with Government Banking Service, earning interest at 0.25%.

The market value of the long term COIF investment has increased by 1.11%, which compares to an increase of 12.35% in 2012/13. This follows an additional investment of £250,000 worth of units on 20th March 2014. The value of the total investment has therefore increased from £249,180 to £501,934 to 31st March 2014 (inclusive of an unrealised gain of £2,754).

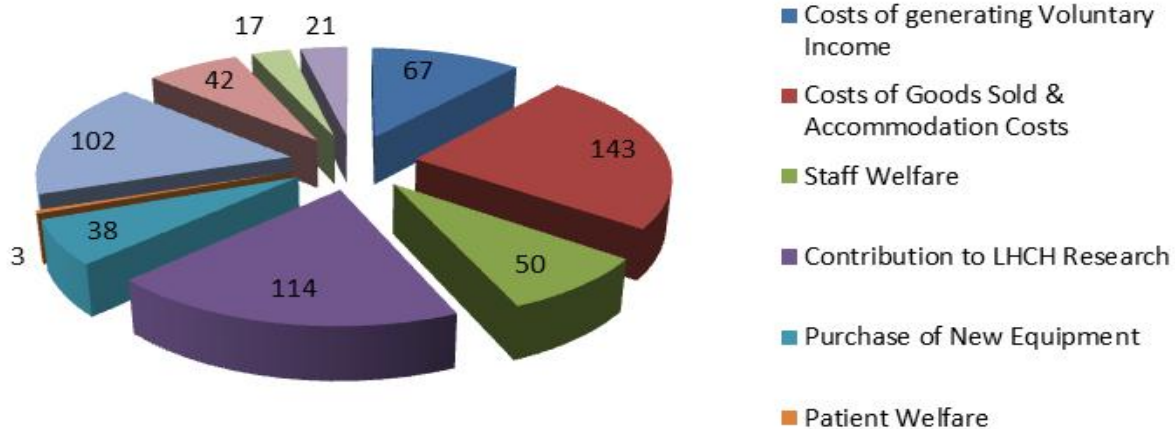
Expenditure

Total expenditure in 2013/14 was £597,112 (£1,056,000 in 2012/13).

The main areas of expenditure are shown in the table below:

Analysis of Expenditure	2013/14	2012/13	Movement (%)
Contribution to Liverpool Heart and Chest Research	114,285	34,091	235%
New Research Unit	0	500,000	-100%
Purchase of new Medical Equipment	38,357	115,672	-67%
Staff Welfare	50,180	66,621	-25%
Fundraising	67,112	53,366	26%
Robert Owen House Supplies	100,888	50,195	101%
Tea Bar Supplies	42,138	40,299	5%
Education & Training	101,592	76,069	34%
New Building & Refurbishment	41,895	57,976	-28%
Admin fee & Bank Charges	24,535	25,692	-5%
Audit Fees	7,800	7,800	0%
Patient Welfare	2,625	22,139	-88%
Other Expenditure	5,705	6,670	-14%
Total Expenditure	597,112	1,056,590	-43%

Sources of Expenditure for 2013/14



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%

Total resources expended have reduced by £459,478 (43%) from the previous year.

This has been due to the following factors:-

Contribution to Research and Development

Expenditure on Research and Development reduced from £534,091 in 2012/13 to £114,285. This was due a substantial contribution of £500,000 during 2012/13 from the Merseybeat Appeal which was spent on constructing the new Research Unit.

Education and Training

Expenditure on Education and Training has increased from £76,069 in 2012/13 to £101,592 in 2013/14.

New Building and Refurbishment

Expenditure on new building and refurbishment has reduced slightly from £57,976 in 2012/13 to £41,895 in 2013/14. The main area of spending is the enhancing the healing environment project.

Staff Welfare

Expenditure on staff welfare has reduced from £66,261 in 2012/13 to £50,180 in 2013/14. The main expenditure relates to the Christmas staff party, summer awards evening, long service awards, uniforms and physiotherapy sessions.

Patient Welfare

Patient Welfare expenditure has reduced from £22,139 in 2012/13 to £2,625 in 2013/14. A number of items were purchased in 2012/13 such as recliner and relax chairs and Dyson fans for patients, with no significant purchases in 2013/14.

Fundraising Costs

Fundraising costs have increased from £53,366 in 2012/13 to £67,112 in 2013/14, reflecting the costs of the Fundraising department.

Purchase of Equipment

Expenditure on equipment funded from charitable funds reduced to £38,357 compared to £115,672 in 2012/13. The reduction is driven largely by a new ultrasound system purchased in 2012/13 at a cost of £81,000.

Please note that no trustees or persons connected to trustees have been remunerated or reimbursed from charitable funds during the year.

The Robert Owen House fund benefits from volunteers who work in the Tea Shop. In 2013/14 there were on average 9 volunteers working a rota where there were on average 2 volunteers working in the Tea Shop on either mornings or afternoons. The Trust manages all volunteers throughout the Trust and bears the costs of all expenses.

The Liverpool Heart and Chest Appeal support for research has enabled the continued development of the Clinical Trials Unit and has supported both large and small research projects as we continue to investigate the benefits of new treatments, evaluate new techniques and technologies that will benefit our patients.

In addition to charitable expenditure, costs of £84,391 (£70,226 in 2012/13) were incurred in fundraising and administering the charity. This figure represents 15.6% (10.9% in 2012/13) of all income which we believe to be in line with the charity sector as a whole.

1.15 Summary

During 2013/14, expenditure exceeded income for the charity by £55,000 (10.2%), which compares to net outgoing resources of £411,000 (63.7%) in 2012/13.

Resources expended in 2013/14 have reduced by £459,478 (43.5%) from 2012/13. This is mainly due to the non-recurring costs of construction and completion of the new Research Unit and the purchase of new medical equipment during 2012/13.

Incoming resources in 2013/14 have reduced by £103,000 (15.9%) from 2012/13. This is largely driven by the reduction in the level of legacies, which can vary considerably between years.

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. This results in a closing fund balance of £1,528,000 (£1,580,000 in 2012/13)

The charity's policy on reserves is to retain reserves of up to £500,000 in order to meet on-going commitments and allow firm plans to be put in place for the following year. The high level of donations received during the year has resulted in the value of the fund exceeding this amount.

In the coming year, the charity will continue to further enhance the patient and family experience at Liverpool Heart and Chest Hospital through the extensive upgrade of Robert Owen House and the completion of the Enhancing the Healing Environment Projects.

Liverpool Heart and Chest Appeal continue to encourage business cases which may be funded from the broader objectives of the Appeal.

A Big Thank You:

On behalf of the staff and patients who have benefited from improved services due to donations and legacies. The Corporate Trustee would like to thank all patients, relatives, staff and companies who have made charitable donations and to volunteers who have helped to raise funds.

.....
David Bricknell
Chairman of the Board

.....
Mr David Jago
Financial Trustee

NATIONAL HEALTH SERVICE

LIVERPOOL HEART AND CHEST HOSPITAL CHARITY

ANNUAL ACCOUNTS FOR YEAR ENDED 2013/14

FOREWORD

These accounts have been prepared in accordance with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2008 and United Kingdom Generally Accepted Accounting Practice

The charity was created in 1996 under Statutory Instrument.

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

Trustee's responsibilities in relation to the financial statements

The Trustees are responsible for preparing the annual report and financial statements for each financial year, in accordance with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. The Trustees are responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors report to the Trustee of Liverpool Heart & Chest Hospital Charitable fund

Independent auditor's report to the trustee of Liverpool Heart and Chest Foundation Trust Charitable Funds

We have audited the financial statements of Liverpool Heart and Chest NHS Foundation Trust Charitable Funds for the year ended 31 March 2014 which comprise the statement of financial activities, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustee, as a body, in accordance with section 144 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement, the trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 144 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2014, 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.

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
- sufficient accounting records have not been kept; 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.

Grant Thornton UK LLP
Statutory Auditors
4 Hardman Square
Spinningfields
Manchester
M3 3EB
July 2014

Statement of Financial Activities for the year ended 31 March 2014

	Note	2013-14 Total Funds £000	2012-13 Total Funds £000
Incoming resources	1.3		
Incoming resources from generating funds			
Voluntary income			
Donations	1.5	296	188
Legacies	1.4	68	298
Sub total Voluntary Income:		364	486
Activities from Generating Funds			
Fundraising Events		51	26
Investments			
Investment income	6.3	10	10
Incoming resources from charitable activities			
Other	1.5, 6.4	114	116
Other incoming resources			
Interest on short term deposit/current accou	6.5	3	7
Total incoming resources		542	645
Resources expended	1.6, 1.7, 3.1, 3.2		
Costs of generating funds	1.9		
Costs of generating voluntary income	4.2	67	53
Costs of goods sold and accommodation co	4.3	143	90
Sub total costs of generating funds		210	143
Charitable activities			
Staff Welfare		50	67
Contribution to Liverpool Heart & Chest research		114	534
Purchase of new equipment		38	116
Patient welfare		3	22
Education, training and research expenses		102	76
New building and refurbishment		42	58
Sub total of Charitable activities		349	873
Governance Costs	1.8, 4.1	17	17
Other Resources Expended	4.3	21	23
Total resources expended		597	1,056
Net incoming/(outgoing) resources		(55)	(411)
Realised and unrealised gains/(losses)			
on investment assets	9	3	27
Net movement in funds	5	(52)	(384)
Fund balances brought forward at			
31 March 2013		1,580	1,964
Fund balances carried forward at 31 March 2014		1,528	1,580

The notes at pages 33 to 40 form part of these accounts.

Balance Sheet as at 31 March 2014

	Notes	Total at 31 March 2014 £000	Total at 31 March 2013 £000
Fixed Assets			
Investments	1.10, 6.1, 6.2	502	249
Total Fixed Assets		502	249
Current Assets			
Debtors	7.1	101	188
Cash at bank and in hand		1,164	1,360
Stock	7.2	1	0
Prepayments		6	12
Total Current Assets		1,272	1,560
Creditors: Amounts falling due within one year	8.1	246	229
Net Current Assets		1,026	1,331
Total Assets less Current Liabilities		1,528	1,580
Total Net Assets		1,528	1,580
Funds of the Charity			
Income Funds:			
Unrestricted		1,528	1,580
Total Funds		1,528	1,580

The Financial statements on pages 28 to 40 were approved by the Trustee and authorised for issue on and are signed on their behalf by:

Signed:

Date:

Notes to the Account

Accounting Policies 1

1.1 Accounting Convention

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with United Kingdom Generally accepted Accounting Practice (UK GAAP), Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005), the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008.

1.2 Funds Structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor. Where the restriction requires the gift to be invested to produce income but the Trustee has the power to spend the capital, it is classed as expendable endowment. Liverpool Heart & Chest Hospital Charity does not have any restricted funds or expendable endowments. Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds, where the donor has made known their non binding wishes or where the Trustee, at their discretion, have created a fund for a specific purpose.

1.3 Income Recognition

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

- i) entitlement - arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- ii) certainty - when there is reasonable certainty that the incoming resource will be received.
- iii) measurement - when the monetary value of the incoming resources can be measured with sufficient reliability.

1.4 Incoming Resources from Legacies

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is virtually certain: this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or properly transferred and once all conditions attached to the legacy have been fulfilled. There are no material legacies which have been notified but not recognised as incoming resources in the Statement of Financial Activities.

1.5 Income by Category

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

1.5 Income by Category

c) Donations

- i) All funds are unrestricted but may be designated. These include donations where particular parts of Liverpool Heart and Chest Hospital or its activities were nominated by the donor at the time that the donation was made. Whilst nomination is not binding on the Trustee, the designated funds reflect these nominations.

The Charity does not have restricted funds following the transfer of fund balances of Mersey School of Anaesthesia which was registered with the Charities Commission as a new independent charity in 2012/13.

- ii) Where a preference is not expressed by the donor then the donation is applied to Liverpool Heart and Chest Appeal which has four key elements to our fundraising aims;

- To raise funds for key pieces of medical equipment
- To develop the Enhancing the Healing Environment programme
- To support patient centred research
- To continually invest in our staff to improve their clinical techniques so that we can provide our patients with an unrivalled patient experience

- iii) Where possible the Trust reclaims tax on donations through the Gift Aid scheme.

1.6 Resources expended

Expenditure is recognised where a liability is incurred. Grant commitments are recognised when a constructive obligation arises that result in payment being unavoidable.

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

Costs of generating funds comprises the costs associated with attracting income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and any costs of an indirect nature necessary to support them. Governance costs include only those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

1.7 Irrecoverable VAT

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

1.8 Governance Costs

Establishment costs and Audit fees are apportioned to funds based on balances at the end of the year.

1.9 The Costs of Generating Funds

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

1.10 Fixed asset Investments

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

2.0 Related Party Transactions

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

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

N Large Chairman
David Jago Director of Finance
Mark Jackson Director of Research & Informatics
David Bricknell Non Executive Director
Sarah Booth Head of PR & Comms/ Trust Secretary (left 8th October 2013)
Mark Fuller Non Executive Director (from 1st May 2013)

2.1 Change in the Basis of Accounting

There have been no changes in the basis of accounting this year

Charitable Trust Accounts - Liverpool Heart & Chest Hospital Charity - 2013/14

Charitable Trust Accounts - Liverpool Heart & Chest Hospital Charity - 2013-14				
Grants made to institutions		3.1	Aggregate amount paid 2014	Aggregate amount paid 2013
Name of recipient and number of grants			£000	£000
Total resources expended			597	1,058
Less cost of generating funds			(67)	(53)
Less grants paid to individuals			0	0
Less admin/audit and bank charges			(32)	(33)
Liverpool Heart & Chest Hospital NHS FT Trust			498	972
Grants paid to individuals		3.2	2014	2013
Total number of grants made to individuals:			0	0
Amount paid to individuals in aggregate (£000)			0	0
Analysis of Governance Costs		4.1	Total 2014 Funds £000	Total 2013 Funds £000
Establishment costs			9	9
Audit fee			8	8
			17	17
Costs of Generating Funds		4.2	Total costs 2014 £000	Total funds raised 2014 £000
Fund raising costs			67	347
			67	347
Total Fundraising Staff Costs			Net Cost £000	National Insurance Employer £000
Fundraising Manager			41	3
Other resources Expended		4.3	Total 2014 Funds £000	Total 2013 Funds £000
Miscellaneous expenditure			21	23
Robert Owen House accomodation and tea shop expenses			143	90
			164	113
Note: Miscellaneous expenditure mainly consists of a share of admin charges not relating to Governance charges.				
Robert Owen House expenses have increased due to additional recharges in year for energy and The energy recharge was £38k and was for 2012-13 and 2013-14. The admin recharge was £9k				
Changes in Net movement in Funds		5	Total 2014 Funds £000	Total 2013 Funds £000
Opening Balance			1,580	1,964
Closing Balance			1,528	1,580
Net movement in funds for the year			52	384
Net movement in funds available for future activities			52	384

Individuals and organisations who require more information about the Liverpool Heart and Chest Hospital Charity or the Liverpool Heart and Chest Appeal should contact the Fundraising Office on 0151 600 1409.

Charitable Trust Accounts - Liverpool Heart & Chest Hospital Charity - 2013/14

**Analysis of
Fixed Asset
Investments**

		2014 £000	2013 £000
6.1	Fixed Asset Investments:		
	Market value at 1st April 2013	249	222
	Additional investment purchased 20th March 2014	250	0
	Net gain/(loss) on revaluation	3	27
	Market value at 31 March 2014	<u>502</u>	<u>249</u>
	Historic cost at 1st April 2013	150	150
	Additional investment purchased 20th March 2014	250	0
	Historic cost at 31 March 2014	<u>400</u>	<u>150</u>

		Held in UK £000	2014 Total £000	2013 Total £000
6.2	Market value at 31 March :			
	Investments in a Common Deposit Fund or Common Investment Fund	502	502	249
		<u>502</u>	<u>502</u>	<u>249</u>

**Analysis of
gross income
from
investments**

		Held in UK £000	2013-14 Total £000	2012-13 Total £000
6.3	Total gross income			
	Investments in a Common Deposit Fund or Common Investment Fund	10	10	10
		<u>10</u>	<u>10</u>	<u>10</u>

		2013-14 Total £000	2012-13 Total £000
6.4	Incoming resources from charitable activities		
	Income from Robert Owen House accomodation/telephone cl	72	68
	Income from tea shop sales	42	48
		<u>114</u>	<u>116</u>

6.5 Interest on short term deposit / current account

		2013-14 Total £000	2012-13 Total £000
	Distribution of interest 2013/14	<u>3</u>	<u>7</u>

In July 2012, the Corporate Trustees decided to adopt the Treasury Managment Policy of Liverpool Heart & Chest Hospital NHS FT in respect of investments.
With the downgrading of UK commercial banks in 2012/13, it has not been possible to make investments which are compliant with this policy. As a consequence the majority of the investment which was previously with Royal Bank of Scotland gaining an interest rate of 0.9% was withdrawn and placed with the Government Banking Service which only attracts an interest rate of 0.25%.

Charitable Trust Accounts - Liverpool Heart & Chest Hospital Charity - 2013/14

Analysis of Debtors	7		2014		2013
	7.1	Amounts falling due within one year:	£000		£000
		Donations and legacies	100		184
		Other debtors	1		4
		Total debtors falling due within one year	<u>101</u>		<u>188</u>
		Total debtors	<u>101</u>		<u>188</u>

The decrease in debtors is mainly due to a reduction in the amount of Legacies which the Charity has been notified of but not yet received as income.

Analysis of Stock	7.2		2014		2013
			£000		£000
		Tea Shop stock held as at 31st March	<u>1</u>		<u>0</u>

Tea Shop stock was established as an accountable store in 2013-14.

Analysis of Creditors	8		2014		2013
	8.1	Amounts falling due within one year:	£000		£000
		Trade creditors	19		28
		Accruals	3		31
		Balance owed to Liverpool Heart & Chest Hospital	<u>225</u>		<u>170</u>
		Total creditors falling due within one year	<u>247</u>		<u>229</u>
		Total creditors	<u>247</u>		<u>229</u>

The increase in the balance owed to Liverpool Heart & Chest Hospital is mainly due to a contribution of £50k due to Research and Development from the LHCH Appeal

Charitable Trust Accounts - Liverpool Heart & Chest Hospital Charity - 2013/14

Details of material designated funds - Unrestricted funds	9.0	Name of fund	Balance at 1st April 2013 b/fwd £000	Incoming resources £000	Resources expended £000	Gains and (losses) £000	Fund c/fwd £000
		A Robert Owen House	362	156	155	2	365
		B Heart Appeal	129	1	6	0	124
		C LHCH Appeal	606	305	272	5	644
		D Merseybeat	103	1	37	-2	65
		E Aneurysm Project	79	59	85	-1	52
		F Cystic Fibrosis	114	1	6	0	109
		G Lung Cancer	57	1	1	0	57

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

Robert Owen House provides inexpensive relatives accommodation.

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

to ringfence balances raised prior to September 2009 to apply to research. During the year Merseybeat made a contribution of £500k to the new Research Unit.

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

The Aneurysm Project supports research into aetiology and frequency of thoracic aneurysms and also research projects on young patients who undergo aneurysm surgery to improve their outcomes. In addition this Fund supports the biennial Aortic Symposium.

The Cystic Fibrosis and Lung cancer funds facilitates education and research into adult cystic fibrosis lung cancer and provides support for patients with this condition.

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

Commitments, Liabilities and Provisions 11 There are no commitments, contingent liabilities or provisions included in 2013-14

11.1 There are no commitments or provisions included in the accounts

Trustee and Connected Persons Transactions 12

12.1 The Charitable Trust delivers the charitable objectives by making grants to the Liverpool Heart & Chest Hospital NHS Foundation Trust. Grants made amounted to £498,000 in 2013/2014 (2012/13 £972,000).

At 31st March 2014, £225,000 was owed to the Liverpool Heart & Chest Hospital NHS Foundation Trust (2012/13 £170,000).

12.2 There was no Trustee indemnity insurance during the year.

Loans or Guarantees Secured against assets of the charity 13 There were no loans or guarantees secured against assets of the Charity.

Individuals and organisations who require more information about the Liverpool Heart and Chest Hospital Charity or the Liverpool Heart and Chest Appeal should contact the Fundraising Office on 0151 600 1409.