

Company registration number: 03575712

Charity registration number: 1070233

The League of Friends of the Lymington New Forest Hospital

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2019

Westlake Clark Limited
Chartered Accountants
7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

The League of Friends of the Lymington New Forest Hospital

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The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2019.

Trustees

Miss J A England (resigned 17 December 2018, reappointed 1 February 2019, and resigned 13 May 2019),
Chair

L A Crouch (appointed 13 May 2019), Chair

R K Jackson (resigned 11 December 2018)

Dr I Johnston (resigned 17 August 2018)

P Kellett (resigned 11 December 2018)

Dr B Khalil (resigned 17 August 2018)

P D Latham (resigned 14 May 2018)

D P Sayers (resigned 30 June 2019)

Dr J Soper (resigned 17 December 2018)

J D Woodhead (resigned 17 December 2018, reappointed 1 February 2019, and resigned 13 May 2019)

Mrs S Johnson (appointed 1 February 2019 and resigned 22 February 2019)

Mrs P Caswell (appointed 1 February 2019)

A Mann (appointed 19 February 2019)

Dr F P McGinn (appointed 19 February 2019 and resigned 7 March 2019)

Dr N N Patel (appointed 13 May 2019)

C J Forbes-Ritte (appointed 13 May 2019)

Ms J Baker (appointed 13 May 2019)

M Hodges (appointed 13 May 2019)

H C Nash (appointed 17 June 2019)

Objectives and activities

Objects and aims

To relieve patients of the Lymington New Forest Hospital in Hampshire and former patients of the Lymington Hospital and Lymington Infirmary at Lymington in Hampshire 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. One of our aims is to help provide locally for diagnosis and treatment, rather than having to travel to Southampton or Bournemouth.

The League depends wholly on its Members, Volunteers and the general public for the generation of its funds.

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

Objectives, strategies and activities

Its prime objectives are to benefit the public by applying those funds towards extra care and amenities for patients at the Lymington New Forest Hospital and towards the purchase of medical and other equipment for the Hospital when that equipment is not available through normal NHS channels.

In order to achieve this objective and to generate the funds necessary to support these amenities, the charity carries out fundraising activities both through appeals and other activities. These fundraising activities can both be specific and targeted towards specific equipment, such as the current CT Scanner appeal, or to collect general funds on an ongoing basis to donate as requested.

In addition, it provides amenities within the Hospital by operating (through its trading subsidiary) a shop and café.

Public benefit

The charity has satisfied its public benefit responsibilities by being the prime mover in instigating the establishing of the hospital for the benefit of the local community and its provision of services to assist its effective running. Its continued support of donations for capital equipment ensures that the hospital is able to continually modernise and purchase the latest equipment e.g. the provision of the new CT Scanner will dramatically improve the service available to the general public in a number of medical disciplines.

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Use of volunteers

The Charity is grateful for the unstinting efforts of its Volunteers in providing their time to support services and extra care for the benefit of both patients and staff in the Hospital. Thousands of volunteer hours are put in each year which are difficult to value financially but make a very valuable and essential contribution to the League of Friends and the Hospital.

Achievements and performance

The Charity has been collaborating with Southern Health NHS to upgrade the facilities within the Imaging Suite at the Lymington New Forest Hospital. The League of Friends is targeting raising £1.39 million for the Scanner Appeal by 2021 to provide a new state of the art CT scanner, Ultrasound equipment and a new MRI scanner.

Fundraising commenced during the financial year ended 31st March 2019 and in the 3rd quarter of 2019, we will give the hospital £575,000 towards the new CT scanner, which will be in daily use at the hospital. This will be funded partly from donations to date and partly from the reserves of the charity.

The Ultrasound is expected to be put in place in the hospital in early 2020 and the focus of the Charity is to continue to raise the £90,000 needed toward the cost of this by the end of the 2019 calendar year.

We will then continue to fundraise to support the purchase of the MRI scanner which is anticipated to be in place in 2021.

These improvements to the Imaging Suite will provide local people with the best possible service, enabling complex imaging procedures to take place much closer to home and saving many people the stress of a long journey to Southampton or Bournemouth for their scans.

In addition, we continue also to support ongoing smaller initiatives and donations to improve the care and comfort of patients, visitors and staff, above and beyond what the NHS can fund and provide.

We have donated over £4 million to the hospital since 1952.

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

Financial review

This year, there has been an increase in funds of £136,694 compared to last year's more modest increase of £44,088. This year's higher increase is largely due to a more significant gain on investments this year of £80,746 (2018 - £35,937) and legacies received this year of £37,037 (2018 - £Nil).

Policy on reserves

Unrestricted funds have increased from £2,010,293 to £2,127,350 during the year, an increase of £117,057. The majority of this increase arises from a gain in value of investments. Restricted funds have increased from £14,932 to £34,569 due to incoming donations this year towards the CT Scanner Fund.

The Trustees have resolved to commit as much of the Charity's resources as possible to the League's objectives, whilst retaining sufficient investments to generate income and/or growth from which to meet these objectives.

Reserves are likely to decrease in future because of future Hospital funding requests and the purchase of the new CT scanner.

Future application of these reserves is governed by the League's objectives.

Investment policy and objectives

The charity maintains liquidity through the use of CAF Bank and associated deposit accounts to invest surplus cash awaiting donation or investment.

In addition, the charity holds investments in accumulation units in the COIF Charities Investment Fund, which totalled £780,580 at 31 March 2019.

The Long Term Objectives of the COIF Charities Investment Fund are to provide a long term total return comprising growth in capital and income.

It is a £2,376m Fund, described as suitable for all of a charity's long-term funds where the charity is looking for a good level of distributions and long-term protection from inflation. It follows a client-driven ethical investment policy.

Going concern

The accounts have been prepared on a going concern basis. The trustees consider that the charity is well placed to continue in operational existence for the foreseeable future.

Structure, governance and management

Nature of governing document

The League of Friends of the Lymington New Forest Hospital is a charitable company limited by guarantee and is therefore governed by its Memorandum and Articles dated 4 June 1998 and as amended on 14 June 2000 and 21 November 2006.

Its charity number is 1070233 and its company number is 03575712.

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

Recruitment and appointment of trustees

The Trustees have a broad range of expertise and experience and they are keen to ensure that this range is maintained and developed according to the skills needed and of benefit to the charity. Interest is always welcomed from individuals who may wish to become a Trustee and add to this expertise.

Trustees are appointed or re-appointed by members at the Annual General Meeting. One third of the total Trustees must retire at each AGM but may stand for re-election.

Additional Trustees may be co-opted onto the Board to serve for the rest of a financial year. At the next AGM they may stand for election.

All changes to Trustees are reported on the information page in these accounts. The Board must be made up of at least 3 Trustees but not exceed 15 Trustees.

Induction and training of trustees

Trustees are encouraged to be familiar with the practical work of the Charity when they join the committee. On appointment, they are provided with detailed information and support to gain a greater knowledge and are encouraged to attend, where appropriate, training events where these facilitate the undertaking of their role.

Organisational structure

The Trustees meet a minimum of six times a year to review activities, equipment requests, finances and fundraising. The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing past and planning future activities.

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

Major risks and management of those risks

Hospital Relationship

Maintaining a good relationship with the Hospital

Quarterly Meetings are held between the Chair and the Hospital to ensure there is a regular transfer of information on the activities of both bodies. The Volunteer Services Manager is located at the Friends' Office in the Hospital and maintains a good daily relationship with Hospital Staff.

Staff and Volunteers

Retaining the Volunteer Services Manager and Volunteers

An experienced Volunteer Services Manager is employed. Control structures and manuals are in place to guide Volunteers and rotas maintained to ensure that the League provides the expected service.

Retail Operations

Maintaining a good control of retail operations

These activities are controlled by the Volunteer Service Manager supported by a volunteer with wide retail experience in installed systems to control cash, maintain margins and minimise waste and maximise stock-turn.

Reference and Administrative Details

Secretary L M C Parker (resigned 27 January 2019)

Mrs P M Blunt (appointed 13 May 2019)

Principal Office

League of Friends Office
Lymington New Forest Hospital
Wellworthy Road
Lymington
Hampshire
SO41 8QD

The charity is incorporated in England.

Company Registration Number 03575712

Charity Registration Number 1070233

Solicitors Paris Smith LLP
1 London Road
Southampton
Hampshire
SO15 2AE

Bankers CAF Bank Limited
Kings Hill
West Malling
Kent
ME19 4TA

Independent Examiner Westlake Clark Limited
Chartered Accountants
7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments. The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

The annual report was approved by the trustees of the charity on 19 August 2019 and signed on its behalf by:



H C Nash
Trustee

The League of Friends of the Lymington New Forest Hospital

Independent Examiner's Report to the trustees of The League of Friends of the Lymington New Forest Hospital

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 March 2019 which are set out on pages 8 to 24.

Respective responsibilities of trustees and examiner

As the charity's trustees of The League of Friends of the Lymington New Forest Hospital (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').

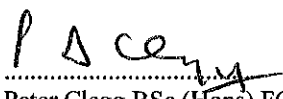
Having satisfied myself that the accounts of The League of Friends of the Lymington New Forest Hospital are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 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

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 League of Friends of the Lymington New Forest Hospital 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.



Peter Clegg BSc (Hons) FCA CTA

Westlake Clark Limited
Chartered Accountants
7 Lynwood Court
Priestlands Place
Lymington
Hampshire
SO41 9GA

Date: 20/08/2019

The League of Friends of the Lymington New Forest Hospital

**Statement of Financial Activities for the Year Ended 31 March 2019
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Donations and legacies	3	41,744	19,637	61,381
Investment income	5	16,217	-	16,217
Total Income		<u>57,961</u>	<u>19,637</u>	<u>77,598</u>
Expenditure on:				
Raising funds	6	(4,714)	-	(4,714)
Charitable activities	7	(16,936)	-	(16,936)
Total Expenditure		(21,650)	-	(21,650)
Gains/losses on investment assets		80,746	-	80,746
Net income		<u>117,057</u>	<u>19,637</u>	<u>136,694</u>
Net movement in funds		117,057	19,637	136,694
Reconciliation of funds				
Total funds brought forward		<u>2,010,293</u>	<u>14,932</u>	<u>2,025,225</u>
Total funds carried forward	18	<u><u>2,127,350</u></u>	<u><u>34,569</u></u>	<u><u>2,161,919</u></u>

The League of Friends of the Lymington New Forest Hospital

**Statement of Financial Activities for the Year Ended 31 March 2019
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted funds £	Restricted funds £	Total 2018 £
Income and Endowments from:				
Donations and legacies	3	10,482	14,432	24,914
Other trading activities	4	80	-	80
Investment income	5	9,105	-	9,105
Total Income		<u>19,667</u>	<u>14,432</u>	<u>34,099</u>
Expenditure on:				
Raising funds	6	(6,292)	-	(6,292)
Charitable activities	7	(19,656)	-	(19,656)
Total Expenditure		<u>(25,948)</u>	<u>-</u>	<u>(25,948)</u>
Gains/losses on investment assets		35,937	-	35,937
Net income		<u>29,656</u>	<u>14,432</u>	<u>44,088</u>
Net movement in funds		29,656	14,432	44,088
Reconciliation of funds				
Total funds brought forward		<u>1,980,637</u>	<u>500</u>	<u>1,981,137</u>
Total funds carried forward	18	<u>2,010,293</u>	<u>14,932</u>	<u>2,025,225</u>

All of the charity's activities derive from continuing operations during the above two periods.
The fund breakdowns for 2019 and 2018 are shown in note 18.

The League of Friends of the Lymington New Forest Hospital

**(Registration number: 03575712)
Balance Sheet as at 31 March 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	1,000,000	1,000,000
Investments	15	<u>780,581</u>	<u>699,835</u>
		<u>1,780,581</u>	<u>1,699,835</u>
Current assets			
Debtors	16	14,852	20,312
Cash at bank and in hand		<u>368,338</u>	<u>306,548</u>
		383,190	326,860
Creditors: Amounts falling due within one year	17	<u>(1,852)</u>	<u>(1,470)</u>
Net current assets		<u>381,338</u>	<u>325,390</u>
Net assets		<u>2,161,919</u>	<u>2,025,225</u>
Funds of the charity:			
Restricted funds		34,569	14,932
Unrestricted income funds			
Unrestricted funds		<u>2,127,350</u>	<u>2,010,293</u>
Total funds	18	<u>2,161,919</u>	<u>2,025,225</u>

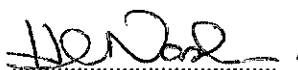
For the financial year ending 31 March 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 24 were approved by the trustees, and authorised for issue on 19 August 2019 and signed on their behalf by:



H C Nash
Trustee

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

1 Charity status

The charity is limited by guarantee, incorporated in England, and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

League of Friends Office
Lymington New Forest Hospital
Wellworthy Road
Lymington
Hampshire
SO41 8QD

These financial statements were authorised for issue by the trustees on 19 August 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

Basis of preparation

The League of Friends of the Lymington New Forest Hospital is a charitable company limited by guarantee incorporated in England and 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 address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities can be found in the Trustees' Report on page 1.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Exemption from preparing a cash flow statement

The charity opted to adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Exemption from preparing group accounts

The company is a parent company subject to the small companies regime. The company and its subsidiary comprise a small group. The company has therefore taken advantage of the option provided by section 398 of the Companies Act 2006 not to prepare group accounts.

Income and endowments

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

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the grant of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Other trading activities

Other trading activity income comprises of events income, sponsorship income, and membership subscriptions.

Investment income

Investment income comprises interest receivable on bank deposits and investment income from the fixed asset investments held by the charity.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds for example fetes and stalls

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Charitable activities

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets are initially recorded at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Freehold land	Not depreciated
Office equipment	33.3% straight line basis

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the charity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Fixed asset investments

Fixed asset investments are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

2 Accounting policies (continued)

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

3 Income from donations and legacies

	Unrestricted funds		Total 2019 £	Total 2018 £
	General £	Restricted funds £		
Donations and legacies;				
Donations from individuals	4,707	19,637	24,344	24,914
Legacies	<u>37,037</u>	<u>-</u>	<u>37,037</u>	<u>-</u>
	<u><u>41,744</u></u>	<u><u>19,637</u></u>	<u><u>61,381</u></u>	<u><u>24,914</u></u>

4 Income from other trading activities

	Total 2019 £	Total 2018 £
Membership subscriptions	<u>-</u>	<u>80</u>
	<u><u>-</u></u>	<u><u>80</u></u>

5 Investment income

	Unrestricted funds	Total 2019 £	Total 2018 £
	General £		
Interest receivable and similar income;			
Interest receivable on bank deposits	2,427	2,427	427
Donation from trading subsidiary	<u>13,790</u>	<u>13,790</u>	<u>8,678</u>
	<u><u>16,217</u></u>	<u><u>16,217</u></u>	<u><u>9,105</u></u>

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

6 Expenditure on raising funds

	Direct costs £	Allocated support costs £	Total 2019 £	Total 2018 £
Costs of generating donations and legacies	-	2,334	2,334	2,800
Fundraising trading costs; Event costs	47	2,333	2,380	3,492
	<u>47</u>	<u>4,667</u>	<u>4,714</u>	<u>6,292</u>

£4,714 (2018 - £6,292) of the above expenditure was attributable to unrestricted funds and £Nil (2017 - £Nil) to restricted funds.

7 Expenditure on charitable activities

	Activity undertaken directly £	Activity support costs £	Total 2019 £	Total 2018 £
Donations for capital equipment	-	-	-	3,018
Hospital services and patient benefits	72	-	72	15,445
Hospital staff and amenities	1,158	15,706	16,864	1,193
	<u>1,230</u>	<u>15,706</u>	<u>16,936</u>	<u>19,656</u>

£16,936 (2018 - £19,656) of the above expenditure was attributable to unrestricted funds and £Nil (2018 - £Nil) to restricted funds.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

8 Analysis of governance and support costs

Support costs allocated to raising funds

	Basis of allocation 50% staff costs	Staff costs £	Total 2019 £	Total 2018 £
Other costs for generating funds		<u>4,667</u>	<u>4,667</u>	<u>5,599</u>

Support costs allocated to charitable activities

	Governance costs £	Staff costs £	Administration costs £	Total 2019 £	Total 2018 £
Hospital services and patient benefits	<u>1,512</u>	<u>4,667</u>	<u>9,527</u>	<u>15,706</u>	<u>15,176</u>

Basis of allocation

Reference	Method of allocation
Governance costs	Independent examiners fees all allocated to support costs
Staff costs	50% staff costs allocated based on time spent carrying out charitable activities
Administration costs	All general administration costs and depreciation costs allocated to support costs

Governance costs

	Unrestricted funds	Total 2019	Total 2018
	General £	£	£
Audit fees			
Independent examiner fees			
Examination of the financial statements	372	372	360
Other fees paid to examiners	<u>1,140</u>	<u>1,140</u>	<u>1,110</u>
	<u>1,512</u>	<u>1,512</u>	<u>1,470</u>

9 Net incoming/outgoing resources

Net incoming resources for the year include:

	2019 £	2018 £
Depreciation of fixed assets	<u>-</u>	<u>363</u>

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

10 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

11 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	9,334	11,198
Other staff costs	<u>72</u>	<u>269</u>
	<u>9,406</u>	<u>11,467</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2019 No	2018 No
Administration	<u>1</u>	<u>1</u>

No employee received emoluments of more than £60,000 during the year.

The total employee benefits of the key management personnel of the charity were £9,334 (2018 - £11,198).

The volunteer services manager, as the highest paid member of staff, received benefits totalling £9,334 (2018 - £11,198).

The charity bears 40% of the employments costs of £23,335 for the volunteer services manager. The balance of 60%, ie. 14,001 is borne by LOF (Lymington) Limited.

12 Independent examiner's remuneration

	2019 £	2018 £
Examination of the financial statements	<u>372</u>	<u>360</u>
Other fees to examiners		
All other services	<u>1,140</u>	<u>1,110</u>

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

13 Taxation

The charity is a registered charity and is therefore exempt from taxation.

14 Tangible fixed assets

	Freehold land at Wellworthy Road, Lymington £	Office equipment £	Total £
Cost			
At 1 April 2018	1,550,000	2,955	1,552,955
At 31 March 2019	1,550,000	2,955	1,552,955
Depreciation			
At 1 April 2018	550,000	2,955	552,955
At 31 March 2019	550,000	2,955	552,955
Net book value			
At 31 March 2019	1,000,000	-	1,000,000
At 31 March 2018	1,000,000	-	1,000,000

The land is leased to the West Hampshire Clinical Commissioning Group for a peppercorn rent and is the site of the Lymington New Forest Hospital.

The League of Friends has leased back premises within the property from which its trading subsidiary operates a cafe in the outpatients' area and an office and shop in the hospital foyer.

The historical cost of the freehold land is £1,550,000. It is not depreciated.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

15 Fixed asset investments

	2019 £	2018 £
Shares in group undertakings and participating interests	1	1
Other investments	<u>780,580</u>	<u>699,834</u>
	<u>780,581</u>	<u>699,835</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2018	<u>1</u>	<u>1</u>
At 31 March 2019	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2019	<u>1</u>	<u>1</u>
At 31 March 2018	<u>1</u>	<u>1</u>

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2018	699,834	699,834
Revaluation	<u>80,746</u>	<u>80,746</u>
At 31 March 2019	<u>780,580</u>	<u>780,580</u>
Net book value		
At 31 March 2019	<u>780,580</u>	<u>780,580</u>
At 31 March 2018	<u>699,834</u>	<u>699,834</u>

The market value of the listed investments at 31 March 2019 was £780,580 (2018 - £699,834).

All investments were held in the UK.

The historical cost of the COIF charities investment fund at 31 March 2019 was £250,000 (2018: £250,000).

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

15 Fixed asset investments (continued)

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held		Principal activity
			2019	2018	
Subsidiary undertakings					
LOF (Lymington) Limited Company registration number: 05999048	United Kingdom	Ordinary	100%	100%	Retail operations

Subsidiaries

The profit for the financial period of LOF (Lymington) Limited was £Nil (2018 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £1 (2018 - £1).

16 Debtors

	2019 £	2018 £
Due from group undertakings	14,127	19,449
Prepayments	725	863
	<u>14,852</u>	<u>20,312</u>

17 Creditors: amounts falling due within one year

	2019 £	2018 £
Refundable membership fees	340	-
Accruals	1,512	1,470
	<u>1,852</u>	<u>1,470</u>

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

18 Funds

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2019 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	2,010,293	57,961	(21,650)	80,746	2,127,350
Restricted funds					
Deerleap Ward	500	-	-	-	500
CT Scanner	14,432	19,637	-	-	34,069
Total restricted funds	<u>14,932</u>	<u>19,637</u>	<u>-</u>	<u>-</u>	<u>34,569</u>
Total funds	<u>2,025,225</u>	<u>77,598</u>	<u>(21,650)</u>	<u>80,746</u>	<u>2,161,919</u>
	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2018 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	1,980,637	19,667	(25,948)	35,937	2,010,293
Restricted funds					
Deerleap Ward	500	-	-	-	500
CT Scanner	-	14,432	-	-	14,432
Total restricted funds	<u>500</u>	<u>14,432</u>	<u>-</u>	<u>-</u>	<u>14,932</u>
Total funds	<u>1,981,137</u>	<u>34,099</u>	<u>(25,948)</u>	<u>35,937</u>	<u>2,025,225</u>

The specific purposes for which the funds are to be applied are as follows:

Deerleap Ward fund

Donations made to be used for purchasing equipment for the benefit of patients on Deerleap Ward.

CT Scanner Fund

Donations made to be used for the purchase of a CT Scanner for the hospital.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2019

19 Analysis of net assets between funds

	Unrestricted funds		Total funds
	General £	Restricted funds £	
Tangible fixed assets	1,000,000	-	1,000,000
Fixed asset investments	780,581	-	780,581
Current assets	348,621	34,569	383,190
Current liabilities	(1,852)	-	(1,852)
Total net assets	<u>2,127,350</u>	<u>34,569</u>	<u>2,161,919</u>

	Unrestricted funds		Total funds at 31 March 2018
	General £	Restricted funds £	
Tangible fixed assets	1,000,000	-	1,000,000
Fixed asset investments	699,835	-	699,835
Current assets	311,928	14,932	326,860
Current liabilities	(1,470)	-	(1,470)
Total net assets	<u>2,010,293</u>	<u>14,932</u>	<u>2,025,225</u>

20 Related party transactions

During the year the charity made the following related party transactions:

LOF (Lymington) Limited (Subsidiary)

LOF (Lymington) Limited donated 100% of its operating profits of £13,790 (2018 - £8,678) to The League of Friends of the Lymington New Forest Hospital.

During the year costs incurred by LOF (Lymington) Limited were reimbursed by The League of Friends of the Lymington New Forest Hospital and vice versa. At the balance sheet date the amount due from LOF (Lymington) Limited was £14,127 (2018 - £19,449).