

Registered number: 05114661
Charity number: 1108054

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the charity, its Trustees and advisers	1 - 2
Trustees' report	3 - 7
Independent examiner's report	8 - 9
Statement of financial activities	10
Balance sheet	11 - 12
Statement of cash flows	13
Notes to the financial statements	14 - 33

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020**

Trustees

Mrs M Kayll
Mr P Hurst
Mr R Sharpe
Professor J Marshall (Resigned 4 November 2019)
Mr K Hopgood
Mr D Rowe
Mrs P Card
Mrs L Caney
Dr I Stuart
Mrs T Willcocks, Chair
Mr G Beadle
Mrs C Ketteringham
Mr R Dibbs (Resigned 4 November 2019)

Company registered number

05114661

Charity registered number

1108054

Registered office

Devereux House
69 Albert Road
Farnborough
Hampshire
GU14 6SL

Company secretary

Mr D Rowe

Accountants

Wise & Co
Chartered Accountants
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Bankers

The Royal Bank of Scotland
Lawrie House
Victoria Road
Farnborough
GU14 7NR

Investment Fund Managers

Investec Wealth & Investment Limited
2 Gresham Street
London
EC2V 7QP

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the financial statements of the Farnborough & Cove War Memorial Hospital Trust Ltd for the year 1 April 2019 to 31 March 2020. The Annual report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The charity operates under the name of Devereux House and is located at Devereux House, 69 Albert Road, Farnborough, which is held on licence from Rushmoor Borough Council.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee incorporated on 28 April 2004 and registered as a charity, number 1108054, on 14 February 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by the Articles of Association. It has a Company Registration Number 5114661. In the event of the charity being wound up, members are required to contribute an amount not exceeding £10.

The charity, which was unincorporated from 1975, operates from a former National Health Service Hospital and was founded for purposes beneficial to the community with the object of promoting the welfare of the aged, disabled and infirm within the area of benefit, which is within a radius of ten miles of the hospital.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. New Trustees are carefully vetted in accordance with the Charity Commission policy to ensure their suitability for the task; they are also required to have a Disclosure and Barring Service (DBS) check before they can take on the role of a Trustee at Devereux House.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Regular Board meetings are held throughout the year and the Trustees are supported in their role by the following:

Representative Members:

Cllr C Stewart

Rushmoor Borough Council

House Committee

The day to day affairs of Devereux House are managed by the House Committee consisting of:

Mrs M A Kayll

Mrs C Ketteringham

Mrs T Willcocks - Chair

Audit Committee

Mrs L Caney

Mr P Hurst

Mr D Rowe

d. Daily Management

The day to day management of the Trust is vested in:

Miss Victoria Knight, Registered Manager.

Care Officers support the registered manager in both the residential home and daycare centre. A finance Officer reports directly to the Trust on all financial and business matters.

e. Pay Policy For Senior Staff

Salaries for key management staff are set by the Trust with the support of the Finance Officer, in accordance with the charity's Remuneration Policy and approved by the Trustees. Local and national comparators are taken into account, alongside individual responsibility levels and performance.

f. Financial Risk Management

The Trustees confirm that the major risks to which the charity is exposed, are constantly reviewed and systems and procedures have been established to mitigate those risks. There remains a risk that the local authority grant could be again be cut. Ways of replacing lost income continue to be discussed and explored.

The Trustees have regular meetings during the year and discuss all matters pertaining to the business with particular attention paid to occupancy levels in the Residential Home. They are provided with regular financial statements and briefed quarterly on the performance of the share portfolio. There is a House Committee which deals with the day to day business of the Charity and Audit Committee which reviews financial and other systems and informs the Board of Management of their findings. Through these processes all risks that the Charity may face are regularly reviewed.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Objectives and activities

g. Policies and objectives

Day Care Centre

The aim of promoting the welfare of the aged and the infirm within the area of benefit is achieved by opening the ground floor of the building as a Day Care Centre from Monday to Friday. About 100 visits are made by members to the day centre each week, most of whom are collected and returned home by the Trust's own minibus. Members with dementia attend on most days. All members attending the Day Care Centre are provided with social activities, craft therapy, lunch and refreshments. Hairdressing, chiropody and bathing facilities are also available.

Residential Home

The aims of the organisation are furthered by the residential facility on the first floor which is self funding and registered for 16 beds. Most of the rooms are occupied by permanent residents, but some are used to provide respite care or short stay support when available. The residents are generally those who can no longer manage in their own homes and the facilities available mean that they are cared for and provided with 'hotel services'. Short stay accommodation meets the needs of those who require care when their usual carers are on holiday or unwell. It means that carers have peace of mind during their break. Staff endeavour to provide as homely an atmosphere as possible to the benefit of all residents who frequently show a great improvement in their abilities because of the care provided. Respite residents are often those recovering from operations, who need to be looked after on a short term basis before they return home and they achieve considerable benefit from this break. In addition, families will book their elderly relatives in for a short stay when they go on holiday, which gives them the benefit of peace of mind whilst they are away.

Farley Court

In accordance with the reasons that the Trust was set up, the old maternity unit of the hospital was demolished many years ago and a block of 35 leasehold flats, called Farley Court, was erected on the site, of which the Trust holds the freehold. This part of the Trust is not a charity, but the Trust manages it on behalf of the leaseholders who each pay the Trust £10 per year ground rent.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

h. Main activities undertaken to further the charity's purposes for the public benefit

In setting objectives and planning for activities, the Trustees have given due consideration to guidance published by the charity commission relating to public benefit.

The charitable purpose of Devereux House is enshrined in the charity's objects which are for purposes beneficial to the community with the object of promoting the welfare of the aged, disabled and infirm within the area of benefit, which is within a radius of ten miles of the hospital.

Achievements and performance

a. Investment policy and performance

Investec manage the portfolio on behalf of the charity.

The trustees have delegated investment decisions to the investment manager with the main purpose of maintaining the level capital whilst producing an overall annual income for the charity.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Financial review

a. Going concern

The Trust struggled with room occupancy for much of 2019. However, this pattern had been seen before and experienced trustees advised patience, confident that things would improve. In January 2020, the expected recovery had not materialised, so an Action Plan was put together by the Board of Management. This included an overhaul of publicity materials, closer liaison with external agencies and an update to Rushmoor Borough Council. In the Day Care Centre, additional options to attract new clients were offered such as 'drop in' sessions and 'taster days'. A review of transport was undertaken so that we could bring in clients from a wider area.

At the Board of Management meeting on March 2 it was reported that the Action Plan had brought positive results. The occupancy level in the residential home was at 85% capacity and there were several advance bookings for respite care. Demand had also improved in the day centre and enquiries about places had increased significantly following the proposed closure of another local Day Centre.

Footnote: The impact of COVID-19 will mean that Devereux House will become insolvent and therefore will close. We will be vacating the building at the end of December 2020.

Summary of Events Leading To Closure: Lockdown on March 23 2020 meant that the Day Care Centre could not open and new admissions to the residential home stopped. Obviously this had significant financial implications, but grants from local and central government enabled us to survive during the summer. We completed the risk assessments and followed Hampshire County Council guidelines on COVID -19 with a view to re-opening the Day Care Centre in September 2020. The 'Rule of 6' prevented us from implementing these plans. This meant that all overhead costs had to be transferred to the Residential Home which was now operating at 60% capacity. At its meeting on September 28 2020, anticipating insolvency, the Board of Management proposed closure whilst we still had funds to complete the process in an orderly fashion and give time to re-home the residents.

b. Reserves policy

The financial statement shows that our free reserves are mainly vested in our share portfolio which was valued at £151,679 at the end of the financial year. Fluctuations in the markets could impact on the Trust's ability to manage and major shortfall in income of the Residential Home or the Day Care Centre.

The remaining unrestricted reserve funds amount to £67,757.

c. Principal funding

The Day Care Centre is funded by a grant provided by Rushmoor Borough Council. Independent members pay their own fees with Hampshire Adult Services funding these costs for those members less able to fund themselves.

Fees in the residential Home are set at the beginning of each financial year on the basis of break even occupancy levels and every effort is made to ensure that fee levels are set as low as possible. Those residents that are able to fund themselves do so, but some residents that cannot afford the fees are funded by Adult Services. The rates paid are generally about 30% less than our fees. Each case is assessed by the Trustees regarding affordability.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Members' liability

The Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Small company provisions

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2016.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102)
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Mrs T Willcocks

Chair

Date:

9/12/2020.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Independent examiner's report to the Trustees of Farnborough & Cove War Memorial Hospital Trust Ltd ('the charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2020.

Responsibilities and basis of report

As the Trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

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

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

INDEPENDENT EXAMINER'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

M. Dickinson

Signed:

Dated: 16/12/2020

Mark Dickinson FCA

Wise & Co
Chartered Accountants
Wey Court West
Union Road
Farnham
Surrey
GU9 7PT

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	1,190	107,681	108,871	111,995
Charitable activities	4	-	534,003	534,003	639,257
Other trading activities	5	-	22,405	22,405	20,795
Investments	6	-	5,172	5,172	3,214
Total income		1,190	669,261	670,451	775,261
Expenditure on:					
Raising funds	7	-	4,628	4,628	4,858
Charitable activities	8	3,164	785,804	788,968	823,029
Total expenditure		3,164	790,432	793,596	827,887
Net (losses)/gains on investments		-	(20,631)	(20,631)	9,141
Net movement in funds		(1,974)	(141,802)	(143,776)	(43,485)
Reconciliation of funds:					
Total funds brought forward		19,216	361,238	380,454	423,939
Net movement in funds		(1,974)	(141,802)	(143,776)	(43,485)
Total funds carried forward		17,242	219,436	236,678	380,454

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 14 to 33 form part of these financial statements.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 05114661

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	-	853
Tangible assets	14	64,947	102,207
Investments	15	151,679	178,147
		<u>216,626</u>	<u>281,207</u>
Current assets			
Stocks	16	424	278
Debtors	17	27,437	30,347
Cash at bank and in hand		44,402	116,407
		<u>72,263</u>	<u>147,032</u>
Creditors: amounts falling due within one year	18	(52,211)	(47,785)
Net current assets		<u>20,052</u>	<u>99,247</u>
Total net assets		<u><u>236,678</u></u>	<u><u>380,454</u></u>
Charity funds			
Restricted funds	19	17,242	19,216
Unrestricted funds	19	219,436	361,238
Total funds		<u><u>236,678</u></u>	<u><u>380,454</u></u>

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)
REGISTERED NUMBER: 05114661

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2020

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

T. A. Willcocks

Mrs T Willcocks
Chair

Date: *9/12/2020*

The notes on pages 14 to 33 form part of these financial statements.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	22	(78,880)	(3,202)
Cash flows from investing activities			
Dividends, interests and rents from investments		5,172	3,214
Proceeds from the sale of tangible fixed assets		-	7,484
Purchase of tangible fixed assets		(4,180)	(41,230)
Proceeds from sale of investments		52,801	32,577
Purchase of investments		(46,918)	(31,120)
Net cash provided by/(used in) investing activities		6,875	(29,075)
Change in cash and cash equivalents in the year		(72,005)	(32,277)
Cash and cash equivalents at the beginning of the year		116,407	148,684
Cash and cash equivalents at the end of the year	23	44,402	116,407

The notes on pages 14 to 33 form part of these financial statements

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Farnborough & Cove War Memorial Hospital Trust Ltd is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. The charitable company was incorporated and registered in England and Wales (registered number 05114661). The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office address is Devereux House, 69 Albert Road, Farnborough, Hampshire, GU14 6SL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Farnborough & Cove War Memorial Hospital Trust Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

These accounts have been prepared on a going concern basis, which assumes that the company will continue to operate for the foreseeable future, considered to be at least 12 months from the date of signing these accounts.

Operating Devereux House has historically been the main activity of the company. At the beginning of the fiscal year 2020-21 the trustees anticipated that Devereux House would be able to continue operating as a going concern. However, due to the restrictions imposed by the COVID-19 Devereux House is unable to continue as a viable concern and, therefore, trustees have had to close Devereux House as of December 31st 2020.

The company will continue to hold the freehold of Farley Court, and the trustees have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. For this reason the trustees have continued to adopt the going concern basis in preparing the financial statements of the company.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised; the Trustee's report provides more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Software licence	-	over 5 years
------------------	---	--------------

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Fixtures and fittings	- 10% reducing balance & 25% straight line
- Day Care Centre	
Fixtures and fittings	- 10% reducing balance & 25% straight line
- Residential Home	
Motor vehicles	- 15% straight line

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.17 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

3. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	1,190	5,111	6,301
Government grants	-	102,570	102,570
	<u>1,190</u>	<u>107,681</u>	<u>108,871</u>
	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Donations	5,889	3,536	9,425
Government grants	-	102,570	102,570
	<u>5,889</u>	<u>106,106</u>	<u>111,995</u>

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Fees receivable	<u>534,003</u>	<u>534,003</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Fees receivable	<u>639,257</u>	<u>639,257</u>

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £
League of Friends	1,814	1,814
Rents	18,900	18,900
Shop Income	1,691	1,691
	<u>22,405</u>	<u>22,405</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
League of Friends	1,790	1,790
Rents	17,528	17,528
Shop Income	1,477	1,477
	<u>20,795</u>	<u>20,795</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment Income	5,172	5,172

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment Income	3,214	3,214

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £
Investment management fees	1,837	1,837
Shop purchases	2,791	2,791
	<u>4,628</u>	<u>4,628</u>
	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Investment management fees	1,739	1,739
Shop purchases	3,119	3,119
	<u>4,858</u>	<u>4,858</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Expenditure	<u>3,164</u>	<u>785,804</u>	<u>788,968</u>

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Restricted funds 2019 £</i>	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Expenditure	3,316	819,713	823,029

9. Analysis of expenditure by activities

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Expenditure	754,813	34,155	788,968

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Expenditure	794,440	28,589	823,029

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	525,323	558,002
Premises costs	47,422	40,011
Food	56,623	55,957
Stationary and supplies	6,735	8,286
(Profit)/loss on disposal of fixed assets	-	1,632
Household costs	9,777	9,940
Depreciation	41,440	38,461
Repairs and improvements	31,553	33,244
Advertising	4,882	4,945
Insurance	5,747	6,137
Minibus expenses	7,139	11,140
Occupational therapy	840	1,990
Training and recruitment	8,434	15,751
Miscellaneous	2,644	2,754
Amortisation of software	853	854
Bank charges	1,033	1,156
Governance costs	4,368	4,180
	754,813	794,440

Included in depreciation is £3,091 (2019: £2,555) spent from restricted funds.

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
Staff costs	34,155	28,589

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Governance Costs

	2020 £	2019 £
Independent Examiners fee	<u>4,368</u>	<u>4,180</u>

11. Staff costs

	2020 £	2019 £
Wages and salaries	528,021	553,970
Social security costs	23,656	27,131
Employer's pension contributions	7,801	5,491
Total staff costs	<u>559,478</u>	<u>586,592</u>

Included in wages and salaries are agency fees of £14,807 (2019: £22,345).

The average number of persons employed by the charity during the year was as follows:

	2020 No.	2019 No.
Care Staff	42	44
Administrative	2	2
	<u>44</u>	<u>46</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Care Staff	22	22
Administrative	2	2
	<u>24</u>	<u>24</u>

No employee received remuneration amounting to more than £60,000 in either year.

Details of remuneration and benefits received by key management personnel are as follow:

Aggregate salary: £49,478 (2019: £75,684)

Aggregate employer's pension contribution: £1,142 (2019: £1,095)

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no Trustee expenses have been incurred (2019 - £NIL).

13. Intangible assets

	Software licence £
Cost	
At 1 April 2019	4,266
At 31 March 2020	<u>4,266</u>
Amortisation	
At 1 April 2019	3,413
Charge for the year	853
At 31 March 2020	<u>4,266</u>
Net book value	
At 31 March 2020	<u><u>-</u></u>
At 31 March 2019	<u><u>853</u></u>

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

14. Tangible fixed assets

	Fixtures and fittings Day Care Centre £	Fixtures and fittings Residential Centre £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2019	55,137	109,122	51,920	216,179
Additions	1,723	2,457	-	4,180
At 31 March 2020	<u>56,860</u>	<u>111,579</u>	<u>51,920</u>	<u>220,359</u>
Depreciation				
At 1 April 2019	28,638	57,456	27,878	113,972
Charge for the year	11,806	21,846	7,788	41,440
At 31 March 2020	<u>40,444</u>	<u>79,302</u>	<u>35,666</u>	<u>155,412</u>
Net book value				
At 31 March 2020	<u>16,416</u>	<u>32,277</u>	<u>16,254</u>	<u>64,947</u>
At 31 March 2019	<u>26,499</u>	<u>51,666</u>	<u>24,042</u>	<u>102,207</u>

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 April 2019	178,147
Additions	46,965
Disposals	(46,918)
Revaluations	(26,515)
At 31 March 2020	151,679
Net book value	
At 31 March 2020	151,679
<i>At 31 March 2019</i>	<i>178,147</i>

16. Stocks

	2020 £	2019 £
Finished goods and goods for resale	424	278

17. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	16,216	9,315
Prepayments and accrued income	11,221	21,032
	27,437	30,347

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

18. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	18,095	17,688
Other taxation and social security	-	1,628
Other creditors	2,177	1,560
Accruals and deferred income	31,939	26,909
	52,211	47,785

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
Revaluation reserve	41,591	-	-	(20,631)	20,960
General funds	319,647	669,261	(790,432)	-	198,476
	<u>361,238</u>	<u>669,261</u>	<u>(790,432)</u>	<u>(20,631)</u>	<u>219,436</u>
Restricted funds					
Gifts	19,216	1,190	(3,164)	-	17,242
	<u>19,216</u>	<u>1,190</u>	<u>(3,164)</u>	<u>-</u>	<u>17,242</u>
Total of funds	<u>380,454</u>	<u>670,451</u>	<u>(793,596)</u>	<u>(20,631)</u>	<u>236,678</u>

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2019 £</i>
Unrestricted funds					
Revaluation reserve	32,450	-	-	9,141	41,591
General Funds	374,846	769,372	(824,571)	-	319,647
	<u>407,296</u>	<u>769,372</u>	<u>(824,571)</u>	<u>9,141</u>	<u>361,238</u>
Restricted funds					
Gifts	<u>16,643</u>	<u>5,889</u>	<u>(3,316)</u>	<u>-</u>	<u>19,216</u>
Total of funds	<u>423,939</u>	<u>775,261</u>	<u>(827,887)</u>	<u>9,141</u>	<u>380,454</u>

20. Summary of funds

Summary of funds - current year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 March 2020 £</i>
General funds	361,238	669,261	(790,432)	(20,631)	219,436
Restricted funds	19,216	1,190	(3,164)	-	17,242
	<u>380,454</u>	<u>670,451</u>	<u>(793,596)</u>	<u>(20,631)</u>	<u>236,678</u>

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 March 2019</i>
	£	£	£	£	£
General funds	407,296	769,372	(824,571)	9,141	361,238
Restricted funds	16,643	5,889	(3,316)	-	19,216
	<u>423,939</u>	<u>775,261</u>	<u>(827,887)</u>	<u>9,141</u>	<u>380,454</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020	Unrestricted funds 2020	Total funds 2020
	£	£	£
Tangible fixed assets	4,688	60,259	64,947
Fixed asset investments	-	151,679	151,679
Current assets	12,554	59,709	72,263
Creditors due within one year	-	(52,211)	(52,211)
Total	<u>17,242</u>	<u>219,436</u>	<u>236,678</u>

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019</i>	<i>Unrestricted funds 2019</i>	<i>Total funds 2019</i>
	£	£	£
Tangible fixed assets	2,155	100,052	102,207
Intangible fixed assets	-	853	853
Fixed asset investments	-	178,147	178,147
Current assets	17,061	129,971	147,032
Creditors due within one year	-	(47,785)	(47,785)
Total	<u>19,216</u>	<u>361,238</u>	<u>380,454</u>

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(143,776)	(43,485)
Adjustments for:		
Depreciation charges	41,440	33,463
Amortisation charges	853	-
Gains/(losses) on investments	20,631	(8,836)
Dividends, interests and rents from investments	(5,172)	(3,214)
Decrease/(increase) in stocks	(146)	11
Decrease in debtors	2,910	5,212
Increase in creditors	4,380	13,647
Net cash used in operating activities	(78,880)	(3,202)

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	44,402	116,407
Total cash and cash equivalents	44,402	116,407

24. Analysis of changes in net debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	116,407	(72,005)	44,402
	116,407	(72,005)	44,402

FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

25. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £7,801 (2019 - £5,491) were payable to the fund at the balance sheet date and are included in creditors.

26. Operating lease commitments

At 31 March 2020 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	618	1,236
Later than 1 year and not later than 5 years	-	618
	<u>618</u>	<u>1,854</u>

27. Other financial commitments

The premises occupied by the Charity are owned by Rushmoor Borough Council. The Charity occupies these premises under a 5 year licence renewed in 2017 and is committed to an annual rent of £5,315.

28. Controlling party

The charitable company is under the control of the trustees.