

Charity Registration No. 508876

**FRIENDS OF MALVERN COMMUNITY HOSPITAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

FRIENDS OF MALVERN COMMUNITY HOSPITAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J I' Anson Mrs J M Williams Mr A Stevens Mrs E Winwood Mrs J Brown Mrs A Brennan Mrs G Stevens Mrs J Birch Mrs C Pike Mrs E Tidball
Charity number	508876
Registered office	55 Geraldine Road Malvern WR14 3NU
Independent examiner	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Investment advisors	EFG Harris Allday Church Mews Ombersley Worcestershire WR9 0EW

FRIENDS OF MALVERN COMMUNITY HOSPITAL

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FRIENDS OF MALVERN COMMUNITY HOSPITAL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Constitution, 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)" (as amended for accounting periods commencing from 1 January 2019)

Objectives and activities

The charity's objects are the welfare of patients and staff and the support of the charitable work of the hospital.

To supplement the service provided by the Hospital for health, welfare and comfort of the patients and staff therein by the provision of extra equipment which may be required for the treatment of such patients.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

The following equipment was provided:

Therapy chairs	Alarm kits
CR8-UK beds	Transfusion room TV
Connex Spot Monitors	Motomed Loop therapy device
Neurology couch	5 Sara Steady
Configura advance chairs	Handheld vein viewing system
Bariatric steel crutches & walking frames	Cleaning equipment

Financial review

The total funds of the charity at the year end amounted to £1,423,367 (2019 - £1,518,876) which are unrestricted funds.

Reserves policy

The charity is run on a case by case basis, total reserves at the year end amounted to £1,268,367 (2019 £1,363,876) after eliminating investment property. The free reserves at the end of the year amounted to £1,268,367 which the trustees feel is more than adequate for the requirements of the charity.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Plans for the future

The trustees will continue to respond to requests from the Hospital for assistance, mainly in the provision of goods and occasionally services.

Structure, governance and management

Friends of Malvern Community Hospital is a registered charity and is governed by its Constitution adopted 13/09/1979 and as amended 27/03/2011 and 25/04/2018.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who served during the year and up to the date of signature of the financial statements were:

A Stevens

M Williams

L Winwood

(Retired 31 December 2020)

J S L'Anson

J E Brown

(Retired 31 December 2020)

A P Brennan

G Stevens

J S Birch

C A Pike

E Tidball

Trustees are selected for the skills they can offer to the charity and are fully inducted on appointment.

The trustees undertake the day-to-day management of the charity together with the Committee Members

The trustees report was approved by the Board of Trustees.

A Stevens

Dated: 10 May 2021

FRIENDS OF MALVERN COMMUNITY HOSPITAL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material 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 operation.

The trustees are responsible for keeping sufficient accounting records that 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FRIENDS OF MALVERN COMMUNITY HOSPITAL

I report to the trustees on my examination of the financial statements of Friends of Malvern Community Hospital (the charity) for the year ended 31 December 2020.

Responsibilities and basis of report

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

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. 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 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 2011 Act;
or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements 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 financial statements to be reached.

Sarah J. Morley BA (Hons) ACA
Kendall Wadley LLP
Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS
Dated: 10 May 2021

FRIENDS OF MALVERN COMMUNITY HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income from:</u>					
Donations and legacies	3	6,013	82	6,095	11,661
Other trading activities	4	58	-	58	1,322
Investments	5	58,655	-	58,655	61,950
Total income		64,726	82	64,808	74,933
<u>Expenditure on:</u>					
Raising funds	6	8,557	-	8,557	8,937
Charitable activities	7	69,943	82	70,025	27,169
Total resources expended		78,500	82	78,582	36,106
Net gains/(losses) on investments	11	(81,735)	-	(81,735)	162,403
Net movement in funds		(95,509)	-	(95,509)	201,230
Fund balances at 1 January 2020		1,518,876	-	1,518,876	1,317,646
Fund balances at 31 December 2020		1,423,367	-	1,423,367	1,518,876

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year

		Unrestricted funds 2019 £	Total 2019 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	11,661	11,661
Other trading activities	4	1,322	1,322
Investments	5	61,950	61,950
Total income		<u>74,933</u>	<u>74,933</u>
<u>Expenditure on:</u>			
Raising funds	6	8,937	8,937
Charitable activities	7	27,169	27,169
Total resources expended		<u>36,106</u>	<u>36,106</u>
Net gains/(losses) on investments	11	162,403	162,403
Net movement in funds		<u>201,230</u>	<u>201,230</u>
Fund balances at 1 January 2019		<u>1,317,646</u>	<u>1,317,646</u>
Fund balances at 31 December 2019		<u><u>1,518,876</u></u>	<u><u>1,518,876</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investment properties	12	155,000		155,000	
Investments	13	1,241,298		1,290,385	
		<u>1,396,298</u>		<u>1,445,385</u>	
Current assets					
Cash at bank and in hand		27,669		76,891	
Current liabilities	14	(600)		(3,400)	
Net current assets		<u>27,069</u>		<u>73,491</u>	
Total assets less current liabilities		<u>1,423,367</u>		<u>1,518,876</u>	
Income funds					
Unrestricted funds		1,423,367		1,518,876	
		<u>1,423,367</u>		<u>1,518,876</u>	

The financial statements were approved by the Trustees on 10 May 2021

A Stevens
Trustee

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Friends of Malvern Community Hospital is a registered charity in England and Wales. The registered office is 55 Geraldine Road, Malvern, WR14 3NU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Constitution adopted 13/09/1979 and amended on 27/03/2011 and 25/04/2018, 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)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are included in the financial statements as soon as recognised.

Costs of generating funds comprise those costs associated with attracting voluntary income and the cost of trading for fundraising purposes.

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.

Grants payable are included in the statement of financial activities when approved.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, whereas other costs are apportioned on a basis of estimated usage.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, was acquired through a legacy and measured at fair value on acquisition, this valuation is re-assessed at the reporting period end date. The surplus or deficit on revaluation is recognised through the statement of financial activities.

1.7 Non-current investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets classified as receivable within one year are not amortised.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	4,380	82	4,462	3,738
Legacies receivable	-	-	-	5,100
Memorial/bequests	1,308	-	1,308	1,926
Subscriptions	248	-	248	275
Other	77	-	77	622
	<u>6,013</u>	<u>82</u>	<u>6,095</u>	<u>11,661</u>
For the year ended 31 December 2019	<u>11,661</u>	<u>-</u>		<u>11,661</u>
Legacies receivable				
Leonie Rimmer	-	-	-	100
Peter Pullin	-	-	-	5,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,100</u>

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Fundraising events	58	1,322
	<u>58</u>	<u>1,322</u>

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	8,580	11,440
Income from listed investments	50,075	50,510
	<u>58,655</u>	<u>61,950</u>

6 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Fundraising and publicity</u>		
Staging fundraising events	-	215
	<u>-</u>	<u>215</u>
<u>Investment management</u>	8,557	8,722
	<u>8,557</u>	<u>8,937</u>

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	2020 £	2019 £
Equipment purchases	64,743	19,403
Expenses	98	127
Miscellaneous	277	668
Garden maintenance	3,945	6,133
	<u>69,063</u>	<u>26,331</u>
Share of governance costs (see note 8)	962	838
	<u>70,025</u>	<u>27,169</u>
Analysis by fund		
Unrestricted funds	69,943	
Restricted funds	82	
	<u>70,025</u>	
For the year ended 31 December 2019		
Unrestricted funds		27,169
		<u>27,169</u>

8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Accountancy	-	660	660	-	540	540
Insurance	-	302	302	-	298	298
	<u>-</u>	<u>962</u>	<u>962</u>	<u>-</u>	<u>838</u>	<u>838</u>
Analysed between						
Charitable activities	<u>-</u>	<u>962</u>	<u>962</u>	<u>-</u>	<u>838</u>	<u>838</u>

Governance costs includes payments to the independent examiner of £660 (2019- £540) for examination fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Total	-	-

11 Net gains/(losses) on investments

	Unrestricted	Unrestricted
	funds	funds
	2020	2019
	£	£
Revaluation of investments	(40,864)	159,679
Gain/(loss) on sale of investments	(40,871)	2,724
	<u>(81,735)</u>	<u>162,403</u>

12 Investment property

	2020
	£
Fair value	
At 1 January 2020 and 31 December 2020	155,000

Investment property comprises a freehold shop situated in Barnards Green, Worcestershire. A valuation was carried out by a qualified independent surveyor when acquired, in connection with the estate of Peggy Irene Jones.

The fair value of the investment property has been determined by the trustees. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties and the % growth rate of the property market over the year, having due regard to any impairment provision necessary.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2020	1,290,385
Additions	106,147
Valuation changes	(81,741)
Disposals	(73,493)
	<hr/>
At 31 December 2020	1,241,298
	<hr/>
Carrying amount	
At 31 December 2020	1,241,298
	<hr/> <hr/>
At 31 December 2019	1,290,385
	<hr/> <hr/>

14 Current liabilities

	2020 £	2019 £
Accruals and deferred income	600	3,400
	<hr/> <hr/>	<hr/> <hr/>

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Balance at 1 January 2019	Incoming resources	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£
Ashleigh Gascoigne Fund	-	-	-	82	(82)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Dr Gascoigne donated the fee he received for signing death certificates and requested that it was spent on the staff in a supportive way. The funds went towards a buffet provided to boost staff morale. All funds were spent during the year.

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £
Fund balances at 31 December 2020 are represented by:				
Investment properties	155,000	-	155,000	155,000
Investments	1,241,298	-	1,241,298	1,290,385
Current assets/(liabilities)	27,069	-	27,069	73,491
	<u>1,423,367</u>	<u>-</u>	<u>1,423,367</u>	<u>1,518,876</u>

FRIENDS OF MALVERN COMMUNITY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Operating lease commitments

Lessor

The operating lease represents a lease of a property to a third party. The lease is negotiated over a period of 10 years.

At the reporting end date the charity had contracted with tenants for the following minimum lease payments:

	2020	2019
	£	£
Within one year	11,440	11,440
Between two and five years	22,880	22,880
	<u>34,320</u>	<u>34,320</u>
	<u><u>34,320</u></u>	<u><u>34,320</u></u>

18 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).