

**CRANLEIGH VILLAGE HOSPITAL TRUST**

**FINANCIAL STATEMENTS**

**31 AUGUST 2003**

**Company Number 4253074**

**Limited by Guarantee**

**BREWERS**

Chartered Accountants & Registered Auditors

Bourne House

Queen Street

Gomshall

Surrey GU5 9LY



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**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 AUGUST 2003**

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The Trustees (also the Directors of the Company) present their annual report and the financial statements for the year ended 31 August 2003.

The results for the year are presented in the form of a Statement of Financial Activities, which incorporates the traditional income and expenditure account, in order to comply with the revised Statement of Recommended Practice for charities, as issued by the Charity Commission in October 2000 and as identified in the Charities Act 1993.

**AIMS OF THE CHARITY AND REVIEW**

Cranleigh Village Hospital Trust (company number 4253074) is a company limited by guarantee and is governed by its Memorandum and Articles of Association as amended on 6 December 2001.

It was established as a charity (registered number 1089861) on 19 December 2001 with the purpose of:

'the relief of sickness in the Waverley Primary Care Group area and any additional areas as the Trustees think fit in particular by providing or assisting in the provision of a hospital in Cranleigh being the Cranleigh Village Hospital'.

The abbreviated title of the Charity is CVHT.

It has the following mission statement:

CVHT is committed to developing and maintaining a modern medical facility which enables the community of Cranleigh and the surrounding area to be provided with the best available primary health care. This facility will be run in conjunction with the NHS but will remain in the ownership of the CVHT in perpetuity on behalf of the community.

**LIABILITY OF MEMBERS**

The Charity is also a company limited by guarantee. The liability of the members is limited to £1.

**ORGANISATIONAL STRUCTURE**

The Charity is managed by a Board of Trustees. All the Board served throughout the year.

The Trustees met 10 times during the accounting period.

The Fund raising sub-committee under the Chairmanship of Poppity Nutting also met 10 times.

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 AUGUST 2003**

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A new Committee, the Project Steering Committee, was formed jointly with the Guildford and Waverley PCT but chaired by the CVHT (Dianne Davies), to co-ordinate all NHS and Social Services liaison. It met 6 times during the period under review and its main achievements were the completion of the Strategic Outline Case and the detailed supporting information required by Waverley Planners to accompany the outline planning application.

Dr Robin Fawkner-Corbett, Dianne Davies and Kay Newnham are also trustees of The League of Friends of Cranleigh Village Hospital, a charity with which Cranleigh Village Hospital Trust co-operates in pursuit of the objective of providing a new hospital for the local community.

### **INVESTMENT POLICY**

The Board is responsible for the Company's investment policy. The Trustees review the deposits held and the funds available at their regular board meetings. The Trustees consider the Charity's income requirements, the risk profile and market prospects and invest in low risk investments to ensure the appreciation of the Trust's funds.

The funds have been invested in treasury deposit accounts in order that they will be ready to meet the construction costs of the proposed new hospital.

### **REVIEW OF ACTIVITIES**

Following detailed negotiations with the Cranleigh Parish Council the land transfer options were completed successfully and subsequently agreement on access arrangements was reached with Surrey Highways. Then, after considerable discussion between the architects, the Trust, the PCT and Waverley planners, the outline planning application was submitted and registered in early September 2003.

The shop continued to operate profitably and turnover increased to the level that required VAT registration, the formalities for which were completed satisfactorily.

To recognise the increasing amount of support received from local businesses a new category of Patron, the Appeal Patron, was introduced and over 30 appointments were made. The Trust also appointed Michael Allbrook, Nicholas North, Poppity Nutting and Carolyn Townsend as Members.

Relationship with the PCT continued to be close and several useful meetings were held. However much work remains to be done particularly in relation to the services to be supplied in the new building, legal arrangements and several finance issues.

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 AUGUST 2003**

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**REVIEW OF ACTIVITIES (continued)**

Fund raising continued apace throughout the year with support from throughout the area. The main fund raising came from the Cranleigh Bonfire, the 'Biggest Dinner Party', the Hurtwood Ball, Rock and Jazz Festival, Canon Nicholson's sponsored cycle ride, the Clay Pigeon shoot, the Losely House dinner, the Bunbury cricket match, several large individual donations, and the 29 February 'Non-Event'.

In addition funds came from sponsored runs, walks, street collections, a classic car show, many school events, in memoriam collections etc.

On the PR side considerable support continued to be received from all the local media, the website was regularly updated, a series of road shows were held across the area and a special event was held at the House of Lords to celebrate the first full year of active fund raising.

Overall steady but solid progress was made throughout the year but now, with the registration of the outline planning application, fund raising is being stepped up. Several major events are already in the pipeline – one is a possible appearance on 'Who wants to be a Millionaire' and two are very large events at Dunsfold Park.

A gift aid campaign has been developed and is attracting some support but it has not been fully launched. When it is, it is expected to be a significant source of income.

**FINANCIAL RESULTS AND RESERVES POLICY**

The result of this activity is that since incorporation the Appeal has raised over £740,000 in donations, pledges and fundraising activity.

The policy is to build up reserves out of annual operating surpluses until a level is reached to facilitate the construction of the proposed new hospital. The Charity's net income for the year was £291,945: (2002 £119,959) and this has been added to the accumulated fund.

**RISK MANAGEMENT**

The Board continues to keep the Trust's activities under review, particularly with regard to any major risks that may arise from time to time, and to monitor the effectiveness of the system of internal controls and other viable means, by which those risks already identified by the Trustees can best be mitigated.

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 AUGUST 2003**

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**TRUSTEES**

Although all its Trustees are highly skilled business professionals the Trust recognises the special requirements of a charitable company. The Trust therefore encourages all Trustees to make themselves aware of the needs of a charity by studying relevant guidance, undertaking appropriate reading and attending suitable courses especially those issued, or organised, by the Charity Commission or on its behalf.

The Trust also stresses in its Business Plan the need for all Trustees to recognise their obligations to operate under Charity Commission guidelines.

This Policy, which has been formally approved by the Trust Board, is reviewed no less frequently than annually.

At the last AGM, in February 2003, Dr Robin Fawkner-Corbett, Dianne Davies and Richard Green retired by rotation and all were re-elected. At the same meeting Colin Wood was formally confirmed as a Trustee.

In accordance with the Articles of Association, one third of the Trustees, will resign at the AGM. Alan Ground, John McGuffog and Kay Newnham, being eligible, will offer themselves for re-election.

The Trustees are as follows:

Dr Robin Fawkner-Corbett  
Dianne Davies  
Richard Green  
Alan Ground  
John McGuffog  
Kay Newnham  
Michael Newnham  
Nick Vrijland  
Colin Wood

All served throughout the year.

Under the Articles of Association of the Company the Trustees are the directors of the Company.

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 AUGUST 2003**

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**STATEMENT OF TRUSTEES (DIRECTORS') RESPONSIBILITIES**

Company and Charity law requires the Trustees to prepare accounts for each financial period which give a true and fair view of the state of the affairs of the Charity and of the surplus or deficit of the Charity for that period.

In preparing those accounts, the Trustees are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, follow applicable accounting standards, subject to any material departures, disclosed and explained in the accounts and prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Companies Act 1985. 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.

**BANKERS**

HSBC Bank plc  
High Street  
Cranleigh  
Surrey GU6 8AL

**SOLICITOR**

Penningtons  
Highfield  
Brighton Road  
Godalming  
Surrey GU7 1NS

**AUDITORS**

Brewers Chartered Accountants  
Bourne House  
Queen Street  
Gomshall  
Surrey GU5 9LY

**AUDITORS**

The auditors, Brewers, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**DIRECTORS' REPORT (continued)**  
**YEAR ENDED 31 AUGUST 2003**

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**SMALL COMPANY PROVISIONS**

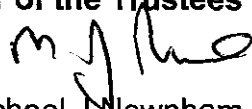
This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered Office and  
Business Address

Oliver House  
High Street  
Cranleigh  
Surrey GU6 8AU

Dated: 13 January 2004

**By order of the Trustees**

  
Michael J Newnham  
Company Secretary

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
CRANLEIGH VILLAGE HOSPITAL TRUST  
(Limited by Guarantee)**

**YEAR ENDED 31 AUGUST 2003**

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We have audited the accounts on pages 9 to 16 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND REPORTING  
ACCOUNTANT**

As described on page 5 the Trustees are responsible for the preparation of the financial statements in accordance with the applicable law and United Kingdom Accounting Standards which are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees annual report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding Trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.



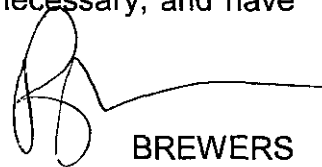
**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
CRANLEIGH VILLAGE HOSPITAL TRUST (continued)  
(Limited by Guarantee)  
YEAR ENDED 31 AUGUST 2003**

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We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. However the evidence available to us was limited in relation to the comparatives in the current year's financial statements which were derived from the unaudited financial statements for the period from 16 July 2001 to 31 August 2002. The financial statements for the period ended 31 August 2002 were subject to an Independent Examination.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the Charity's affairs as at 31 August 2003 and of its incoming resources and application of resources, including its income and expenditure for the year then ended, except for any adjustments to the unaudited comparatives which might have been found to be necessary, and have been properly prepared in accordance with the Companies Act 1985.

  
**BREWERS**  
Chartered Accountants  
Registered Auditors

Bourne House  
Queen Street  
Gomshall  
Surrey  
GU5 9LY

Dated: 13 January 2004

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 AUGUST 2003**

	Note	2003 £	Period 16 July 2001 to 31 August 2002 £
<b>INCOME AND EXPENDITURE</b>			
<b>INCOMING RESOURCES</b>			Unaudited
Intangible income	1	14,800	14,800
Donations and similar incoming resources	1	217,788	114,698
Activities for generating funds;			
Shop income		59,242	24,582
Fundraising income		99,208	9,921
Interest	2	5,877	853
<b>TOTAL INCOMING RESOURCES</b>		<u>396,915</u>	<u>164,854</u>
Less cost of generating funds			
Shop expenditure (cost of goods sold)	1	23,484	12,426
Fundraising costs		<u>18,491</u>	-
		41,975	12,426
<b>NET INCOMING RESOURCES</b>		<u>354,940</u>	<u>152,428</u>
<b>RESOURCES EXPENDED</b>			
Shop overheads	11	16,875	15,096
Charity expenses	11	15,670	11,478
Management and administration	11	<u>30,450</u>	<u>5,895</u>
Total resources expended		<u>62,995</u>	<u>32,469</u>
<b>Net income for the year/period</b>		291,945	119,959
Total funds brought forward		<u>119,959</u>	-
Total funds carried forward		<u>411,904</u>	<u>119,959</u>

**Continuing activities**

All the figures included in the statement of Income and Expenditure Account derive from continuing activities of the Charity.

**Total recognised gains and losses**

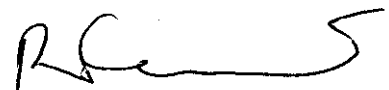
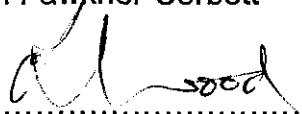
All recognised gains and losses are included in the Income and Expenditure Account.

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**BALANCE SHEET**  
**YEAR ENDED 31 AUGUST 2003**

	Note	2003 £	2002 £ Unaudited
<b>FIXED ASSETS</b>			
Tangible assets	5	57,503	499
<b>CURRENT ASSETS</b>			
Stocks	6	8,865	4,793
Debtors	7	31,953	7,817
Cash at bank and in hand		<u>320,375</u>	<u>122,548</u>
		361,193	135,158
<b>CREDITORS: Amounts falling due within one year</b>			
	8	(6,792)	(15,698)
<b>NET CURRENT ASSETS</b>		<u>354,401</u>	<u>119,460</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>411,904</u>	<u>119,959</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
General Fund	10	<u>411,904</u>	<u>119,959</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the Trustees on 13 January 2004 and signed on their behalf by:-

	)	
.....	)	
Dr Robin Fawcner-Corbett	)	
	)	
.....	)	
Colin Wood	)	Trustees

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 AUGUST 2003**

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**1. ACCOUNTING POLICIES**

**a) Basis of Preparation**

The accounts are prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and according to the Companies Act 1985 and the current Statement of Recommended Practice on accounting and reporting by Charities: the Charities SORP 2000. Where relevant, headings have been used in accordance with the SORP.

The accounts have been prepared on a going concern basis which assumes that the Charity will continue in operational existence for the foreseeable future.

**b) Intangible Income**

The provision of a shop premises and a marquee have been included as intangible income at market value on receipt.

**c) Donations**

Donations relate to contributions made by individuals, organisations, schools and corporate bodies.

**d) Trading Income**

Trading income relates to sales made by the shop at Oliver House, Cranleigh and relates wholly to the United Kingdom market.

**e) Interest receivable**

Interest is included when receivable.

**f) Expenditure**

Fundraising costs include direct expenditure and overhead costs applicable to specific events.

Other expenditure is identified under the nominal headings as shown on page 15 on a direct cost basis.

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
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**NOTES TO THE ACCOUNTS (continued)**  
**YEAR ENDED 31 AUGUST 2003**

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g) **Tangible Fixed Assets**

Fixed assets below £100 have not been capitalised.

Tangible fixed assets are included at cost less depreciation.

Depreciation for Fixtures, fittings and equipment is calculated on the reducing balance basis over their estimated useful lives.

Fixtures, fittings and equipment - 25% reducing balance

Depreciation has not been charged on assets under the course of construction which are costs attributable to the proposed construction of the new hospital. Depreciation will be charged once the construction is complete and a useful economic life can be determined.

h) **Stock**

Stocks are valued at the lower of cost and net realisable value. Items donated for resale are included in shop income when sold and at net realisable value in stock at the period end.

i) **Cash flow statement**

The Charity has taken advantage of the exemption conferred by Financial Reporting Standard 1 from presenting a cash flow statement as it qualifies as a small company.

j) **Funds held by the Charity are not subject to any restrictions on use.**

**2. INCOME FROM INVESTMENTS**

	2003 £	Period 16 July 2001 to 31 August 2002 £ Unaudited
Interest receivable	<u>5,877</u>	<u>853</u>

**3. NET INCOME**

	2003 £	Period 16 July 2001 to 31 August 2002 £ Unaudited
The net income is stated after charging:-		
Depreciation	2,984	166
Auditors' Remuneration/Independent examination	3,600	3,003

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**NOTES TO THE ACCOUNTS (continued)**  
**YEAR ENDED 31 AUGUST 2003**

4. STAFF COSTS	2003	Period 16 July 2001 to 31 August 2002
	£	£
		Unaudited
Wages and salaries	23,668	1,000
Social security costs	<u>2,222</u>	<u>-</u>
	<u>25,890</u>	<u>1,000</u>

During the period the Charity employed 1 employee.

The employee did not earn in excess of £50,000 and was employed for administrative purposes. The Trust reimbursed Cranleigh School who operate the payroll on behalf of the Trust.

The Trustees did not receive any remuneration during the period.

**5. TANGIBLE ASSETS**

	Fixture, fittings & equipment £	Assets under the course of construction £	Total £
Cost			
At 1 September 2002 (Unaudited)	665	-	665
Additions	<u>11,436</u>	<u>48,552</u>	<u>59,988</u>
At 31 August 2003	<u>12,101</u>	<u>48,552</u>	<u>60,653</u>
Depreciation			
At 1 September 2002 (Unaudited)	166	-	166
Charge for year	<u>2,984</u>	<u>-</u>	<u>2,984</u>
At 31 August 2003	<u>3,150</u>	<u>-</u>	<u>3,150</u>
Net Book Value			
At 31 August 2003	<u>8,951</u>	<u>48,552</u>	<u>57,503</u>
At 31 August 2002 (Unaudited)	<u>499</u>	<u>-</u>	<u>499</u>

All tangible fixed assets are held for direct charitable purposes. Assets under the course of construction are costs for the proposed construction of the new hospital. The directors do not consider the assets to be impaired as planning permission is expected in early 2004.

	2003 £	2002 £
6. STOCKS		Unaudited
Goods for resale	7,865	4,293
Donated goods	<u>1,000</u>	<u>500</u>
	<u>8,865</u>	<u>4,793</u>

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**NOTES TO THE ACCOUNTS (continued)**  
**YEAR ENDED 31 AUGUST 2003**

	2003 £	2002 £ Unaudited
<b>7. DEBTORS</b>		
Other debtors	<u>31,953</u>	<u>7,817</u>
	2003 £	2002 £ Unaudited
<b>8. CREDITORS:</b> Amounts falling due within one year		
Trade creditors	1,898	11,815
Accruals and deferred income	<u>4,894</u>	<u>3,883</u>
	<u>6,792</u>	<u>15,698</u>

**9. RELATED PARTY TRANSACTIONS**

*The Company was under the control of the Trustees throughout the period.*

During the period Cranleigh Village Hospital Trust had the use of Oliver House, a property owned by N V Produce Marketing Limited, a company in which Nick Vrijland has an interest. A marquee was also provided by Nick Vrijland for the use of the Trust.

The rent paid for these during the period was £nil; if a normal rental had been charged the cost would have been £14,000 for the shop and £800 for the marquee.

The following expenses were reimbursed to Trustees:

	2003 £	Fundraising Expenses £	Postage £	Period 16 July to 31 August 2002 Unaudited £
Kay Newnham	38		38	
Michael Newnham	95	95		
Nick Vrijland	-	-	-	6,980
Colin Wood	-	-	-	47
	<u>133</u>	<u>95</u>	<u>38</u>	<u>7,027</u>

**10. GENERAL FUND**

	2003 £	Period 16 July to 31 August 2002 £
General funds brought forward	119,959	-
Net Income for the year/period	<u>291,945</u>	<u>119,959</u>
General funds carried forward	<u>411,904</u>	<u>119,959</u>

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**(Limited by Guarantee)**  
**NOTES TO THE ACCOUNTS (continued)**  
**YEAR ENDED 31 AUGUST 2003**

**11. COSTS OF GENERATING FUNDS**

	2003 £	Period 16 July 2001 to 31 August 2002 £ Unaudited
Opening stock	4,793	-
Purchases	27,556	17,219
Closing stock	(8,865)	(4,793)
	<u>23,484</u>	<u>12,426</u>
Shop overheads:		
Insurance	411	735
Rent	14,000	14,000
Rates	-	144
Repairs and renewals	-	62
Cleaning	378	34
Bank charges	571	121
Utilities	1,130	-
VAT	385	-
	<u>16,875</u>	<u>15,096</u>

**CHARITY EXPENSES**

	2003 £	Period 16 July 2001 to 31 August 2002 £ Unaudited
Telephone	1,930	694
Stationery and office supplies	1,352	4,212
Legal and professional	-	1,340
Sundry expenses	600	486
Bank charges	40	6
Depreciation	2,984	166
Utilities	1,130	-
Marketing	4,471	1,149
Postage	399	344
Insurance	483	-
Fundraising sundry	<u>2,281</u>	<u>3,081</u>
	<u>15,670</u>	<u>11,478</u>



CRANLEIGH VILLAGE HOSPITAL TRUST  
(Limited by Guarantee)  
NOTES TO THE ACCOUNTS (continued)  
YEAR ENDED 31 AUGUST 2003

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MANAGEMENT AND ADMINISTRATION

		Period 16 July 2001 to 31 August 2002
	2003 £	£ Unaudited
Salaries	25,890	1,000
Legal and Professional	-	1,012
Audit/Independent examination	3,600	3,003
Accountancy	<u>960</u>	<u>880</u>
	<u>30,450</u>	<u>5,895</u>
	<u>62,995</u>	<u>32,469</u>