

REGISTERED COMPANY NUMBER: 02740665 (England and Wales)
REGISTERED CHARITY NUMBER: 1014232

REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023
FOR
RYE, WINCHELSEA AND DISTRICT
MEMORIAL HOSPITAL LIMITED

GMP Audit Limited, Statutory Auditor
82 High Street
Tenterden
Kent
TN30 6JG

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The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and significant activities

The objects of Rye, Winchelsea & District Memorial Hospital Limited (the Charity) are the relief, care and assistance of people, irrespective of race, creed or colour, who suffer from any form of mental or physical sickness or disability or infirmity due to old age or who are convalescent, and to promote the preservation and protection of health for the public benefit.

Activities are predominantly confined to the 10 acre site known as the Memorial Care Centre (the Centre). Within the bounds of the site are five main components:

- The Medical Centre which was developed by Community Care Investment let on a 125 year lease from 6 October 2006 and then sub-let as a GP surgery for a panel of 7,500 patients.

- St Bartholomew's Court, a 55 unit residential complex, originally let as 30 units to Shaftesbury Housing Association on a 125 year lease from 1 January 1994. Designed as an extra care facility, over time it lapsed into pure social housing. The lease was assigned to Sanctuary Housing Association and through a collaborative dialogue a major new development has been completed by them which added 25 new single bed units and completely gutted and refurbished the existing 30 units. 40 of the units are let under a community rental scheme and 15 units have been sold as shared equity. All future occupiers will have an extra care need of up to 20 hours a week under the revised terms of the ground lease from the Charity.

- The Hospital Building. Two thirds of the building was leased to the Primary Care Trust (PCT) for 10 years expiring on 30 May 2020. The lease was assigned to the East Sussex Healthcare Trust (ESHT) on 1 April 2013 as the NHS service provider, upon the demise of the PCT. A Deed of Variation has been executed with the Charity to extend the lease to 30 May 2030 with a mutual option to terminate in 2025. Through a number of negotiated changes since then, ESHT now occupy the whole of the ground floor with offices on the first floor and now pay a service charge of 87%. In addition the Mutual Option to terminate the lease has been removed and ESHT have a fixed term to 2030, all of this being embodied in a revised lease which will be shortly executed. The rent payable for the balance of the term is fixed at £150k per annum.

- The Ambulance Site. The Charity acquired this site adjacent to the hospital in 2016 and obtained Planning Consent to build a 5,500 square foot Community Wellbeing Centre (The Hub). Work to build the site was competitively tendered and won by Jenner at a contract price of just under £2m. Construction was completed in August 2020 but impacted by the COVID restrictions. Core licences to a number of important therapy providers have been agreed: such as St. Michael's Hospice; Rye and District Day Centre and Sara Lee Trust. A very popular coffee shop makes the Hub an important community meeting place. Plans are being actively developed to broaden its community outreach.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023

Objectives and significant activities (continued)

-The Care Home Site. The Charity has completed the purchase of a 1.5 acre piece of agricultural land adjoining the surgery at the rear of the Centre, with its own access to Rye Hill for the purpose of developing a Care Home. After competitive review Greensleeves were selected as the preferred developer and operator of the proposed Care Home subject to a £1.06m prepayment for the long leasehold interest. Planning permission was obtained for the development of a 60 bed Care Home. The Charity has delivered the utilities to the site, as part of its commitment, to enable the development of the project. High inflation and the impact of COVID on the care industry has delayed the start of development. Greensleeves expect to start construction in March 2024. An important feature of the Ground Lease granted to Greensleeves is their commitment that 25% of the beds will be community subsidised for the benefit of local residents rather than full open market. Greensleeves were recently identified by the Which Report as the best Not-For-Profit provider in the Country.

The NHS has had difficulty in recruiting overseas staff to the hospital because of problems in finding affordable living accommodation in Rye. The Charity has leased 3 Forge Mews capable of housing three nurses and to date two have taken occupancy, alleviating the staffing pressure.

When planning its activities the Charity keeps in mind the Charity Commission's guidance on public benefit and aims to develop and deliver services to meet the objectives as set out in the Memorandum and Articles of Association.

The Friends of the Hospital at Rye

Prior to the development of the current hospital, it was voluntarily supported by The Friends of the Rye Winchelsea and District Memorial Hospital, raising funds and providing voluntary assistance as a registered charity. When the large scale development of the site took place between 1992 and 1994 a separate charity, then called Rye Health and Care Ltd (preceding title of this Charity) was formed as a company limited by guarantee to assume the development risk. The two charities had been mutually supportive ever since but in 2013 they agreed that the time was appropriate to merge. Now named The Friends of the Hospital at Rye (the Friends), it is a Committee of this Charity assuming responsibility for liaison with the staff and fundraising to alleviate the identified needs of the hospital.

A rolling programme of fundraising activities and events is carried out by the Friends within the local community. Events are generated either from the Charity's offices or organised by external volunteers. In addition, the Charity seeks income from regular donations enhanced by the Gift Aid Scheme and appropriate management of its investment assets.

Volunteers

The positions of Chairman of the Friends and the Chairman of the Fund Raising Sub Committee are unsalaried positions.

The Company Secretary and Senior Administrative Officer has been a full time post since May 2020, with 40% of her time dedicated to hospital activities and 60% to Charity activities. All fundraising activities are planned and co-ordinated by and through the aforementioned post, with assistance appropriate to each activity being provided solely by unpaid volunteers.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Charity continued during the period under review in its principal activity as freeholder of the Memorial Care Centre. The net surplus for the year before unrealised losses on investments (£2,752) was £74,169 after allowing for the depreciation and impairment of the Charity's real property and fittings and fixtures in a sum of £89,133.

The Charity owes a duty to the people of Rye, Winchelsea and the surrounding villages to secure the provision of community hospital services at the Centre. Hitherto these services have been provided in partnership with our local PCT and more recently from ESHT but on terms which require a substantial contribution from the Charity. For example, each year the Charity expends significant funds to carry out improvements for the benefit of the patients. The exterior painting, refurbishment of the reception area and a large proportion of the out-patient upgrade, were all funded by the Charity.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023

Charitable activities (continued)

The plant and equipment in the hospital is now 30 years old and over the last two years has needed significant expenditure on repairs. External consultants were instructed to carry out a thorough review and advised that most of the equipment was coming to the end of its useful life. The Board decided that it wished the hospital to become the first carbon neutral hospital in the country and commissioned DMA to install photo-voltaic cells on the roofs, Tesla batteries to store the power generated and a state of the art Management System to maximise efficiency. An agreed fixed budget of £680k was agreed to be paid for by the Charity and work is underway.

Additionally, although government policy is expressed to be supportive of community hospitals the reality is that the current economic financial position of many Healthcare Trusts has meant that community hospitals have had their beds closed to achieve economies. The Charity's strategy is to develop a strong working bond with ESHT while retaining significant reserves to enable it to respond in the unlikely event that they decide to reduce or, even, withdraw its support. With the completion of the lease extension to ESHT, the Trustees took the view that some of its reserves held against this risk should be released to assist in funding capital projects.

Investment performance

Investment performance has been achieved against the objectives set for this period. Details of return on investments can be found in the Statement of Financial Activities

FINANCIAL REVIEW

Investment policy and objectives

The Board's policy is to invest in the property and facilities to provide the resources necessary for the Charity to meet its objectives. Any surplus resources are placed with a stockbroker to invest appropriately.

The Board has resolved to retain Messrs Brewin Dolphin to advise and handle its growing investment funds, with the condition that no investments are made directly in tobacco companies.

The Board has a formal Investment Policy which is reviewed annually.

Reserves policy

The Charity has unrestricted general reserves of £4,603,096 at the balance sheet date, of which £5,089,431 relates to fixed assets which would have to be disposed of in order to realise the full fund amount. The amount of general reserves excluding the building fund is a deficit of £486,335.

As detailed above it is the Charity's strategy to build reserves (in cash and readily realisable investments) to support the continuation of the hospital should funding be reduced or withdrawn. The Board reviews the extent of these reserves on a regular basis, balancing the risk of ESHT terminating its use of the hospital with the desire to invest surplus funds for the benefit of the community.

The Board has a Reserves Policy which is reviewed annually.

Restricted funds amount to £840.

FUTURE PLANS

Community Outreach

The Charity has almost completed its development plans for the Memorial Care Centre and is turning its attention to expanding its healthcare outreach into the community. Public Health services provided by Rother District Council and East Sussex County Council have been greatly restricted due to budget constraints and the impact in the community has been significant. Through a series of networking events the Charity seeks to bridge this gap in resources.

In addition the Charity has long wished to provide a Minor Injury and Illness clinic in the Out-Patient area. Support for this is increasing and a working group with the GP practice, the ambulance service (SECamb) and the NHS is trying to develop a pilot scheme.

After 13 years in post, the Chairman has notified the Board of his intention to retire at the end of 2024.

The Board are looking for a part time Chief Executive Officer to both assume the functions performed by the Chairman and to bring additional skills which will enhance the Board's Outreach objectives.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Rye, Winchelsea & District Memorial Hospital Limited is a company limited by guarantee. The company is governed by its Memorandum and Articles of Association, which set out the objects and powers of the company and its directors. It also provides for the appointment of new directors.

Recruitment and appointment of new trustees

Trustees are recruited and appointed from members of the local community who wish to assist the charity. Care is taken to ensure that an appropriate range of skills is represented

Organisational structure

The Board meets quarterly. In addition, it carries out its responsibilities through a number of committees whose members are drawn from the Board and from appropriated community volunteers with relevant skills. In the case of Fundraising, participation is drawn from the Charity's excellent network of supporters. The committees meet as often as necessary. During the year these committees comprised: Clinical, Hub, Friends, Fundraising, Investment and Finance & Governance. The Board is able to harness the advice of these committees and develop its strategic priorities more particularly described under Plans for Future Periods.

In May 2020 Mr Martyn Phillips retired from the Board and became the Chief Operating Officer on a part time basis. By September 2022 he had completed his key duties and rejoined the Board in December 2022 where he chairs the Finance & Governance Committee.

The day to day administration of the Charity is delegated to the Company Secretary and Senior Administrative Officer, Mrs Francesca Clent.

Induction and training of new trustees

New trustees undergo a short induction programme with the charity's administrator and training is made available dependent of the needs of the trustee. Each Board Member is given a full formal Induction Pack.

Wider network

Other than membership of the Community Hospitals Association, the charity is not a member of a wider network.

Risk management

The trustees constantly monitor any risks to which the Charity may be exposed and are confident that procedures have been established to manage these risks. A formal Risk Register has been adopted and is reviewed at each Board Meeting

STRUCTURE, GOVERNANCE AND MANAGEMENT

Fundraising approach and standards

The Charity raises funds to support the hospital through a voluntary Fundraising Committee of the Friends, supported by the Company Secretary and Senior Administrative Officer.

The scale of these activities are modest with approximately ten to twelve events a year with a target budget of £15k.

The Charity observes the requirements of the Charities Act 1992 with regard to solicitation. Marketing is done by use of the website, social media, printed fliers and word of mouth to its regular supporters.

The Charity also takes care to observe the requirements of the Data Protection legislation.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02740665 (England and Wales)

Registered Charity number
1014232

Registered office
The Memorial Care Centre
Peasmarsh Road
Rye Foreign, Rye
East Sussex
TN31 7UD

Trustees
B M Nealon - Chairman
J S Dudfield - Vice Chair
J C Kirkham
J J Huddle
Dr E M Bamji (retired) stepped down from the Board December 2022
Dr M K Kondagari (GP)
Dr R A McNeilly (retired)
P J A Riley
I Potter
J J Posnette
B P Baker
R Clarke elected December 2022
M H Phillips elected December 2022
R J Bisson elected December 2022

Honorary appointments

Patron
Sir Paul McCartney

Presidents
A Phillips

Vice Presidents
J M Stevenson
Rev W Buxton (deceased)

Honorary member
A M Oliphant

Company Secretary
F J Clent

REFERENCE AND ADMINISTRATIVE DETAILS

Auditors

GMP Audit Limited, Statutory Auditor
82 High Street
Tenterden
Kent
TN30 6JG

Solicitors

Whitehead Monckton
3-4 Market Square
Tenterden
Kent
TN30 6BN

Bankers

HSBC
4 Robertson Street
Hastings
East Sussex
TN34 1HW

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Rye, Winchelsea and District Memorial Hospital Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

RYE, WINCHELSEA AND DISTRICT
MEMORIAL HOSPITAL LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 29th November 2023 and signed on its behalf by:

B M Nealon - Trustee

Opinion

We have audited the financial statements of Rye, Winchelsea and District Memorial Hospital Limited (the 'charitable company') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with the trustees which included consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Reviewing, evaluating and testing systems and controls to assess their effectiveness to prevent and detect irregularities.
- Identifying, reviewing and testing of journal entries.
- Challenging assumptions and judgements made by the trustees in respect of significant accounting estimates.
- Reviewing minutes of Trustee Meetings for known or suspected instances of non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
RYE, WINCHELSEA AND DISTRICT
MEMORIAL HOSPITAL LIMITED

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

for and on behalf of GMP Audit Limited, Statutory Auditor
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
82 High Street
Tenterden
Kent
TN30 6JG

1st December 2023

RYE, WINCHELSEA AND DISTRICT
MEMORIAL HOSPITAL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST MARCH 2023

		Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	141,079	501	141,580	280,923
Charitable activities	6				
Premises costs		407,642	-	407,642	421,188
Hub on the Hill		37,618	-	37,618	16,961
Other trading activities	4	83,629	-	83,629	50,894
Investment income	5	11,303	-	11,303	13,032
Total		<u>681,271</u>	<u>501</u>	<u>681,772</u>	<u>782,998</u>
EXPENDITURE ON					
Raising funds	7	37,880	-	37,880	24,392
Charitable activities	8				
Premises costs		396,815	1,282	398,097	474,177
Grants payable		4,417	-	4,417	4,858
Hub on the Hill		164,457	-	164,457	131,130
Other		-	-	-	1,175
Total		<u>603,569</u>	<u>1,282</u>	<u>604,851</u>	<u>635,732</u>
Net gains/(losses) on investments		<u>(23,186)</u>	<u>-</u>	<u>(23,186)</u>	<u>34,539</u>
NET INCOME/(EXPENDITURE)		54,516	(781)	53,735	181,805
RECONCILIATION OF FUNDS					
Total funds brought forward		4,548,580	1,621	4,550,201	4,368,396
TOTAL FUNDS CARRIED FORWARD		<u><u>4,603,096</u></u>	<u><u>840</u></u>	<u><u>4,603,936</u></u>	<u><u>4,550,201</u></u>

The notes form part of these financial statements

RYE, WINCHELSEA AND DISTRICT
MEMORIAL HOSPITAL LIMITED

BALANCE SHEET
31ST MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	15	5,089,430	-	5,089,430	4,899,848
Investments	16	465,188	-	465,188	482,385
Investment property	17	1	-	1	1
		<u>5,554,619</u>	<u>-</u>	<u>5,554,619</u>	<u>5,382,234</u>
CURRENT ASSETS					
Debtors	18	41,008	-	41,008	68,358
Cash at bank and in hand		285,960	840	286,800	378,102
		<u>326,968</u>	<u>840</u>	<u>327,808</u>	<u>446,460</u>
CREDITORS					
Amounts falling due within one year	19	(66,653)	-	(66,653)	(56,335)
		<u>260,315</u>	<u>840</u>	<u>261,155</u>	<u>390,125</u>
NET CURRENT ASSETS					
		<u>260,315</u>	<u>840</u>	<u>261,155</u>	<u>390,125</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,814,934	840	5,815,774	5,772,359
CREDITORS					
Amounts falling due after more than one year	20	(1,211,838)	-	(1,211,838)	(1,222,158)
		<u>4,603,096</u>	<u>840</u>	<u>4,603,936</u>	<u>4,550,201</u>
NET ASSETS					
		<u>4,603,096</u>	<u>840</u>	<u>4,603,936</u>	<u>4,550,201</u>
FUNDS	22				
Unrestricted funds				4,603,096	4,548,580
Restricted funds				840	1,621
TOTAL FUNDS				<u>4,603,936</u>	<u>4,550,201</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2023.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 145 of the Charities Act 2011.

The notes form part of these financial statements

RYE, WINCHELSEA AND DISTRICT
MEMORIAL HOSPITAL LIMITED

BALANCE SHEET - continued
31ST MARCH 2023

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 29th November 2023 and were signed on its behalf by:

B M Nealon - Trustee

RYE, WINCHELSEA AND DISTRICT
MEMORIAL HOSPITAL LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	180,557	199,410
Net cash provided by operating activities		<u>180,557</u>	<u>199,410</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(278,715)	(364,911)
Purchase of fixed asset investments		(37,688)	(25,003)
Sale of tangible fixed assets		1,542	-
Sale of fixed asset investments		31,699	309,150
Interest received		1,056	20
Dividends received		10,247	13,012
Net cash used in investing activities		<u>(271,859)</u>	<u>(67,732)</u>
Change in cash and cash equivalents in the reporting period		<u>(91,302)</u>	<u>131,678</u>
Cash and cash equivalents at the beginning of the reporting period		<u>378,102</u>	<u>246,424</u>
Cash and cash equivalents at the end of the reporting period		<u><u>286,800</u></u>	<u><u>378,102</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	53,735	181,805
Adjustments for:		
Depreciation charges	89,133	127,716
Losses/(gain) on investments	23,186	(34,539)
Profit on disposal of fixed assets	(1,542)	-
Interest received	(1,056)	(20)
Dividends received	(10,247)	(13,012)
Decrease/(increase) in debtors	27,350	(6,287)
Decrease in creditors	(2)	(56,253)
Net cash provided by operations	<u>180,557</u>	<u>199,410</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22 £	Cash flow £	At 31/3/23 £
Net cash			
Cash at bank and in hand	<u>378,102</u>	<u>(91,302)</u>	<u>286,800</u>
	<u>378,102</u>	<u>(91,302)</u>	<u>286,800</u>
Total	<u>378,102</u>	<u>(91,302)</u>	<u>286,800</u>

1. STATUTORY INFORMATION

Rye, Winchelsea and District Memorial Hospital Limited is a private charitable company limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found in the reference and administrative details in the Report of the Trustees.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Fees, contributions and grants comprise of amounts receivable during the year.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors' intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

The value of donated items is recognised when the associated raffle or auction has taken place through the receipt of funds from these events.

The valuable time given by volunteers towards the charities objectives is not valued for the purposes of these financial statements.

Investment income is recognised in the financial statements when receivable.

The lease premium income has been deferred over the period of the lease on a straight line basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Costs in furtherance of the charitable objectives are those that relate directly to the upkeep and maintenance of the hospital including salaries.

Fundraising expenditure represents the direct costs of fundraising and includes the salaries and other direct costs of fundraising staff. Publicity costs directly related to fundraising are included in the fundraising costs.

Management and administration costs include office costs and other expenditure including salaries.

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Fixed assets are recorded at cost or, in cases where assets have been donated, at the valuation at the time of the acquisition.

Depreciation is provided at the following annual rates in order to write off each assets over its useful economic life:

Freehold buildings	- straight line over 100 years
Freehold buildings - refurbishment costs	- 10% or 20% on cost
Assets in the course of construction	- not depreciated until brought into use
Furniture and equipment	- 10% on cost

No depreciation is provided on freehold land.

Investments

Listed investments are included at market value at the year end. Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

In the trustees opinion, where no restrictions are placed, the incoming resources and resources expended are all derived for the benefit of running the hospital premises. Therefore the trustees choose to classify this income and expenditure as unrestricted.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid at the year end after taking account of any trade discounts due.

Creditors and provisions

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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

3. DONATIONS AND LEGACIES

	2023 £	2022 £
Donations	18,702	19,762
Gift aid	892	2,487
Legacies	101,460	251,000
Other income	20,526	7,674
	<u>141,580</u>	<u>280,923</u>

4. OTHER TRADING ACTIVITIES

	2023 £	2022 £
Fundraising events	35,384	23,366
Hub on the Hill Cafe	48,245	27,528
	<u>83,629</u>	<u>50,894</u>

5. INVESTMENT INCOME

	2023 £	2022 £
Fixed asset investments	10,247	13,012
Deposit account interest	769	20
Taxation interest	287	-
	<u>11,303</u>	<u>13,032</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Running costs recharged to the ESHT	Premises costs	183,679	203,921
ESHT rent and management charges	Premises costs	135,000	135,000
Other rents receivable	Premises costs	87,172	81,101
Other costs recharged	Premises costs	1,791	1,166
Other rents receivable	Hub on the Hill	35	-
Licence fees	Hub on the Hill	37,583	16,961
		<u>445,260</u>	<u>438,149</u>

7. RAISING FUNDS

Raising donations and legacies

2023	2022
£	£
9,215	3,413

Other fundraising costs

Other trading activities

2023	2022
£	£
24,919	14,678

Purchases

Investment management costs

2023	2022
£	£
3,746	6,301

Portfolio management

Aggregate amounts

2023	2022
£	£
37,880	24,392

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Premises costs	334,393	63,704	398,097
Grants payable	4,417	-	4,417
Hub on the Hill	153,481	10,976	164,457
	<u>492,291</u>	<u>74,680</u>	<u>566,971</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	158,499	140,257
Other operating leases	1,700	-
Rates and water	8,775	10,616
Insurance	5,661	3,850
Light and heat	10,846	11,326
Telephone	3,140	3,181
Advertising	81	420
Running costs recharged to the ESHT	114,534	149,917
Contribution to Sara Lee Trust running costs	4,417	4,858
Running costs not recharged	34,399	41,778
Maintenance	21,580	10,030
Licences	408	1,500
Cleaning	17,310	15,475
Donations	23,350	11,996
Depreciation	89,133	127,716
Loss on sale of assets	(1,542)	-
	<u>492,291</u>	<u>532,920</u>

10. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Premises costs	54,501	9,203	63,704
Hub on the Hill	2,645	8,331	10,976
	<u>57,146</u>	<u>17,534</u>	<u>74,680</u>

Support costs, included in the above, are as follows:

Management

	Premises costs £	Hub on the Hill £	2023 Total activities £	2022 Total activities £
Wages	38,614	-	38,614	44,122
Social security	3,769	-	3,769	3,859
Pensions	809	-	809	606
Repairs and maintenance	-	-	-	1,646
Office costs	2,506	1,154	3,660	2,882
Other expenses	8,803	1,001	9,804	11,549
Website costs	-	490	490	464
	<u>54,501</u>	<u>2,645</u>	<u>57,146</u>	<u>65,128</u>

Governance costs

	Premises costs £	Hub on the Hill £	2023 Total activities £	2022 Total activities £
Auditors' remuneration	7,973	3,586	11,559	5,725
Auditors' remuneration for non audit work	-	-	-	1,175
Bank charges	580	877	1,457	661
Legal fees	650	3,868	4,518	5,731
	<u>9,203</u>	<u>8,331</u>	<u>17,534</u>	<u>13,292</u>

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	11,559	5,725
Auditors' remuneration for non audit work	-	1,175
Depreciation - owned assets	89,133	127,717
Other operating leases	1,700	-
Surplus on disposal of fixed assets	(1,542)	-
Accountancy recharged to tenants	-	5,125
	<u>-</u>	<u>-</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st March 2023 nor for the year ended 31st March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

13. STAFF COSTS

	2023 £	2022 £
Wages and salaries	182,649	172,474
Social security costs	14,998	13,131
Other pension costs	4,044	3,239
	<u>201,691</u>	<u>188,844</u>

The average monthly number of employees during the year was as follows:

	2023	2022
Operation of the charity	4	4
Operation of Hub	5	5
	<u>9</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	269,951	10,972	280,923
Charitable activities			
Premises costs	421,188	-	421,188
Hub on the Hill	16,961	-	16,961
Other trading activities	50,894	-	50,894
Investment income	13,032	-	13,032
Total	<u>772,026</u>	<u>10,972</u>	<u>782,998</u>
EXPENDITURE ON			
Raising funds	24,392	-	24,392
Charitable activities			
Premises costs	472,798	1,379	474,177
Grants payable	4,858	-	4,858
Hub on the Hill	131,130	-	131,130
Other	1,175	-	1,175
Total	<u>634,353</u>	<u>1,379</u>	<u>635,732</u>

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Net gains on investments	34,539	-	34,539
NET INCOME	172,212	9,593	181,805
Transfers between funds	15,593	(15,593)	-
Net movement in funds	187,805	(6,000)	181,805
RECONCILIATION OF FUNDS			
Total funds brought forward	4,360,775	7,621	4,368,396
TOTAL FUNDS CARRIED FORWARD	4,548,580	1,621	4,550,201

15. TANGIBLE FIXED ASSETS

	Freehold property £	Assets in the course of construction £	Fixtures and fittings £	Totals £
COST				
At 1st April 2022	5,830,367	128,159	290,328	6,248,854
Additions	-	246,341	32,374	278,715
At 31st March 2023	5,830,367	374,500	322,702	6,527,569
DEPRECIATION				
At 1st April 2022	1,160,334	-	188,672	1,349,006
Charge for year	70,515	-	18,618	89,133
At 31st March 2023	1,230,849	-	207,290	1,438,139
NET BOOK VALUE				
At 31st March 2023	4,599,518	374,500	115,412	5,089,430
At 31st March 2022	4,670,033	128,159	101,656	4,899,848

Included in cost or valuation of land and buildings is freehold land of £273,266 (2022 - £273,266) which is not depreciated.

16. FIXED ASSET INVESTMENTS

	Listed investments £	Cash held for investments £	Totals £
MARKET VALUE			
At 1st April 2022	474,238	8,147	482,385
Additions	23,298	14,390	37,688
Disposals	(34,451)	-	(34,451)
Revaluations	(20,434)	-	(20,434)
At 31st March 2023	<u>442,651</u>	<u>22,537</u>	<u>465,188</u>
NET BOOK VALUE			
At 31st March 2023	<u>442,651</u>	<u>22,537</u>	<u>465,188</u>
At 31st March 2022	<u>474,238</u>	<u>8,147</u>	<u>482,385</u>

There were no investment assets outside the UK.

Cost or valuation at 31st March 2023 is represented by:

	Listed investments £	Cash held for investments £	Totals £
Cost	<u>442,651</u>	<u>22,537</u>	<u>465,188</u>

17. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1st April 2022 and 31st March 2023	<u>492,744</u>
AMORTISATION	
At 1st April 2022 and 31st March 2023	<u>492,743</u>
NET BOOK VALUE	
At 31st March 2023	<u>1</u>
At 31st March 2022	<u>1</u>

Included in investment property is freehold land valued at £1 (2022 - £1).

The freehold land acquired during the year ended 31 March 2019 was subsequently leased to a Trust for a period of 125 years for the construction and running of a care home, at a premium of £1,060,000. In the Trustees' opinion the land has no open market value and its fair value has therefore been reduced to £1.

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	29,884	48,343
VAT	8,535	16,702
Prepayments and accrued income	2,589	3,313
	<u>41,008</u>	<u>68,358</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Social security and other taxes	2,069	2,647
Other creditors	54,264	43,368
Deferred income	10,320	10,320
	<u>66,653</u>	<u>56,335</u>

The company acquired the freehold land on 6 October 2006 at a cost of £250,000. A proportion of this has been leased to a GP practice on a 125 year lease at a premium of £230,000.

On 6 November 2018 the company leased a further area of freehold land to a Trust for the construction of a care home at a premium of £1,060,000, for a period of 125 years.

The above premiums have been deferred and are being released to the Statement of Financial Activities on a straight line basis over the term of the lease. The deferred elements are shown within other creditors both in short term and creditors, amounts falling due after more than one year.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Deferred income	<u>1,211,838</u>	<u>1,222,158</u>

21. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	<u>19,120</u>	<u>1,464</u>

Lease payments recognised as an expense in the year were £3,200 (2022: £1,500)

22. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds				
General fund	(351,269)	142,107	(277,173)	(486,335)
Fixed assets	4,899,849	(87,591)	277,173	5,089,431
	<u>4,548,580</u>	<u>54,516</u>	<u>-</u>	<u>4,603,096</u>
Restricted funds				
Nurses fund	1,560	(781)	-	779
District nurses fund	61	-	-	61
	<u>1,621</u>	<u>(781)</u>	<u>-</u>	<u>840</u>
TOTAL FUNDS	<u>4,550,201</u>	<u>53,735</u>	<u>-</u>	<u>4,603,936</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	681,271	(515,978)	(23,186)	142,107
Fixed assets	-	(87,591)	-	(87,591)
	<u>681,271</u>	<u>(603,569)</u>	<u>(23,186)</u>	<u>54,516</u>
Restricted funds				
Nurses fund	501	(1,282)	-	(781)
	<u>681,772</u>	<u>(604,851)</u>	<u>(23,186)</u>	<u>53,735</u>

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	(301,879)	299,929	(349,319)	(351,269)
Fixed assets	4,662,654	(127,717)	364,912	4,899,849
	<u>4,360,775</u>	<u>172,212</u>	<u>15,593</u>	<u>4,548,580</u>
Restricted funds				
Nurses fund	2,560	(1,000)	-	1,560
District nurses fund	61	-	-	61
Equipment fund	5,000	10,593	(15,593)	-
	<u>7,621</u>	<u>9,593</u>	<u>(15,593)</u>	<u>1,621</u>
TOTAL FUNDS	<u>4,368,396</u>	<u>181,805</u>	<u>-</u>	<u>4,550,201</u>

22. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	772,027	(506,637)	34,539	299,929
Fixed assets	(1)	(127,716)	-	(127,717)
	<u>772,026</u>	<u>(634,353)</u>	<u>34,539</u>	<u>172,212</u>
Restricted funds				
Nurses fund	379	(1,379)	-	(1,000)
Equipment fund	10,593	-	-	10,593
	<u>10,972</u>	<u>(1,379)</u>	<u>-</u>	<u>9,593</u>
TOTAL FUNDS	<u>782,998</u>	<u>(635,732)</u>	<u>34,539</u>	<u>181,805</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/23 £
Unrestricted funds				
General fund	(301,879)	442,036	(626,492)	(486,335)
Fixed assets	4,662,654	(215,308)	642,085	5,089,431
	<u>4,360,775</u>	<u>226,728</u>	<u>15,593</u>	<u>4,603,096</u>
Restricted funds				
Nurses fund	2,560	(1,781)	-	779
District nurses fund	61	-	-	61
Equipment fund	5,000	10,593	(15,593)	-
	<u>7,621</u>	<u>8,812</u>	<u>(15,593)</u>	<u>840</u>
TOTAL FUNDS	<u>4,368,396</u>	<u>235,540</u>	<u>-</u>	<u>4,603,936</u>

22. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,453,298	(1,022,615)	11,353	442,036
Fixed assets	(1)	(215,307)	-	(215,308)
	<u>1,453,297</u>	<u>(1,237,922)</u>	<u>11,353</u>	<u>226,728</u>
Restricted funds				
Nurses fund	880	(2,661)	-	(1,781)
Equipment fund	10,593	-	-	10,593
	<u>11,473</u>	<u>(2,661)</u>	<u>-</u>	<u>8,812</u>
TOTAL FUNDS	<u><u>1,464,770</u></u>	<u><u>(1,240,583)</u></u>	<u><u>11,353</u></u>	<u><u>235,540</u></u>

Fixed assets have been separately designated to show the free reserves position at the balance sheet date.

Amounts donated to the Nurses by patients, relatives and friends, are held in a separate fund. This is spent on refreshments and an annual party. Similarly there is a fund for the District Nurses.

The equipment fund represents donations made to the charity to purchase small items of equipment to assist with patient services. Transfers from this fund to the designated fixed assets fund represent funds which have been fully expended, the terms of restriction applied have been met and the associated fixed assets are an integral part of the fixed assets of the charity.

23. CAPITAL COMMITMENTS

At the year end the board had committed to the carbon reduction phase 2 totalling £80,043.

24. RELATED PARTY DISCLOSURES

Mr B Nealon, a trustee, is the chairman of Rye & District Community Transport, a charity that Rye, Winchelsea And District Memorial Hospital donated £10,000 (2022: £10,000) to in the year.

Total donations received from trustees in the year without conditions was £240 (2022: £240). Total donations received with conditions was £nil (2022 - nil).

25. ULTIMATE CONTROLLING PARTY

The charity is controlled by the board of trustees.