

# Hawkhurst Community Hospital League of Friends

TRUSTEES' REPORT AND  
FINANCIAL STATEMENTS

31 December 2017

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	(resigned July 2017)
Mr P Hoole	Chairman
Dr R Blundell	
Mrs C Williamson	(resigned January 2017)
Mrs R Izod	(resigned July 2017)
Mrs J Stacey	
Mrs J Walcot	
Mr D Caister	(resigned July 2017)
Mr K Day	
Mr C R Dewing	
Mr W B Owen	
Mr H Cobbold	
Mr G Catton	(appointed July 2017, resigned May 2018)
Mr J Hunt	(appointed July 2017)

### **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 2017

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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 2017. 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	(resigned July 2017)
Mr P Hoole	Chairman
Dr R Blundell	
Mrs C Williamson	(resigned January 2017)
Mrs R Izod	(resigned July 2017)
Mrs J Stacey	
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Mr K Day	
Mr C R Dewing	
Mr W B Owen	
Mr H Cobbold	
Mr G Catton	(appointed July 2017, resigned May 2018)
Mr J Hunt	(appointed July 2017)

### **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 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 2017

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## Review of the Year

**The Hospital** We are now very settled with Jane Browning the Matron who has been in post for a couple of years and with whom we have an excellent working relationship. Beyond the continuing overheads that we have always paid for there have been few requests and those which we have received have been accommodated when they have been made but there has been nothing of a very substantial nature in this last year.

The hospital itself has been subject to considerable expenditure by the NHS as, for instance, new non-slip flooring throughout and at the same time largely redecorating all the doors in strong colours as a sign-post for patients with dementia so that, for instance, all loo doors are now the same colour.

The Hospital has become dementia-friendly in response to the changing needs of the NHS and we have started funding weekly sessions given by a professional musician specifically aimed at those with memory loss since music, as you may know, is capable of stimulating memory in a way that speech often cannot.

The level of NHS expenditure makes us feel that it is most unlikely that the hospital is likely to be threatened with closure any time soon.

**The Green Shop** The shop continues to trade at a very satisfactory level and to make a very substantial contribution to our income.

**WRAP** In view of our impending move to Hawkhurst House (in February/March 2018) it was decided that the Monday Club for the elderly isolated should move to the rebuilt Bowles Lodge where it continued for some time until Joyce Saunders, who ran it, unfortunately suffered a stroke. Although Joyce has made a good recovery she has not (yet) felt able to re-commence so it is in abeyance for lack of a leader. Any Volunteers?

Otherwise our valuable provision for dementia day-care has continued as before.

**New GP Surgery** You will remember there was talk of a new surgery on the hospital site. As the LoF we are supportive of a new surgery and there are arguments in favour of a site at the hospital. However legal advice is that our constitution is not wide enough to spend our funds in support of the project. In the meantime the GPs seem to have gone cold on a surgery at the Hospital and we are not aware that any other site is being actively pursued at the moment.

## Review of Financial Activities and Affairs

In the financial year ending 31 December 2017 the Charity had income of £136,991 (2016: £148,499). Expenditure in the year was in the sum of £203,389 (2016: £163,960).

Costs of raising funds were £48,775 (2016: £42,726) representing the cost of running the Green Shop, within which were £21,128 (2016: £17,994) in wages and £16,000 (2016: £16,000) in rent. Charitable expenditure was in the sum of £156,188 (2016: £121,234), of which £136,354 (2016: £103,584) represented Grove Mills running costs and £9,777 (2016: £8,327) related to equipment and specialists provided to the hospital. Support costs amounted to £6,615 (2016: £8,423).

## 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 2017, unrestricted funds were £229,312 (2016: £295,710) and restricted funds were £24,426 (2016: £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 2017

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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.

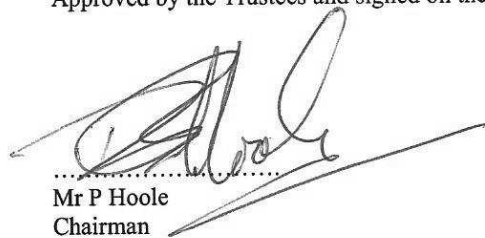
### **Statement of Trustees' Responsibilities**

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

18 July 2018

# 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 to the trustees on my examination of the accounts of the charity for the year ended 31 December 2017, which are set out on pages 6 to 14.

### **Responsibilities and basis of report**

As the charity trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

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

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

- (1) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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.



Sam Farren FCA DChA  
Sevenoaks

13 August 2018

# Hawkhurst Community Hospital League of Friends

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2017

		-----2017-----			2016
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>INCOME FROM:</b>					
<b>Donations and legacies</b>					
Donations	1	9,558	-	9,558	9,551
Legacies and Memorial Donations		1,336	-	1,336	1,571
Subscriptions		3,286	-	3,286	4,114
Charitable activities	2	53,843	-	53,843	61,630
<b>Other trading activities</b>					
Fundraising	3	68,954	-	68,954	71,538
Investments		14	-	14	95
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL INCOME</b>		<b>136,991</b>	<b>-</b>	<b>136,991</b>	<b>148,499</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURE ON:</b>					
Raising funds	4	(48,775)	-	(48,775)	(42,726)
Charitable activities	5	(154,614)	(1,574)	(156,188)	(121,234)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>		<b>(203,389)</b>	<b>(1,574)</b>	<b>(204,963)</b>	<b>(163,960)</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET EXPENDITURE</b>	17	<b>(66,398)</b>	<b>(1,574)</b>	<b>(67,972)</b>	<b>(15,461)</b>
<b>FUND BALANCE BROUGHT FORWARD</b>					
AT 1 January	17	295,710	26,000	321,710	337,171
		<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES CARRIED FORWARD</b>					
AT 31 December	17	229,312	24,426	253,738	321,710
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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 for the financial year.

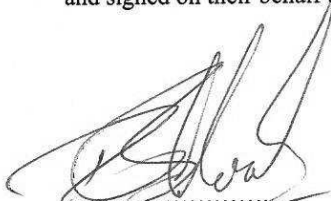
# Hawkhurst Community Hospital League of Friends

## BALANCE SHEET

31 December 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	12	9,340	54,567
<b>Current assets</b>			
Stock	13	176	405
Debtors	14	9,977	15,154
Bank		240,248	255,971
		<u>250,401</u>	<u>271,530</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(6,003)	(4,387)
<b>Net current assets</b>		<u>244,398</u>	<u>267,143</u>
<b>Total assets</b>		<u>253,738</u>	<u>321,710</u>
<b>Funds:</b>			
Unrestricted Funds	17	229,312	295,710
Restricted Funds	17	24,426	26,000
		<u>253,738</u>	<u>321,710</u>

The financial statements on pages 6 to 14 were approved and authorised for issue by the trustees on 18 July 2018 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

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# 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 2017

1.	DONATIONS	2017	2016
		£	£
	Donations	9,097	8,599
	Gift Aid	461	952
		<u>9,558</u>	<u>9,551</u>
2.	CHARITABLE ACTIVITIES	2017	2016
		£	£
	Grove Mills & Bowles Lodge Income	53,737	61,302
	Drinks machine	106	328
		<u>53,843</u>	<u>61,630</u>
3.	FUNDRAISING INCOME	2017	2016
		£	£
	The Green Shop	67,842	70,440
	Goods sold at hospital	60	140
	Collecting boxes	909	746
	Event income	-	137
	Other	143	75
		<u>68,954</u>	<u>71,538</u>
4.	FUNDRAISING EXPENDITURE	2017	2016
		£	£
	The Green Shop (Note 7)	48,153	42,203
	Purchase of goods (adjusted for stock)	622	523
		<u>48,775</u>	<u>42,726</u>
5.	CHARITABLE EXPENDITURE – supporting the community	2017	2016
		£	£
	Hospital equipment, consultants, Physiotherapy dept. and outpatients	4,073	2,529
	Gardening	610	410
	Drinks machine	156	401
	Newspapers for Day Hospital	1,833	1,882
	Other	-	110
	Entertaining	3,261	2,895
	Professional fees	-	900
	Donations	3,286	100
	Grove Mills running costs (note 8)	136,354	103,584
	Support costs (note 6)	6,615	8,423
		<u>156,188</u>	<u>121,234</u>

# Hawkhurst Community Hospital League of Friends

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

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### 6. SUPPORT COSTS

	2017	2016
	£	£
Adverts, postage, stationery and telephone	1,531	1,125
Administrator	80	2,310
Volunteer mileage	2,878	3,095
Legal & professional fees	476	419
Accountancy fees	500	500
Bank charges and interest	188	224
Subscriptions	64	-
Computer costs	148	-
Governance costs – independent examination fees	750	750
	<u>6,615</u>	<u>8,423</u>

### 7. THE GREEN SHOP OVERHEADS

	2017	2016
	£	£
Wages & pension	21,128	17,994
Rent	16,000	16,000
Business rates	720	608
Water	179	197
Gas & electricity	1,559	1,294
Insurance	1,010	1,160
Streamline costs	514	623
Telephone	690	761
Depreciation	2,045	2,045
Premises costs	4,308	1,521
	<u>48,153</u>	<u>42,203</u>

### 8. GROVE MILLS RUNNING COSTS

	2017	2016
	£	£
Wages	7,174	9,306
Rent and service charges	18,800	18,498
Business rates	1,549	1,689
Gas, electricity & water	1,843	1,055
Insurance	1,927	1,906
Other Costs	474	1,335
Telephone	1,049	1,148
Depreciation	43,182	9,764
Legal and professional	3,400	3,420
Premises costs	378	1,066
Cleaning & supplies	4,408	5,225
Computer costs	726	1,059
Printing & stationery	108	695
Food Costs and Kitchen & Catering Supplies	4,273	4,846
Dementia Management	46,100	40,980
Bad debts	963	1,592
	<u>136,354</u>	<u>103,584</u>

# Hawkhurst Community Hospital League of Friends

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

### 9. EMPLOYEE COST

	2017	2016
	£	£
Salaries and wages	28,210	29,610
Employer's pension	172	-
	<u>28,382</u>	<u>29,610</u>

The average number of staff for the year was:

	2017	2016
	No	No
Administrative	1	2
Green Shop	2	2
	<u>3</u>	<u>4</u>

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

### 10. TRUSTEES' REMUNERATION

1 (2016: 1) trustee received a total of £562 (2016 - £967) for volunteer mileage expenses & items purchased on the charity's behalf.

### 11. NET EXPENDITURE

This is stated after charging:	2017	2016
	£	£
Depreciation	45,227	11,809
Operating leases – property	34,800	34,500
	<u>45,227</u>	<u>34,500</u>

### 12. FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2017	89,330	19,123	25,121	133,574
Additions	-	-	-	-
At 31 December 2017	<u>89,330</u>	<u>19,123</u>	<u>25,121</u>	<u>133,574</u>
Depreciation				
At 1 January 2017	44,007	9,879	25,121	79,007
Charge for the year	40,412	4,815	-	45,227
At 31 December 2017	<u>84,419</u>	<u>14,694</u>	<u>25,121</u>	<u>124,234</u>
Net book value				
At 31 December 2017	<u>4,911</u>	<u>4,429</u>	<u>-</u>	<u>9,340</u>
At 31 December 2016	<u>45,323</u>	<u>9,244</u>	<u>-</u>	<u>54,567</u>

# Hawkhurst Community Hospital League of Friends

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

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13.	STOCKS AND WORK IN PROGRESS		
		2017	2016
		£	£
	Stock	405	405
		<u>405</u>	<u>405</u>
14.	DEBTORS		
		2017	2016
		£	£
	Trade Debtors	3,213	2,045
	Other Debtors	5,461	5,000
	Prepayments and accrued income	1,303	8,109
		<u>9,977</u>	<u>15,154</u>
15.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2017	2016
		£	£
	Trade creditors	2,844	2,124
	Other taxation and social security	322	58
	Accruals	2,798	2,205
	Pension contributions	39	-
		<u>6,003</u>	<u>4,387</u>
16.	COMMITMENTS UNDER OPERATING LEASES		
	As at 31 December 2017, the charity had total future minimum lease payments under non-cancellable operating equipment leases as follows:		
		2017	2016
		£	£
	Within 1 year	19,133	25,400
	Within 2 – 5 years	25,333	41,333
		<u>44,466</u>	<u>66,733</u>

Included in the total future minimum lease payments at 31 December 2017 above is £3,133 relating to the lease of property at Grove Mills. The charity vacated the property in February 2018 & the lease was terminated.

# Hawkhurst Community Hospital League of Friends

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

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### 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible Fixed Assets	-	9,340	9,340
Current assets	24,426	225,975	250,401
Current liabilities	-	(6,003)	(6,003)
	<u>24,426</u>	<u>229,312</u>	<u>253,738</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.