

Company registration number: 03575712

Charity registration number: 1070233

The League of Friends of the Lymington New Forest Hospital

(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 March 2020

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 2020.

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 and resigned 13 September 2019), Chair

D P Sayers (resigned 30 June 2019)

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

Mrs P Caswell

A Mann

Dr N N Patel (appointed 13 May 2019 and resigned 16 March 2020)

C J Forbes-Ritte (appointed 13 May 2019 and resigned 16 March 2020)

Ms J Baker (appointed 13 May 2019 and resigned 2 September 2019)

M Hodges (appointed 13 May 2019), Chair

H C Nash (appointed 17 June 2019)

Ms C F Brown (appointed 16 September 2019 and resigned 22 July 2020)

Dr F B C Houlford (appointed 21 October 2019)

Ms A J Bowman (appointed 16 September 2019)

Mr A A England (appointed 16 September 2019), Chair

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.

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 Imaging Suite 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.

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

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 continued to collaborate with Southern Health NHS to support the upgrade the facilities within the Imaging Suite at the Lymington New Forest Hospital to provide local people with the best possible service enabling complex imaging procedures to take place much closer to home.

During the financial year, the Charity donated £575,000 to the hospital towards the cost of a new CT scanner, which was installed in September 2019. This was funded as far as possible from donations to the date of the donation with the remainder coming from the reserves of the charity.

The Charity has also agreed to support the purchase of a new Ultrasound. This was anticipated to be installed at the end of 2019 but has been delayed due to the COVID 19 outbreak. The Charity remains committed to supporting this purchase when it is possible and has continued to fundraise in order to do so.

Although the services the charity provides within the hospital have been limited due to restricted access since the outbreak of COVID 19, the Charity continues to provide support to patients and staff to the extent possible during this period.

We continue to hold a regular dialogue with the hospital to identify the support that they need for patients, staff and equipment which is above and beyond that the NHS can fund and provide. We anticipate continuing our support through 2020.

The purchase of the CT Scanner and Ultrasound 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.

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

Financial review

This year, there has been a reduction in funds of £488,880. This year's reduction in funds is largely attributable to the donation of £575,000 for the CT scanner. Excluding this donation, funds increased by £86,120 compared to last year's increase of £136,694. The change is largely due to a smaller gain on investments this year of £30,091 (2019 - £80,746).

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

Policy on reserves

Unrestricted funds have decreased from £2,127,350 to £1,629,259 during the year, a decrease of £498,091. The majority of this decrease arises from a donation for capital equipment. Restricted funds have increased from £34,569 to £41,772 due to incoming donations this year towards the Imaging Suite appeal.

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 Ultrasound.

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 £415,672 at 31 March 2020.

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.

Donations in Kind

During the year, we regret that Leon Crouch, the Chair of the Charity, passed away on the 13th September 2019. Leon was extremely generous in his support of the League of Friends over many years both through giving his time and his financial support.

Although not included in these financial statements, the board would like to acknowledge his contribution during the 2019-20 financial year of donations in kind to the Charity amounting to the value of approximately £33,000. This was provided in the through the provision of a variety of items to support the operations of the Charity including uniforms, equipment, signage and the development of the Charity's website.

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 most recently amended and updated on 2 September 2019.

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 Operations Manager and Volunteers

An experienced Operations 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 Mrs P M Blunt (appointed 13 May 2019 and resigned 17 February 2020)

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

The League of Friends of the Lymington New Forest Hospital

Trustees' Report (including Directors' Report)

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 28 September 2020 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 2020 which are set out on pages 9 to 25.

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

28 September 2020

The League of Friends of the Lymington New Forest Hospital

Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Donations and legacies	3	9,637	75,843	85,480
Investment income	4	<u>6,797</u>	-	<u>6,797</u>
Total Income		<u>16,434</u>	<u>75,843</u>	<u>92,277</u>
Expenditure on:				
Raising funds	5	(5,417)	-	(5,417)
Charitable activities	6	<u>(539,199)</u>	<u>(68,640)</u>	<u>(607,839)</u>
Total Expenditure		(544,616)	(68,640)	(613,256)
Gains/losses on investment assets		<u>30,091</u>	-	<u>30,091</u>
Net (expenditure)/income		<u>(498,091)</u>	<u>7,203</u>	<u>(490,888)</u>
Net movement in funds		(498,091)	7,203	(490,888)
Reconciliation of funds				
Total funds brought forward		<u>2,127,350</u>	<u>34,569</u>	<u>2,161,919</u>
Total funds carried forward	16	<u><u>1,629,259</u></u>	<u><u>41,772</u></u>	<u><u>1,671,031</u></u>

The League of Friends of the Lymington New Forest Hospital

Statement of Financial Activities for the Year Ended 31 March 2020 (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	4	<u>16,217</u>	-	<u>16,217</u>
Total Income		<u>57,961</u>	<u>19,637</u>	<u>77,598</u>
Expenditure on:				
Raising funds	5	(4,714)	-	(4,714)
Charitable activities	6	<u>(16,936)</u>	-	<u>(16,936)</u>
Total Expenditure		(21,650)	-	(21,650)
Gains/losses on investment assets		<u>80,746</u>	-	<u>80,746</u>
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	16	<u><u>2,127,350</u></u>	<u><u>34,569</u></u>	<u><u>2,161,919</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The fund breakdowns for 2020 and 2019 are shown in note 16.

The League of Friends of the Lymington New Forest Hospital

(Registration number: 03575712) Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	1,000,000	1,000,000
Investments	13	<u>415,672</u>	<u>780,581</u>
		<u>1,415,672</u>	<u>1,780,581</u>
Current assets			
Debtors	14	25,274	14,852
Cash at bank and in hand		<u>231,591</u>	<u>368,338</u>
		256,865	383,190
Creditors: Amounts falling due within one year	15	<u>(1,506)</u>	<u>(1,852)</u>
Net current assets		<u>255,359</u>	<u>381,338</u>
Net assets		<u>1,671,031</u>	<u>2,161,919</u>
Funds of the charity:			
Restricted funds		41,772	34,569
Unrestricted income funds			
Unrestricted funds		<u>1,629,259</u>	<u>2,127,350</u>
Total funds	16	<u>1,671,031</u>	<u>2,161,919</u>

For the financial year ending 31 March 2020 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 9 to 25 were approved by the trustees, and authorised for issue on 28 September 2020 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 2020

1 Charity status

The charity is limited by share capital, incorporated in England.

The address of its registered office is:

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

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 World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic. The COVID-19 outbreak in the United Kingdom has resulted in a temporary lockdown and reduction of the charity's activities. At the current time, the trustees are unable to quantify the potential effects of this pandemic on future reporting periods. The trustees' review of the resources available against the charity's commitments show that the charity would have sufficient means for at least a year from the date these Financial Statements are approved. Given the above, the trustees consider it appropriate to adopt a going concern basis in preparing the financial statements.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

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.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

2 Accounting policies (continued)

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

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.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

2 Accounting policies (continued)

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.

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 2020

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 2020

3 Income from donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General	£	£	£
	£	£	£	£
Donations and legacies;				
Donations from individuals	4,637	75,843	80,480	24,344
Legacies	5,000	-	5,000	37,037
	<u>9,637</u>	<u>75,843</u>	<u>85,480</u>	<u>61,381</u>

4 Investment income

	Unrestricted funds	Total	Total
	General	2020	2019
	£	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	1,820	1,820	2,427
Donation from trading subsidiary	4,977	4,977	13,790
	<u>6,797</u>	<u>6,797</u>	<u>16,217</u>

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

5 Expenditure on raising funds

	Direct costs £	Allocated support costs £	Total 2020 £	Total 2019 £
Costs of generating donations and legacies	-	2,516	2,516	2,334
Fundraising trading costs; Event costs	384	2,517	2,901	2,380
	384	5,033	5,417	4,714
	384	5,033	5,417	4,714

£5,417 (2019 - £4,714) of the above expenditure was attributable to unrestricted funds.

6 Expenditure on charitable activities

	Activity undertaken directly £	Grant funding of activity £	Total 2020 £	Total 2019 £
Donations for capital equipment	575,000	-	575,000	-
Hospital services and patient benefits	779	-	779	72
Hospital staff and amenities	1,000	31,060	32,060	16,864
	576,779	31,060	607,839	16,936
	576,779	31,060	607,839	16,936

£539,199 (2019 - £16,936) of the above expenditure was attributable to unrestricted funds.

The League of Friends of the Lymington New Forest Hospital
Notes to the Financial Statements for the Year Ended 31 March 2020

7 Analysis of governance and support costs

Support costs allocated to raising funds

	Basis of allocation	Staff costs £	Total 2020 £	Total 2019 £
Other costs for generating funds	50% staff costs	<u>5,033</u>	<u>5,033</u>	<u>4,667</u>

Support costs allocated to charitable activities

	Governance costs £	Staff costs £	Administration costs £	Total 2020 £	Total 2019 £
Hospital services and patient benefits	<u>1,500</u>	<u>5,033</u>	<u>24,527</u>	<u>31,060</u>	<u>15,706</u>

Basis of allocation

Reference	Method of allocation
Governance costs	Independent examiners fees are 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 2020 £	Total 2019 £
	General £		
Independent examiner fees			
Examination of the financial statements	372	372	372
Accounts preparation fees	<u>1,128</u>	<u>1,128</u>	<u>1,140</u>
	<u>1,500</u>	<u>1,500</u>	<u>1,512</u>

8 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.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

9 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	10,066	9,334
Other staff costs	<u>779</u>	<u>72</u>
	<u>10,845</u>	<u>9,406</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:

	2020 No	2019 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 £10,066 (2019 - £9,334).

The volunteer services manager, as the highest paid member of staff, received benefits totalling £10,066 (2019 - £9,334).

The charity bears 40% of the employments costs of £25,166 for the volunteer services manager. The balance of 60%, ie. £15,100 is borne by LOF (Lymington) Limited.

10 Independent examiner's remuneration

	2020 £	2019 £
Examination of the financial statements	<u>372</u>	<u>372</u>
Other fees to examiners		
All other services	<u>1,128</u>	<u>1,140</u>

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

11 Taxation

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

12 Tangible fixed assets

	Freehold land at Wellworthy Road, Lymington £	Office equipment £	Total £
Cost			
At 1 April 2019	1,550,000	2,955	1,552,955
At 31 March 2020	1,550,000	2,955	1,552,955
Depreciation			
At 1 April 2019	550,000	2,955	552,955
At 31 March 2020	550,000	2,955	552,955
Net book value			
At 31 March 2020	1,000,000	-	1,000,000
At 31 March 2019	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 £1,000,000. It is not depreciated.

13 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	1	1
Other investments	415,671	780,580
	415,672	780,581

The League of Friends of the Lymington New Forest Hospital
Notes to the Financial Statements for the Year Ended 31 March 2020

13 Fixed asset investments (continued)

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2019	<u>1</u>	<u>1</u>
At 31 March 2020	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2020	<u>1</u>	<u>1</u>
At 31 March 2019	<u>1</u>	<u>1</u>

Other investments

	Listed investments £	Total £
Cost or Valuation		
At 1 April 2019	780,580	780,580
Revaluation	30,091	30,091
Disposals	<u>(395,000)</u>	<u>(395,000)</u>
At 31 March 2020	<u>415,671</u>	<u>415,671</u>
Net book value		
At 31 March 2020	<u>415,671</u>	<u>415,671</u>
At 31 March 2019	<u>780,580</u>	<u>780,580</u>

The market value of the listed investments at 31 March 2020 was £415,672 (2019 - £780,580).

All investments were held in the UK.

The historical cost of the COIF charities investment fund at 31 March 2020 was £250,000 (2019: £250,000).

The League of Friends of the Lymington New Forest Hospital
Notes to the Financial Statements for the Year Ended 31 March 2020

13 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
			2020	2019	
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 (2019 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £1 (2019 - £1).

14 Debtors

	2020 £	2019 £
Due from group undertakings	24,196	14,127
Prepayments	1,078	725
	<u>25,274</u>	<u>14,852</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Refundable membership fees	-	340
Accruals	1,506	1,512
	<u>1,506</u>	<u>1,852</u>

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

16 Funds

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
Unrestricted funds					
<i>General</i>					
Unrestricted income fund	2,127,350	16,434	(544,616)	30,091	1,629,259
Restricted funds					
Deerleap Ward	500	-	-	-	500
CT Scanner	34,069	75,843	(68,640)	-	41,272
Total restricted funds	<u>34,569</u>	<u>75,843</u>	<u>(68,640)</u>	<u>-</u>	<u>41,772</u>
Total funds	<u>2,161,919</u>	<u>92,277</u>	<u>(613,256)</u>	<u>30,091</u>	<u>1,671,031</u>
	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>

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, as that has now been purchased. Funds will now be used for purchase of new Ultrasound.

The League of Friends of the Lymington New Forest Hospital

Notes to the Financial Statements for the Year Ended 31 March 2020

17 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	General	funds	£
	£	£	
Tangible fixed assets	1,000,000	-	1,000,000
Fixed asset investments	415,672	-	415,672
Current assets	215,093	41,772	256,865
Current liabilities	(1,506)	-	(1,506)
	<u>1,629,259</u>	<u>41,772</u>	<u>1,671,031</u>
	<u>1,629,259</u>	<u>41,772</u>	<u>1,671,031</u>
	Unrestricted funds		Total funds at
	General	Restricted funds	31 March
	£	£	2019
			£
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)
	<u>2,127,350</u>	<u>34,569</u>	<u>2,161,919</u>
	<u>2,127,350</u>	<u>34,569</u>	<u>2,161,919</u>

18 Related party transactions

During the year the charity entered into the following related party transactions:

LOF (Lymington) Limited

LOF (Lymington) Limited donated 100% of its operating profits of £4,997 (2019 - £13,790) 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 £24,196 (2019 - £14,127).