

# Hawkhurst Community Hospital League of Friends

## TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 December 2016

Charity No. 252641

# Hawkhurst Community Hospital League of Friends

## LEGAL AND ADMINISTRATIVE INFORMATION

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### **President**

The Rt. Hon G Clark MP

### **Vice President**

Dr C J R Lewis

### **Trustees**

The Trustees who served during the year and to the date of this report were:

Mr P Izod

Mr P Hoole

Chairman

Dr R Blundell

Mrs C Williamson

(resigned January 2017)

Mrs R Izod

Mrs J Stacey

Mrs J Walcot

Mr D Caister

Mr K Day

Mr C R Dewing

Mr W B Owen

Mr H Cobbold

(appointed July 2016)

### **Honorary secretary**

Mrs J Hoole

### **Principal Office**

Hawkhurst Community Hospital

High Street

Hawkhurst

Kent, TN18 4PU

### **Independent Examiner**

Sam Farren FCA DChA

Orchard House

42a Childsbridge Lane

Kemsing

Sevenoaks

Kent, TN15 6QR

### **Bankers**

Natwest Bank plc

High Street

Cranbrook

Kent, TN17 3EJ

Barclays Bank plc

9 High Street

Colchester

Essex, CO1 1DA

Clydesdale Bank

2<sup>nd</sup> Floor

Wellington Gate

7-9 Church Road

Tunbridge Wells

Kent, TN1 1HT

# Hawkhurst Community Hospital League of Friends

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

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The Trustees of the Hawkhurst Community Hospital League of Friends (the Charity) present their report and financial statements for the year ended 31 December 2016. The financial statements comply with the Charities Act 2011, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### Legal and Administrative Information

The Charity's officers and trustees are:

#### President

The Rt. Hon G Clark MP

#### Vice President

Dr C J R Lewis

#### Trustees

The Trustees who served during the year and to the date of this report were:

Mr P Izod	
Mr P Hoole	Chairman
Dr R Blundell	
Mrs C Williamson	(resigned January 2017)
Mrs R Izod	
Mrs J Stacey	
Mrs J Walcot	
Mr D Caister	
Mr K Day	
Mr C R Dewing	
Mr W B Owen	
Mr H Cobbold	(appointed July 2016)

### Constitution and Objects

The Charity is constituted under the rules and objects adopted on 15 May 1967, amended 30 April 1992, April 2005 and 23 April 2009.

The Objects of the Charity are:

1. To mobilise, encourage, foster and maintain the interest and Support of the public in the patients and staff and to support the work of the hospital by voluntary service.
2. To raise, provide and receive funds for the purposes:
  - a. Either of supplementing, in such manner as the Charity thinks fit, the resources of the hospital service, or putting such funds, or any part thereof at the disposal of the Tunbridge Wells Health Authority or any successor Authority thereto to be applied at the discretion of such Authority in supplementing such resources.
  - b. Of supporting the patients and staff of the hospital, and;
  - c. Of supporting and relieving out-patients and former patients of the hospital and other invalids in the local community who are sick, convalescent, disabled, handicapped, infirm or in the need of financial assistance.
  - d. Using such funds as the Charity thinks fit for the purpose of promoting health in the wider community and relieving those in need due to other disadvantages related to ill health.

### Administration and Structure

The Charity is governed by a board of trustees who meet quarterly. Day to day running of the Charity is delegated to the Charity Administrators (Mr P Hoole, Mrs C Williamson and Mrs J Hoole) who report directly to the board of trustees.

### Method of appointment and recruitment of trustees

The trustees regularly review the skills needed on the trustee board and will approach a suitable candidate known to them from the local community.

# Hawkhurst Community Hospital League of Friends

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

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### Review of the Year

**The Hospital** As far as the hospital is concerned this has been an uneventful year and apart from our recurring expenditures on the day to day support which we have been giving for years we can only report that we have bought an additional number of (expensive) Dyson fans which we hope are being put to good use.

The bright spot as far as the hospital itself is concerned is that we have a new Matron, Jane Browning, who is a breath of fresh air, the morale of the staff has improved greatly and we are keeping our fingers firmly crossed that she will be a "stayer". The hospital has changed somewhat in this last year. The hospital has for some time now been receiving elderly patients in step-down from acute hospitals being prepared for going home. Inevitably this now means that more of the patients are likely to be suffering from a degree of dementia and there have been some changes to take account of this – but not staffing levels!

It is common knowledge that local GPs no longer have any bed rights but what is not widely known is the mechanism for getting a bed at our hospital and if you know of anyone locally in need of a bed WHO FITS THE ADMISSIONS CRITERIA i.e. step down from acute, it is as well to know how the system works, and you might like to pass this on to your friends. The Acute Hospitals are continually seeking to discharge patients who no longer require acute support. Some of these patients are not ready to go home and this is where hospitals like Hawkhurst come in. At the Acute Hospital there is someone whose job it is to place these patients and they spend their time ringing round looking for beds. That is the person the relatives or friends need to get hold of and say would it be possible to get them into Hawkhurst.

**WRAP** The latest news is that Hawkhurst House anticipates opening in August, however, in anticipation of that move our Monday Club decided to return to its spiritual home at the new Bowles Lodge where they are now happily ensconced.

**New GP Surgery** The Hawkhurst Practices are seeking to merge in new premises. Naturally they came to us to see if we could help in any way. Much committee time has been spent on discussing possibilities however we took advice which indicated that although we made changes to our constitution some time ago to include "the health of the wider community" we were told that this was certainly not sufficiently wide for us to get financially involved with the new surgery and certainly not with existing funds even if we changed our constitution. However, several members of your committee have formed themselves into a completely separate Steering Group to help the doctors explore the options.

### Review of Financial Activities and Affairs

In the financial year ending 31 December 2016 the Charity had income of £148,499 (2015: £176,055). Expenditure in the year was in the sum of £163,960 (2015: £161,064).

Costs of raising funds were £42,726 (2015: £43,464) representing the cost of running the Green Shop, within which were £17,994 (2015: £18,404) in wages and £16,000 (2015: £16,000) in rent. Charitable expenditure was in the sum of £121,234 (2015: £117,600), of which £103,584 (2015: £97,987) represented Grove Mills running costs and £8,327 (2015: £10,125) related to equipment and specialists provided to the hospital. Support costs amounted to £8,423 (2015: £9,488).

### Reserves Policy

It is the policy of the charity to maintain its free reserves at a level that equates to approximately six months administration expenditure together with sufficient funds to cover the immediate charitable needs and a general reserve of approximately £15,000 to cover any unexpected calls on our funds. The funds were maintained at this level throughout the year. At 31 December 2016, unrestricted funds were £295,710 (2015: £311,171) and restricted funds were £26,000 (2015: £26,000).

### Risk Management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.



# Hawkhurst Community Hospital League of Friends

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

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### Public Benefit

The Trustees have complied with the duty in section 4 of the 2011 Charities Act to have due regard to guidance published by the Charity Commission, including public benefit guidance.

The Trustees have reviewed the Charity's activities and confirm they meet the guidance given by the Charity Commission with regard to public benefit.

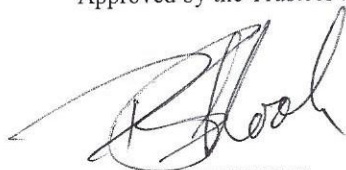
### Statement of Trustees' Responsibilities

The Charities Act 2011 requires the management committee as the Trustees of the Charity to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the management committee are required to:

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

The Trustees are responsible for keeping records which 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 Charities Act 2011. 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 the Trustees and signed on their behalf by:



.....  
Mr P Hoole  
Chairman

19 July 2017

# Hawkhurst Community Hospital League of Friends

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HAWKHURST COMMUNITY HOSPITAL LEAGUE OF FRIENDS

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I report on the accounts of the charity for the year ended 31 December 2016, which are set out on pages 6 to 13.

### **Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

### **Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Sam Farren FCA DChA

Sevenoaks

4 August 2017

Hawkhurst Community Hospital League of Friends  
STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31 December 2016


		-----2016-----			2015
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
INCOME FROM:					
Donations and legacies					
Donations	1	9,551	-	9,551	9,867
Legacies and Memorial Donations		1,571	-	1,571	30,954
Subscriptions		4,114	-	4,114	5,323
Charitable activities	2	61,630	-	61,630	58,813
Other trading activities					
Fundraising	3	71,538	-	71,538	70,875
Investments		95	-	95	223
TOTAL INCOME		148,499	-	148,499	176,055
EXPENDITURE ON:					
Raising funds	4	(42,726)	-	(42,726)	(43,464)
Charitable activities	5	(121,234)	-	(121,234)	(117,600)
TOTAL EXPENDITURE		(163,960)	-	(163,960)	(161,064)
NET (EXPENDITURE)/INCOME	17	(15,461)	-	(15,461)	14,991
FUND BALANCE BROUGHT FORWARD					
AT 1 January	17	311,171	26,000	337,171	322,180
FUND BALANCES CARRIED FORWARD					
AT 31 December	17	295,710	26,000	321,710	337,171

All activities are classed as continuing. The Charity has had no recognised gains and losses during this year and last year other than the net (expenditure)/income for the financial year.

Hawkhurst Community Hospital League of Friends  
BALANCE SHEET  
31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	54,567	66,376
<b>Current assets</b>			
Stock	13	405	420
Debtors	14	15,154	36,473
Bank		255,971	237,512
		271,530	274,405
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(4,387)	(3,610)
<b>Net current assets</b>		267,143	270,795
<b>Total assets</b>		321,710	337,171
<b>Funds:</b>			
Unrestricted Funds	17	295,710	311,171
Restricted Funds	17	26,000	26,000
		321,710	337,171

The financial statements on pages 6 to 13 were approved and authorised for issue by the trustees on 19 July 2017 and signed on their behalf by:



.....  
Mr P Hoole  
Trustee



# Hawkhurst Community Hospital League of Friends

## ACCOUNTING POLICIES

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### **BASIS OF ACCOUNTING**

#### **a) Basis of preparation**

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011. Hawkhurst Community Hospital League of Friends 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 note(s).

#### **b) Preparation of the accounts on a going concern basis**

It is the trustees' view that there are no material uncertainties regarding Hawkhurst Community Hospital League of Friends' ability to continue in business for the foreseeable future taking into account all available information, and have neither the intention nor the need to liquidate or curtail materially the scale of its operations, and have prepared the accounts on that assumption.

### **INCOME POLICY**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacies are recognised in the accounts when the amount and timing of receipt is probable to the satisfaction of the trustees.

Income tax recoverable in respect of deeds of covenant is included in the same period as the donation.

### **INVESTMENT INCOME**

Investment income is accounted for in the year in which the charity is entitled to receipt.

### **FUND ACCOUNTING**

Unrestricted funds are funds which are available to use at the discretion of the trustees in furtherance of the general objectives of the charity and which has not been designated for any other purpose.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

### **EXPENDITURE POLICY**

Expenditure is recognised on an accruals basis as a liability is incurred. Irrecoverable VAT is charged against the category of resources expended from which it was incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly whilst others are apportioned on an appropriate basis.

### **COST OF RAISING FUNDS**

Cost of raising funds comprises those costs directly attributable to the Charity's fund raising activities.

### **CASH FLOW STATEMENT**

The Charity has taken advantage of the exemption from preparing a cash flow statement in accordance with FRS 102 on the basis that it qualifies as a small entity.

### **TANGIBLE FIXED ASSETS**

Assets costing £100 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation

# Hawkhurst Community Hospital League of Friends

## ACCOUNTING POLICIES

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### DEPRECIATION

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property improvement	- 10% straight line basis
Fixtures and fittings	- 10% straight line basis
Computer equipment	- 25% straight line basis

### STOCK

Stock is valued at the lower of cost or realisable value.

No value has been included for the items donated and held at the year end at the Green Shop as the trustees consider it impractical to estimate the fair value of this stock. The value to the charity of the donated goods sold are recognised as income when sold.

### DEBTORS

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

### CASH AT BANK AND IN HAND

Cash at bank and cash 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.

### CREDITORS

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

### 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.

### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Hawkhurst Community Hospital League of Friends  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2016

1.	DONATIONS	2016 £	2015 £
	Donations	8,599	8,790
	Gift Aid	952	1,077
		<u>9,551</u>	<u>9,867</u>
2.	CHARITABLE ACTIVITIES	2016 £	2015 £
	Grove Mills Income	61,302	58,428
	Drinks machine	328	385
		<u>61,630</u>	<u>58,813</u>
3.	FUNDRAISING INCOME	2016 £	2015 £
	The Green Shop	70,440	69,214
	Goods sold at hospital	140	319
	Collecting boxes	746	599
	Event income	137	248
	Cake sales	-	249
	Other	75	246
		<u>71,538</u>	<u>70,875</u>
4.	FUNDRAISING EXPENDITURE	2016 £	2015 £
	The Green Shop (Note 7)	42,203	43,067
	Purchase of goods (adjusted for stock)	523	397
		<u>42,726</u>	<u>43,464</u>
5.	CHARITABLE EXPENDITURE – supporting the community	2016 £	2015 £
	Hospital equipment, consultants, Physiotherapy dept. and outpatients	2,529	5,987
	Gardening	410	385
	Drinks machine	401	320
	Newspapers for Day Hospital	1,882	1,578
	Other	110	-
	Entertaining	2,895	1,855
	Professional fees	900	-
	Donations	100	-
	Grove Mills running costs (note 8)	103,584	97,987
	Support costs (note 6)	8,423	9,488
		<u>121,234</u>	<u>117,600</u>



Hawkhurst Community Hospital League of Friends  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2016

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6. SUPPORT COSTS

	2016	2015
	£	£
Adverts, postage, stationery and telephone	1,125	1,140
Administrator	2,310	3,800
Volunteer mileage	3,095	1,174
Legal & professional fees	419	1,596
Accountancy fees	500	500
Bank charges and interest	224	227
Computer costs	-	301
Governance costs – independent examination fees	750	750
	<u>8,423</u>	<u>9,488</u>

7. THE GREEN SHOP OVERHEADS

	2016	2015
	£	£
Wages	17,994	18,404
Rent	16,000	16,000
Business rates	608	-
Water	197	146
Gas & electricity	1,294	1,369
Insurance	1,160	1,246
Streamline costs	623	640
Other costs	-	324
Telephone	761	655
Depreciation	2,045	2,045
Premises costs	1,521	2,238
	<u>42,203</u>	<u>43,067</u>

8. GROVE MILLS RUNNING COSTS

	2016	2015
	£	£
Wages	9,306	3,338
Rent and service charges	18,498	19,705
Business rates	1,689	1,672
Gas & electricity	1,055	2,040
Insurance	1,906	1,531
Other Costs	1,335	443
Telephone	1,148	778
Depreciation	9,764	15,045
Legal and professional	3,420	2,080
Premises costs	1,066	2,515
Cleaning & supplies	5,225	5,050
Computer costs	1,059	152
Printing & stationery	695	371
Food Costs and Kitchen & Catering Supplies	4,846	5,172
Dementia Management	40,980	36,000
Bad debts	1,592	2,095
	<u>103,584</u>	<u>97,987</u>



# Hawkhurst Community Hospital League of Friends

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

### 9. EMPLOYEE COST

	2016 £	2015 £
Salaries and wages	29,610	25,542
National Insurance	-	-
	<u>29,610</u>	<u>25,542</u>

The average number of staff for the year was:

	2016 No	2015 No
Administrative	2	1
Green Shop	2	1
	<u>4</u>	<u>2</u>

No member of staff was paid more than £60,000 per annum during either year.

### 10. TRUSTEES' REMUNERATION

Mrs C Williamson received remuneration for administration services during the year of £1,267 (2015 - £5,049) as permitted by the charity's governing document. 1 (2015: 2) trustee received a total of £967 (2015 - £907) for volunteer mileage expenses & items purchased on the charity's behalf.

### 11. NET (EXPENDITURE)/INCOME

This is stated after charging:	2016 £	2015 £
Depreciation	11,809	17,090
Operating leases – property	<u>34,500</u>	<u>34,417</u>

### 12. FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2016	89,330	19,123	25,121	133,574
Additions	-	-	-	-
At 31 December 2016	<u>89,330</u>	<u>19,123</u>	<u>25,121</u>	<u>133,574</u>
Depreciation				
At 1 January 2016	35,082	7,996	24,120	67,198
Charge for the year	8,925	1,883	1,001	11,809
At 31 December 2016	<u>44,007</u>	<u>9,879</u>	<u>25,121</u>	<u>79,007</u>
Net book value				
At 31 December 2016	<u>45,323</u>	<u>9,244</u>	<u>-</u>	<u>54,567</u>
At 31 December 2015	<u>54,248</u>	<u>11,217</u>	<u>1,001</u>	<u>66,466</u>

Hawkhurst Community Hospital League of Friends  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2016

13. STOCKS AND WORK IN PROGRESS

	2016	2015
	£	£
Stock	405	420
	<u>405</u>	<u>420</u>

14. DEBTORS

	2016	2015
	£	£
Trade Debtors	2,045	1,565
Other Debtors	5,000	4,950
Prepayments and accrued income	8,109	29,958
	<u>15,154</u>	<u>36,473</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	2,124	1,732
Other taxation and social security	58	112
Accruals	2,205	1,766
	<u>4,387</u>	<u>3,610</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the charity had aggregate annual commitments under non-cancellable operating leases expiring as set out below.

	2016	2015
	£	£
Within 2 – 5 years	16,000	-
After more than 5 years	18,500	34,500
	<u>34,500</u>	<u>34,500</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible Fixed Assets	-	54,567	54,567
Current assets	26,000	245,530	271,530
Current liabilities	-	(4,387)	(4,387)
	<u>26,000</u>	<u>295,710</u>	<u>321,710</u>

Restricted funds relate to a legacy which was specified to be used for the benefit of the Physiotherapy Department.

18. TAX

Hawkhurst Community Hospital League of Friends is a registered charity and as such its income and gains falling within Sections 471 to 489 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 are exempt from corporation tax to the extent that they are applied to its charitable objectives.