

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

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

CHARITY NO 1089861

COMPANY NO 04253074



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

CRANLEIGH VILLAGE HOSPITAL TRUST

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CRANLEIGH VILLAGE HOSPITAL TRUST
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office and business address and registration numbers

Oliver House
93, High Street
Cranleigh
Surrey, GU6 8AU
Charity Number: 1089861
Company Number: 04253074

Website

www.cvht.org.uk

Board of Directors

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

Dr Robin Fawcner-Corbett	(Chairman)
Nick Vrijland	(President)
John Bainbridge	(Treasurer and Company Secretary)
David Barry	
Brian Cheesman	
Dianne Davies – Resigned 10 March 2017	
David Graham-Smith	
Andy Leahy	
Nigel Roberts	

Independent Examiner

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

Bankers

HSBC Bank plc
12A North Street
Guildford
Surrey GU1 4AF

Solicitors

Penningtons Manches LLP
Highfield
Brighton Road
Godalming
Surrey GU7 1NS

CRANLEIGH VILLAGE HOSPITAL TRUST
CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017

It gives me great pleasure to report on a year of very significant progress for the Trust, which has brought us close to our primary objective of replacing the community beds lost from Cranleigh Hospital in 2006.

A key step in this progress was the signing in March 2017 of Heads of Terms with our chosen healthcare partner, HC-One, one of the UK's leading care home providers with considerable experience in the delivery of NHS and County Council funded nursing care and an increasing portfolio of care homes across the country. In early October the Charity Commission approved in principle the proposed lease of part of the Knowle Lane site to HC-One.

As I reported last year, Guildford & Waverley Clinical Commissioning Group (CCG) and Surrey County Council's Adult Social Care Department (SCC) have also played a crucial role in our progress as they will effectively fund and determine the day-to-day usage of the planned Community Beds. The beds will form an integral part of an 80 bed care home which will fall under the clinical and general governance of HC-One. This integrated approach will ensure a fully consistent care standard and will enable occupants of the Community Beds and their visitors to share the use of the communal facilities at the heart of the building.

In early October, CCG and SCC stated that the provision of the community beds will enable residents to remain within their local community. It is their intention to try and allocate the beds, where possible, to residents living in the relevant eastern villages, ensuring that residents will be close to friends and family, whilst reducing journeys for visits.

Also in early October, we created a comprehensive exhibition presenting the current proposals including their clinical and financial rationales. The exhibition commenced on 4th October at Cranleigh Arts Centre with brief presentations from CCG, The Royal Surrey County Hospital (RSCH), CVHT and HC-One to local Councillors, special interest groups and invited guests. The exhibition opened to the general public on 7th October and the panels are now on permanent display in front of Oliver House.

The exhibition explains how we came to conclusions on the scale and nature of the proposals. On the advice of our health industry stakeholders, the creation and operation of a stand-alone community bed or hospice unit was found to be neither practical nor clinically acceptable. Even if it were clinically viable, the construction and other costs would be in the region of £7.5 million to £9.0 million. In comparison a long term lease to HC-One will enable us to receive a fully serviced 20 bed unit and a lease premium of £1 million from HC-One. The proposed arrangements will give our Knowle Lane assets a value of circa £4.3 million when the value of the Community Beds and premium are taken together. The proposed partnership with HC-One addresses the critical clinical governance issue through their provision of overall nursing care, is financially very sound and will enable us to achieve our original objective.

The feedback from the on-going exhibition has been very positive and we will continue to engage actively with members of the public with questions or comments on the proposals.

CRANLEIGH VILLAGE HOSPITAL TRUST

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017 – CONT'D

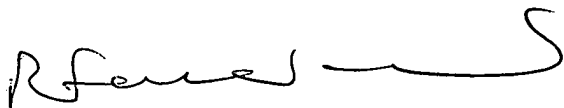
A further major decision during the year was to build an affordable healthcare worker accommodation unit on the Knowle Lane site. This followed the advice of all the local healthcare providers. The proposed building will comprise 26 units to facilitate the appointment and retention of staff working on the Knowle Lane site and also in the planned new diagnostic and outpatient units at Cranleigh Village Hospital. The accommodation unit will form the basis of a parallel Planning Application and is an excellent use of our remaining available land, especially in the light of RSCH's aspirations to deliver a wider range of services in Cranleigh Village Hospital. The unit will be debt-free and is estimated to generate annual revenue to CVHT of some £98,000. Construction costs of about £2.75 million will be met from the lease premium of £1 million and pledges we have received from local benefactors.

We intend to submit Planning Applications for the healthcare and accommodation units in December and a decision is anticipated within four months. Detailed design work would commence in April 2018 and the opening would be in early 2020.

The result for the year is reported in the Financial Review in the Trustees' Report that follows my statement. In 2016 the Trust had benefitted from a significant legacy. This year we are reporting a deficit of £57,407. The progress we have made has necessitated considerably increased expenditure on professional fees in the past year but despite this the result is comparable to other years.

As ever, I would like to express my gratitude to all my fellow Trustees for both their industry and their enthusiasm for the project. Dianne Davies, a founder Trustee, resigned in March. At the same time, I resigned as a Trustee of The League of Friends of Cranleigh Hospital, of which Dianne is Chairman. We came to this mutual decision in order to ensure that no conflicts of interest could possibly have arisen from our respective positions with the two charities. I would like to thank Dianne for her unwavering support, her very wise counsel and the outstanding contribution that she has made to CVHT from its inception. In accordance with the Articles of Association, David Barry, Brian Cheesman and I will retire by rotation at the Annual General meeting. Being eligible, we shall be offering ourselves for re-election.

We are also grateful to Christina Pearce, our Administration Manager, for her wide range of skills and continued enthusiasm in managing the Trust on a daily basis. Finally, my heartfelt thanks go to all our volunteers for their dedicated help in the shop and not least to our benefactors.



Robin Fawkner-Corbett

Chairman

7 November 2017

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 August 2017. Group financial statements have not been prepared as its subsidiary CVHT Enterprises Limited is dormant.

The financial statements have been prepared in accordance with the accounting policies, set out in the notes to the financial statements, comply with the Charity's governing document, the Companies Act 2006 and Accounting and Reporting by Charities Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) applicable in the UK and Republic of Ireland.

Legal and administrative information set out on page 3 forms part of this report. The financial statements comply with the Companies Act 2006, relevant accounting standards, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and Objects of the Charity

Cranleigh Village Hospital Trust (Company No. 04253074) is a company limited by guarantee and is governed by its Memorandum and Articles of Association as amended on 6 December 2001, 29 August 2007 and 28 January 2010. 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"*.

In early 2008, the Charity made public that it was working with the care home industry with the intention of solving the "beds problem" created when in 2006 the then Primary Care Trust closed the beds in the old Village Hospital.

Since then, CVHT has been pursuing the aims of the Charity by considering proposals for a new Out Patients Department (OPD) and Care Home with 10 beds free at the point of access to the public, or a hospice, in separate buildings on the Knowle Lane site and in the old Village Hospital; together referred to below as the "healthcare facilities". The Trustees believe this will enable the provision of significantly superior healthcare than was provided by the old hospital. Following liaison with healthcare stakeholders in the Waverley area, notably the local Clinical Commissioning Group (CCG), Surrey County Council, the Cranleigh Medical Practice, The Royal Surrey County Hospital (RSCH), the community nursing care provider and Phyllis Tuckwell Hospice, it has been decided to pursue an 80 bed care home incorporating 20 beds free at the point of access for NHS and SCC patients. This will be supplemented by a 26 bed staff accommodation unit that will support the healthcare workers not only on the Knowle Lane site, but in the Medical Practice, Village Hospital and community care nursing.

This decision follows the guidance of RSCH and the CCG that new facilities for outpatients and diagnostics will be sited in the Village Hospital and part funded by the League of Friends of Cranleigh

Village Hospital. To aid this process CVHT has funded a feasibility study on the rebuilding of the Village Hospital to cater for these OPD and diagnostic facilities.

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017 – CONT'D

The abbreviated title of the Charity is CVHT and it has the following mission statement:

"CVHT is committed to the development of new secondary health care facilities with an extended OPD and including 10 free at the point of access beds for NHS patients. When opened these facilities will be available to patients from Cranleigh and the surrounding villages. CVHT will remain the ground landlord of the site in Knowle Lane in perpetuity on behalf of the community but will liaise with others to build, maintain, run and possibly develop further the said ground".

Any grants made by the Charity are in accordance with Charity law, its constitution and the wishes of donors.

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 S417 of the Companies Act 2006. Throughout this report the Directors are referred to as Trustees. In accordance with the Articles of Association, one third of the Trustees will resign at the AGM. Trustees are elected at a meeting of the Board of Trustees based on nominations received from 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. Candidates must show knowledge of and an interest in Cranleigh Village Hospital and the community it serves and be willing to give the time necessary to meet the Charity's aims. Trustees are also selected to give the Charity a good mix of appropriate professional skills e.g. finance, legal, retail, property management and fund-raising.

Thus, all the Trustees are highly skilled professionals and the Charity, in recognising the special requirements of a Charitable Company, encourages the Trustees to make themselves duly aware of the needs of the Charity by studying relevant guidance, undertaking appropriate reading and, where necessary, attending suitable courses, especially those issued or organised by the Charity Commission. The Charity also stresses in its governance documentation the need to operate under Charity Commission guidelines. All Trustees are appointed for a fixed term of not more than three years. The Trustees retire by rotation and may put themselves forward for re-election at the AGM.

The Trust maintains Trustees Fidelity Insurance in respect of the Trustees.

Organisation

The Charity has a subsidiary, CVHT Enterprises Limited, which was formed to manage major fundraising events. *CVHT Enterprises Limited was not active in the year.*

The Charity is managed by a Board of Trustees which met ten times during the year. Decisions are made on a majority basis unless a decision is perceived by the Trustees as being fundamental to the objectives of the Charity, in which case a unanimous vote is required.

The day-to-day administration of the Charity's needs is delegated to the Administration Manager: Christina Pearce.

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017– CONT'D

Risk Management

The Board regularly considers the major risks to which the Charity is exposed and the following risks have been identified:-

Inability to meet Waverley Borough Council (WBC) planning requirements; inability to obtain full planning permission, without undue conditions, for the healthcare facilities now envisaged; inability to find sufficient on-going resources to manage the project effectively for the envisaged proposals.

The Trustees address those identified risks in accordance with the following action plan:-

To work closely with the planners before a Planning Application is submitted; to continue to liaise closely with the CCG, RSCH and SCC regarding their potential need for facilities in the healthcare facilities and to seek suitable resources to fill any gaps in Trustee resources caused by lack of time or appropriate skills.

To address these risks, the Charity has submitted its proposals to WBC as a pre-application inquiry and been advised that they are in principle acceptable subject to minor changes to the design.

The Community Beds will be fully funded by commissioning by CCG and SCC. The Trustees have been in discussion with local benefactors who have pledged to support the Charity on an indemnity basis providing the remaining funds for the capital required for the staff accommodation. With these commitments secured there will be no need for further capital raising and once built the staff accommodation will generate income for the Charity.

Investment policy

The Board is responsible for the Charity's investment policy. The Trustees review the deposits held and the funds available at their regular board meetings. The Trustees duly consider the Charity's income requirements, the risk profile and market prospects, and invest in low-risk investments to ensure the appreciation of the Charity's funds. During the year the return was 0.97% reflecting the continuing low interest environment. The emphasis is on maintaining a high level of liquidity and a low to moderate investment risk.

Reserves

Reserves have been accumulated in order to meet anticipated development costs and provide finance for the proposed healthcare facilities.

Public benefit

The primary objective of the Charity is the relief of sickness in the Waverley Cranfold area. The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Charity seeks to achieve these objectives by continuing the pursuit of the provision of, or assisting with the provision of, new healthcare facilities in Cranleigh.

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017– CONT'D

ACHIEVEMENTS AND ACTIVITIES OVER THE LAST 12 MONTHS

CVHT's achievements and activities in the year are contained in the Chairman's Statement on pages 4 and 5.

PROJECT DEVELOPMENT / FUTURE PLANS

The necessary next steps include:-

- Finalisation of discussions with CCG, RSCH and SCC including the services to be provided in the healthcare facilities
- Completion of all legal formalities, including a development agreement with our selected care home provider HC-One.
- Submission of detailed planning application(s)
- Continued liaison with the NHS and SCC
- Starting the build of the Care Home and staff accommodation

FINANCIAL REVIEW

The net deficit for the year from ordinary activities was £57,407 which is compared to a surplus of £91,822 in 2016. In 2016 the Trust benefitted from £132,964 legacy income. In 2017 similar income decreased to £20,260. The other principal movement that contributed to the deficit in 2017 was a significant increase in professional fees connected to the proposed development.

SUPPORTERS

During the year, Charity membership has remained largely unchanged. The Charity wishes to thank all its supporters – Patrons, Appeal Patrons, Members, Fundraisers, Volunteers and others – for their continuing support and flow of ideas throughout another challenging year.

VOLUNTEERS

Cranleigh Village Hospital Trust is very fortunate to have a pool in excess of 30 supportive and dedicated volunteers. The Trustees are extremely grateful for the way in which they ensure the smooth running of the Oliver House shop and also volunteer to support other fundraising activities. All their time is freely given and amounts to a total equivalent of in excess of 300 man-days throughout the year. The shop and the goodwill engendered by their contribution is a vital source of encouragement to us all.

INTERESTED PARTIES

The relationships with the League of Friends of Cranleigh Village Hospital and Cranleigh Parish Council continue to be excellent and the Charity wishes to thank them for their continued support.

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2017 – CONT'D

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Cranleigh Village Hospital Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

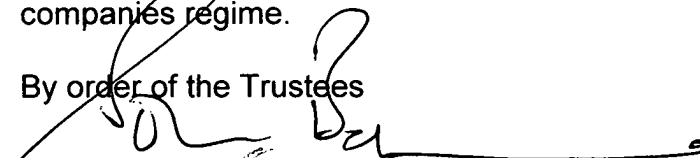
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 judgments and accounting standard estimates that are reasonable and prudent;
- State whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee's report has been prepared in accordance with the provisions applicable to the small companies regime.

By order of the Trustees



John Bainbridge
Company Secretary
7 November 2017

Independent Examiner's Report to the Trustees of Cranleigh Village Hospital Trust Limited

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Cranleigh Village Hospital Trust ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for my work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the charitable company you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 ('the 2011 Act') and 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.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- the financial statements do not accord with those records; or
- the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- the financial statements 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 financial statements to be reached.

Andrew Skilton
ACA

Brewers Chartered Accountants

Bourne House, Queen Street, Gomshall, GU5 9LY

7 November 2017

CRANLEIGH VILLAGE HOSPITAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds 2017 £	Unrestricted Funds 2016 £
Income from:			
Donations and legacies	1,4	21,445	134,474
Other trading activities:			
Income from sale of goods	1	22,138	22,938
Investments			
Bank interest	1	3,179	4,066
Total Income		<u>46,762</u>	<u>161,478</u>
Expenditure on:			
Raising funds			
Shop Expenditure	5	23,012	25,124
Charitable activities	6	81,157	44,532
Total Expenditure		<u>104,169</u>	<u>69,656</u>
Net (expenditure) / income for year		(57,407)	91,822
Reconciliation of funds			
Total Funds Brought Forward		<u>2,795,264</u>	<u>2,703,442</u>
Total Funds Carried Forward		<u>2,737,857</u>	<u>2,795,264</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
BALANCE SHEET AS AT 31 AUGUST 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	9		2,400,000		2,400,490
Investments	3		<u>1,000</u>		<u>1,000</u>
Total fixed assets			<u>2,401,000</u>		<u>2,401,490</u>
Current assets					
Stock	10	1,342		1,651	
Debtors	11	9,498		58,329	
Investments	1	320,000		325,000	
Cash at bank and in hand		<u>10,816</u>		<u>14,350</u>	
Total current assets		<u>341,656</u>		<u>399,330</u>	
Creditors: amounts falling due within one year	12	<u>(4,799)</u>		<u>(5,556)</u>	
Net current assets			<u>336,857</u>		<u>393,774</u>
Net Assets			<u>2,737,857</u>		<u>2,795,264</u>
Unrestricted funds					
General	13		<u>2,737,857</u>		<u>2,795,264</u>

For the year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the financial statements.

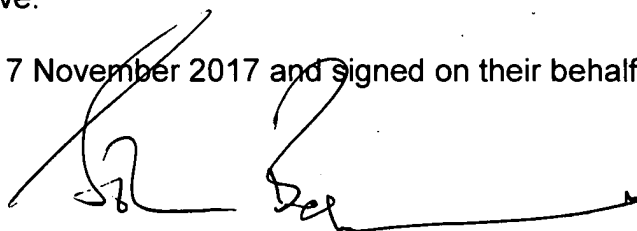
These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities

Under the Companies Act 2006 S454 on a voluntary basis, the trustees can amend these financial statements if they subsequently prove to be defective.

These accounts were approved by the Trustees on 7 November 2017 and signed on their behalf by:-



.....
Robin Fawcner Corbett – Trustee
 Company registration No: 04253074
 Charity registration No: 1089861



.....
John Bainbridge - Trustee

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The charity is a public entity and these 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 for (FRS 102) applicable in the UK and the Republic of Ireland and the Companies Act 2006. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The presentational currency is sterling and the financial statements are rounded to £1.

GROUP FINANCIAL STATEMENTS

Consolidated Financial Statements have not been as the results of the subsidiary is dormant and are not material to the group. The results of the trading subsidiary CVHT Enterprises Limited are given in note 3.

INCOMING RESOURCES

Fundraising Events

Income from fund raising events is included in incoming resources in the period 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 company is entitled to receipt.

Donations and Legacies

Income from donations, legacies and grants, is included in incoming resources when the charity has entitlement to the funds any performance conditions attached to the item of income have been met and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donated Services and Goods

Donated services principally volunteers in the shop or goods donated are included in incoming resources 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.

Interest Receivable

Interest is included when receivable by the Charity and can be measured reliably.

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2017

Resources Expended and Irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings.

Defined contribution pension costs are allocated to charitable costs.

Cost of raising funds includes shop expenditure and other fundraising appeal costs.

Charitable costs include the operating costs of running the Charity.

Support costs include the cost of directly administering and supporting the Charity's operations have all been allocated to Charitable activities

Irrecoverable VAT is charged against the activity for which the expenditure was incurred.

Tangible Fixed Assets

Individual fixed assets purchased costing £1,000 (formerly £100) or more are capitalised at cost. Donated land is included at open market valuation.

Up to and including 2016, tangible fixed assets were depreciated on a reducing balance basis over their estimated useful lives as follows:

Fixtures, fittings and equipment	25%
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In 2017 the reduced valuation of fixtures, fittings and equipment has been entirely written off.

Investments

The investment in the subsidiary undertaking CVHT Enterprises Limited is valued at cost.

Bank deposits which mature in greater than three months are accounted for as current investments.

Stock

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

Debtors

Debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The Trust only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2017

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 company.

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.

3. INVESTMENT IN SUBSIDIARY

The Charity holds a 100% investment in the Ordinary Share capital of CVHT Enterprises Limited, which is incorporated in the United Kingdom. CVHT Enterprises Limited covenants all its profits to the Charity. The company was set up to run fundraising events. CVHT Enterprises Limited was not active during the year. Net assets at 31 March 2017 and 31 March 2016 were £1,000.

4. DONATIONS AND LEGACIES

	2017	2016
	£	£
Donations	1,185	1,492
Legacies	<u>20,260</u>	<u>132,982</u>
	<u>21,445</u>	<u>134,474</u>

5. RAISING FUNDS

	2017	2016
	£	£
Costs of goods sold		
Purchases	11,274	11,971
Insurance	343	374
Rent	9,000	9,000
Bank charges	534	636
Utilities	<u>1,861</u>	<u>3,143</u>
	<u>23,012</u>	<u>25,124</u>

Rent of £9,000 (2016: £9,000) was paid to N Vrijland and his wife for the use of Oliver House from which the charity operates its shop and campaign activities (see note 15).

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2017

6. CHARITABLE ACTIVITIES

	2017	2016
	£	£
Staff costs	33,886	36,168
<i>Support costs for the Charity:</i>		
Telephone and internet	1,294	535
Computer and website	477	2,675
Stationery and office supplies	61	31
Depreciation	490	164
Travelling costs	-	353
Insurance	241	234
Sundry	228	288
Governance costs	<u>44,480</u>	<u>4,084</u>
Total Operational costs	<u>81,157</u>	<u>44,532</u>

STAFF COSTS

	2017	2016
	£	£
Wages & salaries	33,160	35,000
Social Security costs	405	928
Pension contributions	<u>321</u>	<u>240</u>
	<u>33,886</u>	<u>36,168</u>

Key management personnel are considered to be the Trustees and the office administrator. Only the office administrator has been remunerated in the year.

During the period the Trust employed one employee and reimbursed Cranleigh School who operate the payroll on its behalf. The Trustees were not paid during the year. John Bainbridge was reimbursed £150 in the current and previous year for payments to PlusNet, the Trust's internet provider. No other expenses were reimbursed during the year.

7. GOVERNANCE COSTS

	2017	2016
	£	£
Professional fees	41,553	1,176
Independent Examination	2,500	2,500
Trustee Indemnity Insurance	<u>427</u>	<u>408</u>
	<u>44,480</u>	<u>4,084</u>

8. MOVEMENT IN FUNDS

	2017	2016
	£	£
Depreciation	490	164
Independent Examination	2,500	2,500

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2017

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings	Assets under the course of construction	Total
	£	£	£
Cost/Valuation			
At 1 September 2016	15,323	2,400,000	2,415,323
Additions	-	-	-
At 31 August 2017	<u>15,323</u>	<u>2,400,000</u>	<u>2,415,323</u>
Depreciation			
At 1 September 2016	14,833	-	14,833
Provided for the year	490	-	490
At 31 August 2017	<u>15,323</u>	<u>-</u>	<u>15,323</u>
Net book value			
At 31 August 2017	<u>-</u>	<u>2,400,000</u>	<u>2,400,000</u>
At 31 August 2016	<u>490</u>	<u>2,400,000</u>	<u>2,400,490</u>

All tangible fixed assets are held for direct Charitable purposes. Assets under the course of construction are land and costs for the proposed construction of the new Care Home with community beds and the accommodation block. The Trustees do not consider the assets to be impaired. Included within assets under the course of construction is land at Knowle Lane which has been donated by Cranleigh Parish Council in exchange for land donated by Nick Vrijland, the president of Cranleigh Village Hospital Trust, under a land exchange agreement which was completed in December 2010.

The value of the site, including development costs to date, was independently valued at £2,400,000 by Fairweathers, Chartered Surveyors, at 31st March 2015. The Trustees have adopted that valuation for the 2014 and all subsequent Financial Statements.

10. STOCK

	2017	2016
	£	£
Goods purchased for re-sale	<u>1,342</u>	<u>1,651</u>

11. DEBTORS

	2017	2016
	£	£
Gift Aid	65	14
Other debtors	<u>9,433</u>	<u>58,315</u>
	<u>9,498</u>	<u>58,329</u>

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2017

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Amounts due to Subsidiary	909	909
Trade creditors	656	823
Accruals and deferred income	2,500	3,222
Other Creditors	<u>734</u>	<u>602</u>
	<u>4,799</u>	<u>5,556</u>

13. UNRESTRICTED FUNDS

	General Fund	General Fund
	2017	2016
	£	£
Balance at 1 September	2,795,264	2,703,442
Movement in funds for the year	<u>(57,407)</u>	<u>91,822</u>
Balance at 31 August	<u>2,737,857</u>	<u>2,795,264</u>

14. ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party during the year.

15. RELATED PARTIES

Nick Vrijland and his wife own Oliver House, from which the Charity operates its retail and campaign activities. Rent for Oliver House of £9,000 was paid during the year (2016 - £9,000).

David Graham-Smith, a Trustee, is a consultant with Penningtons Solicitors LLP to whom legal fees of £24,044 were paid during the year (2016 - £780). There was no accrual at the year end (2016: nil).

John Bainbridge, David Barry and Nick Vrijland are directors of CVHT Enterprises Limited.

Brian Cheesman is a Trustee 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 improved healthcare facilities for the community.

Donations of £208 were made to the Trust by trustees in the year.

16. CAPITAL COMMITMENT

In accordance with the Heads of Terms agreement with HC-One Ltd, Cranleigh Village Hospital Trust has a commitment to fund 50% of the preplanning costs. The Trust's share including VAT is £82,528.