

**FRIENDS OF THE WILLIAM HARVEY HOSPITAL
(A COMPANY LIMITED BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

**Registered Charity No: 1122585
Registered Company No: 06261808 (England and Wales)**

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

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FRIENDS OF THE WILLIAM HARVEY HOSPITAL

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

| | | |
|------------------------------------|---|---|
| Charity registration number | 1122585 | |
| Company registration number | 6261808 | |
| President | Marion Dinwoodie | |
| Chairman | Mrs Susan Heritage | |
| Treasurer | Mrs Nicola Curd | |
| Trustees | Mrs Anna Bishop Mrs Louise Bowman Mrs Susan Heritage Mr Michael Lyons Ms Joy McCue Mrs Margaret Moore Mrs Christine Strange Mr Bryan Strange | (Appointed 14 September 2021) (Appointed 14 September 2021) |
| Secretary | Mrs Jill Barringer | |
| Key Management Personnel | Mrs Jill Barringer Mr Darren Sprules | |
| Registered Office | William Harvey Hospital Kennington Road Willesborough Ashford Kent | |
| Independent Examiner | M A Wilkes FCA Azets Audit Services Ashford Commercial Quarter 1 Dover Place Ashford Kent | |
| Bankers | The Royal Bank of Scotland 17/25 New Rents Ashford Kent | Barclays Bank High Street Ashford Kent Metro Bank 72-76 High Street Bromley Kent |
| Solicitors | Kingsfords 2 Elwick Road Ashford Kent | |

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and audited financial statements of the charity for the year ended 31 December 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014, as amended by Bulletin 1.

Objectives and activities

The main objective of the charity is to relieve patients and former patients of the William Harvey Hospital and its associated hospitals and other invalids in the community who are sick, convalescent, disabled, handicapped, infirm or in need of financial assistance, and, generally to support the charitable work of the hospital.

Public benefit statement

Friends of the William Harvey Hospital 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 notes.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

Achievements and Performance

The main objective of the charity is to raise funds to facilitate the donation of equipment to the hospital. The charity achieves this objective by operating a shop in the hospital, staffed by both volunteers and paid employees, which primarily sells goods to patients, visitors and hospital staff. It also undertakes fundraising activities. All profits from the hospital shop, donations, legacies, gift aid, investment income and fundraising activities provide our income.

The majority of funds are raised via the Friends' shop in the foyer of the hospital. However, due to the Covid 19 pandemic, the hospital shop was closed from 9 April 2020 to 1 June 2020 in order to safeguard the safety of the volunteers and staff working in the shop. This period of closure, together with a reduction in patients visiting the hospital during the year, has significantly reduced the shop turnover, which has subsequently reduced the donation of equipment to the hospital by the charity. During the year £111,268 (2019: £238,482) was donated to the hospital as detailed in note 6.

Financial support from donations and legacies have increased in 2020. During the year legacies totalling £16,575 (2019: £15,556) were received.

In December 2020 the charity wrapped hundreds of gifts for patients on the wards at Christmas.

As reported in the accounts, gifts to the hospital are accounted for when the charity has committed to the expenditure. On this basis gifts totalling £111,268 (2019: £238,482) have been recognised in the accounts. During the year, a review of outstanding equipment pledges was undertaken. This resulted in pledges totalling £178,229 being cancelled, and therefore these funds are now available for future pledges. Commitments outstanding at the year end totalled £295,416 (2019: £303,479) and includes amounts recognised in previous years but not yet paid for.

The charity depends largely on unpaid volunteers for fundraising and for staffing the hospital shop. We would also like to acknowledge the contribution made by the paid staff in the office and shop for their dedicated service and for ensuring that we always present a professional image. We would like to thank them all for their hard work during this difficult year.

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Risk factors

The trustees have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to them. The trustees continue to review and monitor the systems for managing the major strategic, business and operational risks which the charitable company faces.

The principal risk to which the charity is exposed is the withdrawal of the space occupied by the Friends' shop in the foyer of the hospital. Should the space be withdrawn, the charity would need to increase the funds of the charity through alternative fundraising.

Financial review

Income amounted to £499,057 (2019: £1,067,343), a decrease of approximately £568,000. Expenditure amounted to £537,562 (2019: £1,057,106) a decrease of approximately £519,500. This has resulted in a deficit for the year of £38,505 (2019: surplus of £10,237). As at 31 December 2020 the investment property held by the charity was revalued resulting in a gain of £85,000 (2019: loss of £50,000). As at 31 December 2020 total funds amounted to £915,305 (2019: £868,810).

Reserves policy

It is the policy of the charitable company to maintain unrestricted funds, which are the free reserves of the charitable company to provide sufficient funds to meet future expenditure. There are no significant commitments to meet recurring donations with the majority of donations being one-off payments based on individual applications. The charitable company has unrestricted funds as at 31 December 2020 of £423,133 (2019: £467,138) to meet future expenditure of at least 3 months expenditure which would be in the region of £134,000 (2019: £265,000). The trustees have achieved this target.

Investment policy

Investment activities are managed in line with the requirements of the Trustee Act 2000. The trustees, having regard to the liquidity requirements of operating the charitable company and to the reserves policy, have operated a policy of keeping available funds in interest bearing deposit accounts and seek to achieve a rate of deposit which matches or exceeds inflation as measured by the retail prices index. The charitable company also has an investment property which is currently leased to a tenant and a satisfactory rate of return is achieved.

Plans for the future

The trustees consider that the assets of the charity at 31 December 2020 are sufficient to meet future commitments and they maintain a reserve of funds to meet any eventuality likely to occur within the Friends of the William Harvey Hospital. The charity will continue to consider the requests for equipment by the hospital.

Covid 19

The trustees have considered the impact of the Covid-19 outbreak, which began during the year. The hospital shop was closed from 9 April 2020 in order to safeguard the safety of the volunteers and staff working in the shop. The shop reopened on 1 June 2020. Although turnover in the shop has significantly reduced during the year, there haven't been any cashflow or going concern issues identified at present, although the situation is being regularly monitored. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are unaware of any material uncertainties facing the charity that could impact on this conclusion.

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

Trustees of the charity

The directors of the charitable company are its trustees for the purposes of charity law. The trustees who have served during the year and since the year end were as follows

| | |
|-----------------------|-------------------------------|
| Mrs Anna Bishop | |
| Mrs Louise Bowman | |
| Mrs Susan Heritage | |
| Mr Raymond Jones | (Resigned 24 July 2021) |
| Mrs Amanda Lane | (Resigned 6 January 2020) |
| Mr Michael Lyons | |
| Ms Joy McCue | |
| Mrs Margaret Moore | |
| Mrs Marian Pratt | (Resigned 3 March 2020) |
| Mrs Christine Strange | (Appointed 14 September 2021) |
| Mr Bryan Strange | (Appointed 14 September 2021) |

Friends of the William Harvey Hospital was incorporated as a company limited by guarantee and not having a share capital under the Companies Act 1985 on 29 May 2007. Friends of the William Harvey Hospital is a registered charity, number 1122585 with effect from 4 February 2008 and is established under its Memorandum and Articles of Association dated 29 May 2007.

On 12 May 2016 a Special Resolution was passed to amend the Articles of Association, modifying the quorum of trustees to be 3 trustees (previously 6 trustees). The trustees must hold at least 4 meetings each year. Decisions are made by a simple majority of votes cast at a meeting. Except for the chairman of the meeting, who has a second or casting vote, every trustee has one vote on each issue. At the meetings the trustees are presented with a shopping list by hospital staff, from which the trustees agree to purchase equipment for the hospital.

The company has no share capital and the members of the board of trustees have no interest in its surplus or assets and receive no remuneration. No trustees have any contract or arrangement of a material nature with the charitable company during the period under review.

Appointment of trustees

Trustees are appointed at the Annual General Meeting and must consist of a minimum of 3 trustees and not more than 24 individuals (unless otherwise determined by ordinary resolution).

Recruitment of trustees

Prospective trustees are recommended by existing trustees to join the board of trustees or advertisements are placed in the local press.

Key management personnel

The trustees consider the trustees, the treasurer and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. The trustees approve the remuneration for the key management personnel following recommendations by the Remuneration Committee. The Remuneration Committee consists of the Chairman, Treasurer and one other trustee.

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Trustees' responsibilities

The trustees (who are also directors of the Friends of the William Harvey Hospital for the purposes of company law) are responsible for preparing the Trustees' Annual 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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.


Susan Heritage (Nov 15, 2021 16:16 GMT)

By Order of the Board
Date: 15 November 2021

Mrs Susan Heritage, Chairman

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF FRIENDS OF THE WILLIAM HARVEY HOSPITAL

I report to the trustees on my examination of the accounts of the company for the year ended 31 December 2020.

Responsibilities and basis of report

As the charity's trustees of the company (and also 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 Company 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 your charity's accounts as 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 company'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 company 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.



M A Wilkes FCA
For and on behalf of
Azets Audit Services
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
TN23 1PP

Date: 22 November 2021

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | Unrestricted Funds £ | Restricted Funds £ | 2020 Total £ | Unrestricted Funds £ | Restricted Funds £ | 2019 Total £ |
|---|------|----------------------------|--------------------------|--------------------|----------------------------|--------------------------|--------------------|
| Income from: | | | | | | | |
| Donations and legacies | 2 | 30,147 | 7,752 | 37,899 | 25,785 | 357 | 26,142 |
| Other trading activities | 3 | 453,142 | - | 453,142 | 1,031,671 | - | 1,031,671 |
| Investments | 4 | 8,016 | - | 8,016 | 9,530 | - | 9,530 |
| Total income | | 491,305 | 7,752 | 499,057 | 1,066,986 | 357 | 1,067,343 |
| Expenditure on: | | | | | | | |
| Raising funds | 5 | 426,294 | - | 426,294 | 818,624 | - | 818,624 |
| Charitable activities | 6 | 109,016 | 2,252 | 111,268 | 238,097 | 385 | 238,482 |
| Total expenditure | | 535,310 | 2,252 | 537,562 | 1,056,721 | 385 | 1,057,106 |
| Net movement in funds | | (44,005) | 5,500 | (38,505) | 10,265 | (28) | 10,237 |
| Other recognised gains/(losses) | | | | | | | |
| Gain/(Loss) on revaluation of investment property | 13 | 85,000 | - | 85,000 | (50,000) | - | (50,000) |
| Net movement in funds | | 40,995 | 5,500 | 46,495 | (39,735) | (28) | (39,763) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | 867,138 | 1,672 | 868,810 | 906,873 | 1,700 | 908,573 |
| Total funds carried forward | | 908,133 | 7,172 | 915,305 | 867,138 | 1,672 | 868,810 |

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

BALANCE SHEET AS AT 31 DECEMBER 2020

| | Note | 2020 | | 2019 | |
|---------------------------------------|------|------------------|----------------|------------------|----------------|
| | | £ | £ | £ | £ |
| Fixed assets: | | | | | |
| Tangible assets | 12 | | 6,067 | | 5,565 |
| Investment property | 13 | | 485,000 | | 400,000 |
| | | | <u>491,067</u> | | <u>405,565</u> |
| Current assets: | | | | | |
| Stocks | 14 | 19,101 | | 23,932 | |
| Debtors | 15 | 13,111 | | 11,240 | |
| Cash at bank and in hand | | <u>716,653</u> | | <u>784,191</u> | |
| | | 748,865 | | 819,363 | |
| Liabilities: | | | | | |
| Creditors falling due within one year | 16 | <u>(324,627)</u> | | <u>(356,118)</u> | |
| Net current assets | | | 424,238 | | 463,245 |
| NET ASSETS | | | <u>915,305</u> | | <u>868,810</u> |
| The funds of the charity: | | | | | |
| Restricted funds | 17 | | 7,172 | | 1,672 |
| Unrestricted Funds | 17 | | 423,133 | | 467,138 |
| Designated funds | 17 | | 485,000 | | 400,000 |
| TOTAL FUNDS | 18 | | <u>915,305</u> | | <u>868,810</u> |

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 15 November 2021 and signed on its behalf by:


Susan Heritage (Nov 15, 2021 16:16 GMT)

Mrs Susan Heritage
Chairman

The notes on pages 10 to 18 form part of these financial statements

Company Number: 06261808

FRIENDS OF THE WILLIAM HARVEY HOSPITAL

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|--|-----------|-----------------------|-----------------------|
| Net cash flow from operating activities | 19 | (73,020) | (12,316) |
| Cash flow from investing activities | | | |
| Payments to acquire tangible fixed assets | | (2,534) | (1,766) |
| Interest received | | 576 | 2,090 |
| Rents received from investment properties | | 7,440 | 7,440 |
| Net cash flow from investing activities | | <u>5,482</u> | <u>7,764</u> |
| Net decrease in cash and cash equivalents | | (67,538) | (4,552) |
| Cash and cash equivalents at 1 January 2020 | | <u>784,191</u> | <u>788,743</u> |
| Cash and cash equivalents at 31 December 2020 | | <u><u>716,653</u></u> | <u><u>784,191</u></u> |

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

1.1 Basis of accounting

Friends of the William Harvey Hospital is a registered charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is to relieve patients and former patients of the William Harvey Hospital and its associated hospitals and other invalids in the community who are sick, convalescent, disabled, handicapped, infirm or in need of financial assistance, and, generally to support the charitable work of the hospital.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 as amended by Bulletin 1 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Income recognition

All income is included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as cash deposits and property. It includes interest and rent. Interest income is recognised using the effective interest method and rent income is recognised as the charity's right to receive payment is established.

1.3 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds comprise the costs of running the hospital shop, fundraising expenses and the investment property costs, together with the associated support costs.
- Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them. The charitable company makes charitable donations in the form of the purchases of specific items of equipment for the William Harvey Hospital. The cost of these donations is taken to the Statement of Financial Activities when the purchase of the equipment has been authorised by the trustees.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.4 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

The bases on which support costs have been allocated and the analysis of these costs is included in note 7.

1.5 Funds

Unrestricted general funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds represent unrestricted funds that have been set aside by the trustees for particular purposes. The designated fund balance has been represented to ensure that the fund balance accurately reflects the designation policy adopted by the trustees.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restriction arises when specified by the donor or when funds are raised for particular restricted purposes.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Fixed assets below £200 are not capitalised. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset on a systematic basis over its expected useful life, as follows:

| | |
|-----------------------|----------------------|
| Fixtures and fittings | 25% reducing balance |
| Shop fixtures | 25% reducing balance |
| Computer equipment | 25% reducing balance |

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.7 Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in 'net gains / (losses) on investments' in the SoFA.

Investment properties are not depreciated in accordance with FRS 102, which is a departure from the requirements of the Companies Act 2006. In accordance with FRS 102, the following disclosures are made in this respect;

- The trustees have concluded that the financial statements present fairly the entity's financial position, financial performance and cashflows;
- the charity has complied with applicable legislation, except that it has departed from a particular requirement of applicable legislation to achieve a fair presentation;
- if the investment property had been depreciated, net assets would have reduced by £6,400.
- the investment property was revalued using an online valuation guide as at 31 December 2020.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.9 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (continued)

1.10 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.11 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and are unaware of any material uncertainties facing the charity that could impact on this conclusion.

1.12 Judgements and key sources of estimation uncertain

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

1.13 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.

| 2 Income from donations | 2020 | 2019 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Donations and legacies | 34,620 | 22,586 |
| Members subscriptions | 2,281 | 2,443 |
| Income tax reclaimable | 998 | 1,113 |
| | <u>37,899</u> | <u>26,142</u> |

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

| 3 Income from other trading activities | 2020 | 2019 |
|---|----------------|------------------|
| | £ | £ |
| Shop sales | 453,142 | 1,030,109 |
| Christmas draw | - | 489 |
| Concert | - | 682 |
| Quiz | - | 112 |
| Easter raffle | - | 279 |
| | <u>453,142</u> | <u>1,031,671</u> |

| 4 Income from investments | 2020 | 2019 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Rental income | 7,440 | 7,440 |
| Interest - deposits | 576 | 2,090 |
| | <u>8,016</u> | <u>9,530</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

| 5 | Expenditure on raising funds | Direct costs | Support Costs | 2020 Total | 2019 Total |
|---|------------------------------|--------------|---------------|---------------|---------------|
| | | £ | £ | £ | £ |
| | Shop expenses | 300,880 | 104,285 | 405,165 | 798,147 |
| | Other fundraising expenses | - | 20,776 | 20,776 | 18,348 |
| | Investment property costs | - | 353 | 353 | 2,129 |
| | | 300,880 | 125,414 | 426,294 | 818,624 |

| 6 | Expenditure on charitable activities | 2020 Total | 2019 Total |
|---|--|---------------|---------------|
| | | £ | £ |
| | Unrestricted expenditure | | |
| | Sonosite PX Ultrasound (Diagnostic) | 37,800 | - |
| | Sonosite Ultrasound x 2 | 36,200 | - |
| | Theatre staff room and showers | 30,000 | - |
| | Automation & Artificial Intelligence for Rapid Sepsis ID and Treatment | 25,184 | - |
| | EEG for ICU | 22,450 | - |
| | Sonosite Ultrasound | 19,000 | - |
| | 3D printer & handheld scanner for head & neck cancer patients | 18,455 | - |
| | Peri-operative Nerve Monitoring | 14,349 | - |
| | Baby warmer for emergency department - Paediatrics | 14,000 | - |
| | Reclining chairs for Surgical Emergency Admissions Unit (SEAU) x 5 | 11,103 | - |
| | Charge Box for charging mobiles and devices in A&E | 9,920 | - |
| | Phlebotomy chairs | 8,369 | - |
| | Stryker Rough Terrain Stretcher for Resus Team | 8,286 | - |
| | Bodyguard Pain Pump Kit x 4 | 6,574 | - |
| | Covid-19 contribution | 5,000 | - |
| | Discharge Lounge - Rise/Recliner chairs x 4 | 4,554 | - |
| | KwickScreens x 2 - Cardiology | 2,895 | - |
| | Croyde Suturing Couch | 2,865 | - |
| | Sofa and chairs x 2 | 1,725 | - |
| | Seating at Cambridge Crossroads | 1,000 | - |
| | MRI compatible infusion pump for babies | - | 36,000 |
| | ITU sensory garden | - | 25,000 |
| | pH Xact: pH strip reading device x 22 | - | 23,100 |
| | Sonosite S II Nerve Scanner | - | 19,000 |
| | Wheelchairs | - | 17,238 |
| | Bus shelter improvements | - | 14,067 |
| | Tympanometers x 2 | - | 13,842 |
| | CAP and licence for Fibroscan | - | 13,720 |
| | Bartholomew wards drug and medication preparation room | - | 12,656 |
| | Children's therapy treatment room | - | 10,621 |
| | Air Pal Hover System x 4 | - | 10,512 |
| | Breast pumps x 4 | - | 7,265 |
| | Tilt/rehab chair | - | 6,895 |
| | Portering chairs x 15 | - | 6,750 |
| | Denver manually reclining armchair x 6 and round black stools x 6 | - | 5,626 |
| | Trolleys and examination lights | - | 5,391 |
| | PPAM aid equipment | - | 4,052 |
| | 4 x Denver reclining chairs | - | 3,511 |
| | Paediatric A&E additional storage | - | 2,411 |
| | Bedfront Nobreath V2 FeNO Monitor | - | 2,107 |
| | Ophthalmoscope and Otoscope - 4 x Green Series 777 Wall transformer | - | 1,980 |
| | Clinitek Status urine testing machine x 2 | - | 1,750 |
| | Chairs/improvements | - | 1,258 |
| | Readybed sleeper chair | - | 1,162 |
| | Christmas presents for wards | 2,153 | 1,400 |
| | Other items less than £1,000 | 5,364 | 3,748 |
| | | 287,245 | 251,062 |
| | Old pledges written off and adjustments to pledges from previous years | (178,229) | (12,965) |
| | | 109,016 | 238,097 |
| | Restricted expenditure | | |
| | Other items less than £1,000 | 2,252 | 385 |
| | | 111,268 | 238,482 |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Allocation of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken and the raising of funds in the year. The support costs below are directly attributable to the various raising funds activities. Governance costs are allocated pro-rata to income.

| | Shop expenses | Raising funds Other fundraising expenses | Investment property costs | 2020 Total | 2019 Total |
|---------------------------------|------------------|---|------------------------------|----------------|----------------|
| | £ | £ | £ | £ | £ |
| Staff costs | 75,572 | 18,786 | - | 94,358 | 88,511 |
| Training | 40 | - | - | 40 | 290 |
| Rates | 331 | - | - | 331 | 513 |
| Insurance | 1,129 | - | 279 | 1,408 | 1,232 |
| Repairs and maintenance | 3,577 | - | - | 3,577 | 6,262 |
| Printing, postage and telephone | - | 1,125 | - | 1,125 | 915 |
| Marketing | - | 88 | - | 88 | 1,489 |
| Internet | 322 | - | - | 322 | 241 |
| Book-keeping | 8,295 | - | - | 8,295 | 10,118 |
| Software costs | 128 | - | - | 128 | 36 |
| Bank charges and interest | 939 | - | - | 939 | 2,362 |
| Debit/credit card charges | 7,272 | - | - | 7,272 | 9,995 |
| Sundry expenses | 171 | 656 | - | 827 | 291 |
| Travel | 94 | - | - | 94 | 336 |
| Depreciation | 1,912 | 115 | - | 2,027 | 1,862 |
| Loss on disposal of assets | 5 | - | - | 5 | - |
| Governance costs (Note 8) | 4,498 | 6 | 74 | 4,578 | 9,099 |
| | <u>104,285</u> | <u>20,776</u> | <u>353</u> | <u>125,414</u> | <u>133,552</u> |

8 Governance costs

| | 2020 £ | 2019 £ |
|----------------------------|--------------|--------------|
| Audit fee | (80) | 4,200 |
| Independent examiner's fee | 1,500 | - |
| Accountancy | 3,158 | 4,700 |
| AGM costs | - | 199 |
| | <u>4,578</u> | <u>9,099</u> |

9 Grant commitments

| | 2020 £ | 2019 £ |
|-------------------------|----------------|----------------|
| As at 1 January 2020 | 303,479 | 312,812 |
| New commitments | 287,245 | 251,062 |
| Paid in year | (117,079) | (247,430) |
| Old pledges written off | (178,229) | (12,965) |
| As at 31 December 2020 | <u>295,416</u> | <u>303,479</u> |

10 Staff costs and employee benefits

The average number of employees during the year was 10 (2019: 8), all of which related to raising funds for the charity.

There are no employees with emoluments above £60,000 (2019: None).

The total staff costs and employees benefit's was as follows

| | 2020 £ | 2019 £ |
|----------------------------------|---------------|---------------|
| Gross wages | 92,051 | 85,924 |
| Employer's National Insurance | 1,115 | 1,432 |
| Employer's pension contributions | 1,192 | 1,155 |
| | <u>94,358</u> | <u>88,511</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2019: £Nil).

The total amount of remuneration received by the two staff who are the key management personnel is £47,608 (2019: £45,325). The Trust considers its key management personnel comprise the shop manager and office secretary.

During the year, no trustees received reimbursement of expenditure incurred on behalf of the charitable company (2019: none).

12 Tangible Assets

| | Shop fixtures and fittings | Office fixtures and fittings | Total |
|------------------------|-------------------------------|------------------------------------|---------------|
| | £ | £ | £ |
| Cost | | | |
| As at 1 January 2020 | 30,838 | 108 | 30,946 |
| Additions | 2,100 | 434 | 2,534 |
| Disposals | (158) | - | (158) |
| At 31 December 2020 | <u>32,780</u> | <u>542</u> | <u>33,322</u> |
| Depreciation | | | |
| As at 1 January 2020 | 25,298 | 83 | 25,381 |
| Charge for period | 1,912 | 115 | 2,027 |
| On disposals | (153) | - | (153) |
| At 31 December 2020 | <u>27,057</u> | <u>198</u> | <u>27,255</u> |
| Net book values | | | |
| At 31 December 2020 | <u>5,723</u> | <u>344</u> | <u>6,067</u> |
| At 31 December 2019 | <u>5,540</u> | <u>25</u> | <u>5,565</u> |

13 Investment property

| | £ |
|----------------------|----------------|
| Valuation | |
| As at 1 January 2020 | 400,000 |
| Revaluation | 85,000 |
| At 31 December 2020 | <u>485,000</u> |
| Historical cost | <u>25,000</u> |

The investment property relates to 5 Meadway Drive, Addlestone. Rental income is received on this property at a market rate. The property is held at an open market value on the basis that it is a tenanted property and was revalued on this basis in January 2021 using an online valuation guide.

The property was bequeathed to the charity and cannot be disposed of until such time as the current tenant no longer requires the property.

14 Stocks

| | 2020 | 2019 |
|-----------------|---------------|---------------|
| | £ | £ |
| Good for resale | 19,101 | 23,932 |
| | <u>19,101</u> | <u>23,932</u> |

15 Debtors

| | 2020 | 2019 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 9,886 | 8,880 |
| Income tax reclaimable | 860 | 1,230 |
| Other debtors | 2,030 | 240 |
| Prepayments and accrued income | 335 | 890 |
| | <u>13,111</u> | <u>11,240</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

| 16 | Creditors: amounts falling due within one year | 2020 | 2019 |
|----|--|----------------|----------------|
| | | £ | £ |
| | Trade creditors | 19,103 | 41,218 |
| | Grant commitments (Note 9) | 295,416 | 303,479 |
| | Ward funds | 2,249 | 2,249 |
| | Other taxes and social security | - | 2,522 |
| | Accruals and deferred income | 7,859 | 6,650 |
| | | <u>324,627</u> | <u>356,118</u> |

17 Fund reconciliation

Unrestricted funds 2019

| | As at 1 January 2019 | Income | Expenditure | Transfers | As at 31 December 2019 |
|---------------------|----------------------------|------------------|--------------------|-----------------|------------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted | 456,873 | 1,066,986 | (1,056,721) | - | 467,138 |
| Designated: | | | | | |
| Revaluation reserve | 425,000 | - | - | (50,000) | 375,000 |
| Investment property | 25,000 | - | - | - | 25,000 |
| | <u>450,000</u> | <u>-</u> | <u>-</u> | <u>(50,000)</u> | <u>400,000</u> |
| | <u>906,873</u> | <u>1,066,986</u> | <u>(1,056,721)</u> | <u>(50,000)</u> | <u>867,138</u> |

Unrestricted funds 2020

| | As at 1 January 2020 | Income | Expenditure | Transfers | As at 31 December 2020 |
|---------------------|----------------------------|----------------|------------------|---------------|------------------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted | 467,138 | 491,305 | (535,310) | - | 423,133 |
| Designated: | | | | | |
| Revaluation reserve | 375,000 | - | - | 85,000 | 460,000 |
| Investment property | 25,000 | - | - | - | 25,000 |
| | <u>400,000</u> | <u>-</u> | <u>-</u> | <u>85,000</u> | <u>485,000</u> |
| | <u>867,138</u> | <u>491,305</u> | <u>(535,310)</u> | <u>85,000</u> | <u>908,133</u> |

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Fund reconciliation (continued)

Restricted funds 2019

| | As at 1 January 2019 | Income | Expenditure | Transfers | As at 31 December 2019 |
|-----------------------|----------------------------|------------|--------------|-----------|------------------------------|
| | £ | £ | £ | £ | £ |
| CDU | 1,000 | - | - | - | 1,000 |
| Cardiology Department | 589 | - | - | - | 589 |
| Cambridge Ward | 31 | 357 | (385) | - | 3 |
| ITU | 80 | - | - | - | 80 |
| | <u>1,700</u> | <u>357</u> | <u>(385)</u> | <u>-</u> | <u>1,672</u> |

Restricted funds 2020

| | As at 1 January 2020 | Income | Expenditure | Transfers | As at 31 December 2020 |
|--------------------------|----------------------------|--------------|----------------|-----------|------------------------------|
| | £ | £ | £ | £ | £ |
| CDU | 1,000 | - | (1,000) | - | - |
| Cardiology Department | 589 | - | (589) | - | - |
| Cambridge Ward | 3 | - | (3) | - | - |
| ITU | 80 | 160 | - | - | 240 |
| Kings C1 | - | 1,300 | - | - | 1,300 |
| The Closet Project | - | 900 | (400) | - | 500 |
| EEG machine | - | 280 | - | - | 280 |
| Padua Ward | - | 3,600 | - | - | 3,600 |
| Portable ECG machine | - | 900 | - | - | 900 |
| Covid 19 | - | 260 | (260) | - | - |
| Toiletries and underwear | - | 117 | - | - | 117 |
| Cambridge K Ward | - | 100 | - | - | 100 |
| ICU Garden | - | 135 | - | - | 135 |
| | <u>1,672</u> | <u>7,752</u> | <u>(2,252)</u> | <u>-</u> | <u>7,172</u> |

Fund descriptions

(a) Unrestricted funds

This represents the general funds which can be used in accordance with the charitable objects at the discretion of the trustees.

(b) Designated funds

Designated funds represent unrestricted funds that have been set aside by the trustees for particular purposes.

Revaluation reserve

This represents the unrealised gains on the investment property which are not considered to be free reserves.

Investment property

This represents the original cost of the investment property.

(c) Restricted funds

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restriction arises when specified by the donor or when funds are raised for particular restricted purposes.

Frequently, the amount donated for a specific purpose exceeds the cost of the equipment purchased and a small balance remains in the restricted fund. The trustees actively seek to spend the remaining balance or contact the donor to ask permission to transfer the remaining balance into the general funds. On occasion, a balance can remain unspent for several years, after which the trustees approve the transfer to the general funds of the charity to further the objectives of the charity.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Analysis of net assets between funds

| 2019 | Tangible fixed assets £ | Net current assets £ | 2019 Total £ |
|--------------------|-------------------------------|----------------------------|--------------------|
| Unrestricted funds | 5,565 | 461,573 | 467,138 |
| Designated funds | 400,000 | - | 400,000 |
| Restricted funds | - | 1,672 | 1,672 |
| | <u>405,565</u> | <u>463,245</u> | <u>868,810</u> |

| 2020 | Tangible fixed assets £ | Net current assets £ | 2020 Total £ |
|--------------------|-------------------------------|----------------------------|--------------------|
| Unrestricted funds | 6,067 | 417,066 | 423,133 |
| Designated funds | 485,000 | - | 485,000 |
| Restricted funds | - | 7,172 | 7,172 |
| | <u>491,067</u> | <u>424,238</u> | <u>915,305</u> |

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

| | 2020 £ | 2019 £ |
|--|-----------------|-----------------|
| Net income/(expenditure) for the year | 46,495 | (39,763) |
| Rents received from investment properties | (7,440) | (7,440) |
| Interest receivable | (576) | (2,090) |
| Depreciation and impairment of tangible fixed assets | 2,027 | 1,862 |
| Unrealised (gain)/loss on investment properties | (85,000) | 50,000 |
| Decrease/(increase) in stock | 4,831 | (2,308) |
| Increase in debtors | (1,871) | (1,874) |
| Decrease in creditors | (31,491) | (10,703) |
| Net cash flow from operating activities | <u>(73,020)</u> | <u>(12,316)</u> |

20 Related party transactions

During the year the charitable company entered into no transactions with related parties or trustees (2019: None).

21 Covid 19

The trustees have considered the impact of the Covid-19 outbreak, which began in March 2020. The hospital shop was closed from 9 April 2020 in order to safeguard the safety of the volunteers and staff working in the shop. The shop reopened on 1 June 2020. There haven't been any cashflow or going concern issues identified at present, although the situation is being regularly monitored.