

**CRANLEIGH VILLAGE HOSPITAL TRUST  
(LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2005**

**CHARITY NO 1089861**

**COMPANY NO 4253074**



**BREWERS**

Chartered Accountants & Registered Auditors  
Bourne House  
Queen Street  
Gomshall  
Surrey GU5 9LY

## **CRANLEIGH VILLAGE HOSPITAL TRUST**

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## **CRANLEIGH VILLAGE HOSPITAL TRUST**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

#### **CONSTITUTION**

Cranleigh Village Hospital Trust is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Charity number: 1089861. Company number 4253074.

#### **DIRECTORS AND TRUSTEES**

The trustees of the company are also directors under company law and the trustees report is also a directors report as required by S234 of the Companies Act. Throughout this report the directors are referred to as trustees. At the last AGM, in March 2005, Mike Newnham, Nick Vrijland and Colin Wood retired by rotation and were re-elected. In accordance with the Articles of Association, one third of the Trustees will resign at the AGM. Dr Robin Fawkner-Corbett, Dianne Davies and Richard Green being eligible will offer themselves for re-election. Trustees are elected at a meeting of the Board of Trustees based on nominations received from the trustees or members. Nominations are made based on personal competence and specialist skills. Any nomination must be proposed and seconded. New appointments are ratified at the AGM.

Although all the Trustees are highly skilled business professionals the Trust recognises the special requirements of a Charitable Company. The Trust therefore encourages the 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 on its behalf. The Trust also stresses in its business plan the need to operate under charity commission guidelines.

The Trust has a charity trustee assurance policy in place. The current cost is £577 per annum.

The Trustees serving during the year and since the year-end were as follows:

Dr Robin Fawkner-Corbett  
Dianne Davies  
Richard Green  
John McGuffog  
Kay Newnham

Michael J Newnham  
Peter Nutting  
Poppity Nutting  
Nick Vrijland  
Colin Wood

#### **Secretary**

Michael J Newnham

#### **REGISTERED OFFICE AND BUSINESS ADDRESS**

Oliver House  
High Street  
Cranleigh  
Surrey  
GU6 8AU

## **CRANLEIGH VILLAGE HOSPITAL TRUST**

### **LEGAL AND ADMINISTRATIVE INFORMATION – CONT'D**

#### **AUDITORS**

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

#### **Bankers**

HSBC Bank Plc  
High Street  
Cranleigh  
GU6 8AL

#### **Solicitors**

Messrs Penningtons  
Highfield  
Brighton Road  
Godalming  
Surrey  
GU7 1NS

## **CRANLEIGH VILLAGE HOSPITAL TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2005**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 August 2005.

Legal and administrative information set out on page 4 forms part of this report. The financial statements comply with the Companies Act, relevant accounting standards, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

#### **OBJECTS OF THE CHARITY**

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. The liability of the members is limited to £1.

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 the development of a new hospital and Health Centre in Cranleigh to provide the village and the surrounding area with the best primary health care. CVHT will remain the ground landlord in perpetuity on behalf of the community but will liaise with others to build, maintain, run and possibly develop further.

#### **ORGANISATION**

The Charity has a subsidiary CVHT Enterprises Limited which was set up to manage major fundraising events. In the year ended 31 August 2005 CVHT Enterprises Limited helped organise the Wings & Wheels event at Dunsfold. This is discussed in more detail in the review of activities.

The Charity is managed by a Board of Trustees. The Board met 16 times during the year. Decisions are made on a majority basis unless perceived by the trustees as fundamental to the objects of the Charity when a unanimous vote is required. The fund raising sub-committee under the joint Chairmanship of Poppity Nutting and Christina Pearce met 3 times.

## **CRANLEIGH VILLAGE HOSPITAL TRUST**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2005 – CONT'D**

#### **ORGANISATION – CONT'D**

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.

#### **RESERVES**

The reserves have been accumulated to finance the proposed new hospital.

#### **REVIEW OF THE ACTIVITIES AND FUTURE DEVELOPMENTS**

The year has been another challenging one but also one of further progress, albeit not as fast as the Directors would have liked. Several issues dominated – the appointment of joint venture partners, the Wings and Wheels event, and relationships with the PCT, the local GP practice and the RSCH, together with the ever present threat to beds at Cranleigh Hospital.

In the latter part of 2004 the Directors became concerned about the ability of the Trust to raise the finance required to commence construction in the face of a generally negative attitude from the PCT. It considered other options including larger bank loans and approaches to large donors but none of these was possible in the prevailing circumstances. It therefore decided to seek a joint venture partner.

Four possible partners were considered; the Medical Property Fund, Care UK, Norwich Union and Wilky Group.

The Trust with the help of independent analysis and advice from Stiles Harold Williams, Professional Surveyors and Valuers, chose the Medical Property Fund which is dedicated to the development of first class medical centres. Since that time the relationship has prospered and is in the process of being legally formalised. The Trust is convinced that to be a success, a partner with the strength and experience of MPF is essential.

**CRANLEIGH VILLAGE HOSPITAL TRUST  
REPORT OF THE TRUSTEES  
REVIEW OF THE ACTIVITIES AND FUTURE DEVELOPMENTS – CONT'D**

The Wings and Wheels event held at Dunsfold in June was organised in conjunction with the Brooklands Museum and CHASE to celebrate, amongst other things, the 60<sup>th</sup> anniversary of the end of World War II. The weather this year was not as kind as it was in 2004 but even so, a good crowd attended to see, amongst other things, Spitfires, Hurricanes, the Red Arrows, historic display planes and the Battle of Britain Flight plus many historic cars, buses and military vehicles. The profit achieved was £12,797 of which CVHT Enterprises Limited's share was £3,839.

The overriding challenge of the year was activity associated with the NHS in all its various forms. We attempted to build a closer relationship with the PCT by, amongst other things, agreeing to partly fund a Project Manager. This was only partly successful, due to a lack of support from and change of policy by the PCT.

We also met the Chairman and Executive Directors on a regular basis to compare notes and discuss ways of enhancing the opportunities to the PCT provided by CVHT and its joint venture partner. However, all this was nullified, or partly nullified, by the parlous state of the PCT's finances and the Government demand that the deficit be rectified.

The PCT decided to address this by, amongst other things, recommending the closure of community hospital beds including all those at Cranleigh and changing the use of the others. The Trust responded sharply to this suggestion and sought (and obtained), via one of our Patrons, Baroness Sharp, a meeting with a Government Minister, Lord Warner. The Trust received a reasonably sympathetic hearing but were told that the decision was a local one and also that the Government was reconsidering the whole future of community beds.

In fact the issue of beds has been a stumbling block throughout the year and the PCT has been less than enthusiastic, including a somewhat non-committal statement made at the Public Meeting by the then PCT Chief Executive, Liz Slinn. Ms Slinn subsequently took sick leave and was replaced as Interim Chief Executive by Jane Dale, Chief Executive of Woking PCT.

Several positive and constructive meetings were held with the RSCH and useful potential opportunities are being explored.

**CRANLEIGH VILLAGE HOSPITAL TRUST  
REPORT OF THE TRUSTEES  
REVIEW OF THE ACTIVITIES AND FUTURE DEVELOPMENTS – CONT'D**

In September the PCT announced its intention to close all beds in Cranleigh Hospital as an urgent and temporary measure with effect from 1 October 2005. The Trust decided, with the support of the League of Friends and Cranleigh Parish Council, that the closure should be avoided at all costs and agreed to recompense the PCT for the savings that it would have achieved if the closure went ahead. The PCT accepted this offer, the amount involved at the time being around £200,000.

The PCT's decision was called in by the Surrey County Council's Health Scrutiny Committee which, after hearing all the evidence, decided it should refer the matter to the Secretary of State. The PCT continued with the closures regardless, with the revised effective date of 8 November 2005 and the maximum savings at that point being £189,000. This latter figure has not yet been agreed but the overall cost of the package is unlikely to be much lower and the Trust contingent liability will be a maximum of £150,000.

The Trust and the local doctors got closer during the year with the latter being involved in the decision making process on joint venture partner and architect. However, more attention is needed to ensure the most suitable, mutually beneficial, relationship is established.

All NHS activity has had to be undertaken in an atmosphere of change – immediate and prospective - including the future of community hospitals, the future shape, role and numbers of PCT's and Health Authorities, changes to the bed commissioning arrangements and more health delivery at home etc.

In July the Trust completed negotiations with Surrey County Council and signed the Section 106/278 Agreement for traffic calming and road improvements in Knowle Lane. The signing of the agreement was a condition of the outline planning permission and enabled Waverley to issue the formal planning permission documentation on 23 August. Subsequently the Trust organised the levelling, draining and grassing of the new football pitch on the Knowle site as required by the land exchange option agreement. All this activity has been funded by the Trust but the money will be refunded by MPF.

Oliver House, the Trust's registered office, changed hands in October 2005. The new owner has agreed to allow the Trust to continue in occupation on the same basis as previously for the time being but it is almost certain that rent will become payable some time in early 2006.

The Trust has continued its efforts to improve communication with its Patrons, Appeal Patrons, Members, Volunteers and the public at large through individual letters, the media, meetings and Public Meetings, the last being held on 11 May 2005.

Apart from Wings and Wheels, other significant contributions to fund-raising included a Medieval Fair at Shere, the Cranleigh Bonfire and the Notcutts Scheme as well as many individual donations.



**CRANLEIGH VILLAGE HOSPITAL TRUST  
REPORT OF THE TRUSTEES  
REVIEW OF THE ACTIVITIES AND FUTURE DEVELOPMENTS – CONT'D**

The result of all this activity is that since incorporation the appeal has raised £1,102,000 in donations, pledges and general fund raising.

The Charity's net income for the year was £150,782 (2004 - £220,058) and this has been added to the accumulated fund. The decrease in income was primarily due to the absence of a major event in 2005.

**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.

**CHAIRMAN**

Dr Robin Fawkner-Corbett, the first and current Chairman of the Trust, has indicated his intention to resign as Chairman at the AGM but to continue as a Trustee, provided he is re-elected. The Board wishes to place on record its thanks to Robin for steering the Trust through the frequently difficult times from inauguration to the present day.

**SUPPORTERS**

The Board wishes to thank all its supporters – Patrons, Appeal Patrons, Members, Fund-raisers, Volunteers and many others – for their continuing support and flow of ideas throughout another challenging year.

**RELATED PARTIES**

The relationship with the League of Friends is excellent and we are working together particularly in respect of the threat to Cranleigh Hospital beds. On the PR front the Trust continues to achieve positive publicity but, for various reasons, web-site development has not been as fast as hoped.

## **CRANLEIGH VILLAGE HOSPITAL TRUST**

### **TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

Charity law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so 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 Financial Statements ; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.


The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 1985. The Trustees 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.

### **AUDITORS**

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

A resolution will be proposed at the Annual General Meeting that Brewers be re-appointed as auditors to the charity for the ensuing year.

By order of the Trustees:

  
.....  
**Michael J Newnham**

**23 January 2006**

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

**YEAR ENDED 31 AUGUST 2005**

We have audited the accounts of the Charity on pages 13 to 22 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 on page 15.

This report is made solely to the Charity's members, as a body, in accordance with S235 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 10 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  
(Limited by Guarantee)**

**YEAR ENDED 31 AUGUST 2005**

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.

**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 2005 and of the Charity's income and expenditure account for the year then ended, 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

23 January 2006

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE**  
**ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2005**

	Notes	Charity Unrestricted Funds 2005 £	Charity Unrestricted Funds 2004 £
<b>Incoming Resources</b>			
Intangible Income	1	14,800	14,800
Donations	1	149,718	138,458
Activities for generating funds:			
Fund raising Income	1	21,244	50,057
Shop Income	1	32,475	34,065
Interest receivable	1	26,784	11,673
Profit covenanted from subsidiary	3	5,265	54,607
<b>Total Incoming Resources</b>		<u>250,286</u>	<u>303,660</u>
Less cost of generating funds:			
Fund raising Costs	1	2,507	4,149
Shop Expenditure (cost of goods sold)	4	<u>10,596</u>	<u>11,918</u>
		<u>13,103</u>	<u>16,067</u>
<b>Net incoming resources available for charitable application</b>		237,183	287,593
<b>Charitable expenditure</b>			
Shop overheads	5	19,812	22,688
Charity expenses	6	7,243	9,000
Managing and administering the charity	7	59,346	35,847
<b>Total resources expended</b>		<u>86,401</u>	<u>67,535</u>
<b>Movement in total funds for the year – Net income/expenditure for year</b>			
	13	150,782	220,058
Total funds brought forward	13	631,962	411,904
<b>Total funds carried forward</b>	13	<u>782,744</u>	<u>631,962</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All incoming resources and resources expended derive from continuing activities.


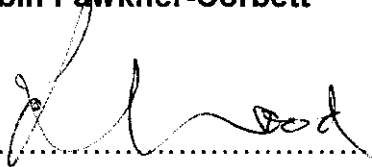
# CRANLEIGH VILLAGE HOSPITAL TRUST

## CHARITY BALANCE SHEETS AS AT 31 AUGUST 2005

	Notes	Charity 2005 £	Charity 2004 £
<b>Fixed assets</b>			
Tangible assets	9	147,859	67,940
Investments		<u>1,000</u>	<u>1,000</u>
		148,859	68,940
<b>Current assets</b>			
Stock	10	3,833	5,966
Debtors	11	31,384	11,953
Cash at bank and in hand		677,220	555,741
		<u>712,437</u>	<u>573,660</u>
Creditors: amounts falling due within one year	12	(78,552)	(10,638)
<b>Net current assets</b>		<u>633,885</u>	<u>563,022</u>
Net assets		<u>782,744</u>	<u>631,962</u>
<b>Unrestricted funds</b>			
General	13	<u>782,744</u>	<u>631,962</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 23 January 2006 and signed on its behalf by:-

	)	
.....	)	
<b>Dr Robin Fawkner-Corbett</b>	)	
	)	
	)	
.....	)	
<b>Colin Wood</b>	)	

Trustees

**CRANLEIGH VILLAGE HOSPITAL TRUST  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2005**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

**GROUP FINANCIAL STATEMENTS**

Consolidated Financial Statements have not been prepared as the group qualifies as a small group.

**INCOMING RESOURCES**

**Fund Raising Events**

Income from fund raising events is included in incoming resources in which the relevant event takes place.

**Shop Income**

Income from commercial activities relates to sales made by the shop at Oliver House, Cranleigh. Income is included in the period in which the Group is entitled to receipt.

**Donations And Grants**

Income from donations and grants, is included in incoming resources when these are receivable, except when donors impose conditions which have to be fulfilled before the Charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

**Intangible Income**

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

**CRANLEIGH VILLAGE HOSPITAL TRUST  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D  
FOR THE YEAR ENDED 31 AUGUST 2005**

**Interest Receivable**

Interest is included when receivable by the Charity.

**Resources Expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Other costs are identified under the nominal headings on a direct cost basis.

**Tangible Fixed Assets**

*Individual fixed assets costing £100 or more are capitalised at cost.*

Tangible fixed assets are depreciated on a reducing balance basis over their estimated useful lives as follows:

Fixtures, fittings and equipment	25%
----------------------------------	-----

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.

**Stock**

Stock is included at the lower of cost or net realisable value.

**Fund Accounting**

Funds held by the Charity are all unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

**Cashflow Statement**

The Charity has taken advantage of the exemption conferred by Financial Reporting Standards from presenting a cashflow as it qualifies as a small group.

**2. LEGAL STATUS OF THE CHARITY**

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.



**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D**  
**FOR THE YEAR ENDED 31 AUGUST 2005**

**3. COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING SUBSIDIARY**

The wholly-owned trading subsidiary, CVHT Enterprises Limited, which is incorporated in the United Kingdom, pays all its profits to the Charity by gift aid. The company was set up to run fundraising events. In the year together with Chase and Brooklands Museum CVHT Enterprises Limited helped run a 'Wings & Wheels' event at Dunsfold on Saturday 4 June 2005. A summary of the trading results is shown below.

<b>Summary Profit and Loss Account</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Turnover	20,967	314,259
Profit from Wings & Wheels event	3,839	-
Cost of sales and administrative expenses	(19,626)	(259,809)
Interest receivable	85	157
Net profit	<u>5,265</u>	<u>54,607</u>
Amount gifted to the charity	(5,265)	(54,607)
Retained in the subsidiary	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	5,187	29,564
Creditors: amounts falling due within one year	(4,187)	(28,564)
Total net assets	<u>1,000</u>	<u>1,000</u>
Aggregate share capital and reserves	<u>1,000</u>	<u>1,000</u>

**4. COST OF GENERATING FUNDS**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Opening Stock	5,966	8,865
Purchases	8,463	9,019
Closing Stock	(3,833)	(5,966)
	<u>10,596</u>	<u>11,918</u>

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D**  
**FOR THE YEAR ENDED 31 AUGUST 2005**

**5. SHOP OVERHEADS**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Insurance	1,432	1,161
Rent	14,000	14,000
Rates	408	128
Repairs and renewals	1,305	3,256
Cleaning	719	442
Bank charges	488	982
Utilities	<u>1,460</u>	<u>2,719</u>
	<u><b>19,812</b></u>	<u><b>22,688</b></u>

**6. CHARITY EXPENSES**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Telephone	475	1,267
Stationery, postage and office supplies	2,487	1,454
Sundry expenses	2,091	910
Depreciation	2,164	2,886
Bad debts	-	111
Fundraising – sundry	<u>26</u>	<u>2,372</u>
	<u><b>7,243</b></u>	<u><b>9,000</b></u>

**7. MANAGING AND ADMINISTERING**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Salaries	46,518	28,416
Audit	4,113	5,000
Professional fees	7,092	2,431
Accountancy	1,623	-
Bad Debt recoverable	-	-
Bank Charges	-	-
Sundry	-	-
Interest payable	<u>-</u>	<u>-</u>
	<u><b>59,346</b></u>	<u><b>35,847</b></u>

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D**  
**FOR THE YEAR ENDED 31 AUGUST 2005**

<b>Staff Costs</b>	<b>2005</b>	<b>2004</b>
Wages & salaries	41,401	25,620
Social Security costs	5,117	2,796
	<u>46,518</u>	<u>28,416</u>

During the period the Charity employed 1 employee. The Trust reimbursed Cranleigh School who operate the payroll on behalf of the Trust. The Trust also funded half the salary of a Project Manager employed by Guildford and Waverley PCT.

The Trustees were not paid during the year. Expenses which were reimbursed during the year are given in Note 14.

**8. MOVEMENT IN FUNDS FOR THE YEAR**

	<b>2005 Audited £</b>	<b>2004 Audited £</b>
This is stated after charging:		
Depreciation	2,164	2,886
Auditors' remuneration		
External audit	4,113	5,000
Other services	1,623	2,000

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D**  
**FOR THE YEAR ENDED 31 AUGUST 2005**

**9. TANGIBLE FIXED ASSETS**

	<b>Fixtures &amp; Fittings £</b>	<b>Assets in the course of construction £</b>	<b>Total £</b>
Cost			
At 1 September 2004	14,694	59,282	73,976
Additions	-	82,083	82,083
<b>At 31 August 2005</b>	<u>14,694</u>	<u>141,365</u>	<u>156,059</u>
Depreciation			
At 1 September 2004	6,036	-	6,036
Provided for the year	2,164	-	2,164
<b>At 31 August 2005</b>	<u>8,200</u>	<u>-</u>	<u>8,200</u>
Net book value			
<b>At 31 August 2005</b>	<u>6,494</u>	<u>141,365</u>	<u>147,859</u>
<b>At 31 August 2004</b>	<u>8,658</u>	<u>59,282</u>	<u>67,940</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 was granted during the year.

**10. STOCK**

	<b>2005 £</b>	<b>2004 £</b>
Finished goods for resale	3,133	5,466
Donated goods	700	500
	<u>3,833</u>	<u>5,966</u>

**11. DEBTORS**

	<b>2005 £</b>	<b>2004 £</b>
Trade debtors	-	-
Other debtors	27,197	11,043
Prepayments and accrued income	-	910
Amounts owed by subsidiary	4,187	-
	<u>31,384</u>	<u>11,953</u>

**CRANLEIGH VILLAGE HOSPITAL TRUST**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D**  
**FOR THE YEAR ENDED 31 AUGUST 2005**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,858	1,000
Other creditors and accruals	73,694	7,000
Amounts owed to subsidiary	-	1,638
Amounts owed for investment in subsidiary	-	1,000
	<u>78,552</u>	<u>10,638</u>

**13. UNRESTRICTED FUNDS OF THE CHARITY**

	<b>General Fund</b>	<b>General Fund</b>
	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Balance at 1 September 2004	631,962	411,904
Movement in funds for the year	<u>150,782</u>	<u>220,058</u>
Balance at 31 August 2005	<u>782,744</u>	<u>631,962</u>

**14. RELATED PARTIES**

The Charity was under the control of the Trustees throughout the period. During the period Cranleigh Village Hospital Trust had 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 commercial 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 the Trustees:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Michael Newnham	58	-
Colin Wood	<u>-</u>	<u>42</u>
	<u>-</u>	<u>42</u>

**CRANLEIGH VILLAGE HOSPITAL TRUST  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D  
FOR THE YEAR ENDED 31 AUGUST 2005**

**15. Contingent Liability**

In September 2005 the PCT announced its intention to close all beds in Cranleigh Village Hospital for 4 months from November to the end of March 2006. Cranleigh Village Hospital Trust together with The League of Friends of Cranleigh Village Hospital and Cranleigh Parish Council have agreed to recompense the PCT for the savings that would have been achieved if the closure went ahead. The PCT has estimated savings to be £189,000. Taking into account contributions from The League of Friends and Cranleigh Parish Council, Cranleigh Village Hospital Trust's maximum exposure will be £150,000.

**16. Post Balance Sheet Event**

In October 2005 Oliver House, the Trust's registered office and the premises from which the shop operates, was sold to David Mann & Company. The Trust has been allowed to continue in operation on a rent-free basis as before but will probably have to pay rent sometime early in 2006.