

Registered number: 05114661  
Charity number: 1108054

**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
(A company limited by guarantee)

**UNAUDITED**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
**(A company limited by guarantee)**

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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Trustees**

Mrs M Kayll  
Mr P Hurst  
Mr R Sharpe  
Mr K Hopgood  
Mr D Rowe  
Mrs P Card (resigned 7 June 2021)  
Mrs L Caney  
Dr I Stuart (resigned 25 January 2021)  
Mrs T Willcocks, Chair  
Mr G Beadle  
Mrs C Ketteringham

**Company registered number**

05114661

**Charity registered number**

1108054

**Registered office**

43-45 Victoria Road  
Farnborough  
Hampshire  
GU14 7PD

**Company secretary**

Mr D Rowe

**Accountants**

Wise & Co  
Chartered Accountants  
Wey Court West  
Union Road  
Farnham  
Surrey  
GU9 7PT

**Bankers**

The Royal Bank of Scotland  
Lawrie House  
Victoria Road  
Farnborough  
GU14 7NR

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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Investment Fund Managers**

Investec Wealth & Investment Limited  
2 Gresham Street  
London  
EC2V 7QP



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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The Trustees present their annual report together with the financial statements of the Farnborough & Cove War Memorial Hospital Trust Ltd for the 1 April 2020 to 31 March 2021. The Annual report serves the purpose of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

The charity operates under the name of Devereux House and is located at Devereux House, 69 Albert Road, Farnborough, which is held on licence from Rushmoor Borough Council.

**Structure, governance and management**

**a. Constitution**

The charity is registered as a charitable company limited by guarantee incorporated on 28 April 2004 and registered as a charity, number 1108054, on 14 February 2005. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by the Articles of Association. It has a Company Registration Number 5114661. In the event of the charity being wound up, members are required to contribute an amount not exceeding £10.

The charity, which was unincorporated from 1975, operates from a former National Health Service Hospital and was founded for purposes beneficial to the community with the object of promoting the welfare of the aged, disabled and infirm within the area of benefit, which is within a radius of ten miles of the hospital.

**b. Methods of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. New Trustees are carefully vetted in accordance with the Charity Commission policy to ensure their suitability for the task; they are also required to have a Disclosure and Barring Service (DBS) check before they can take on the role of a Trustee at Devereux House.

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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Structure, governance and management (continued)**

**c. Organisational structure and decision-making policies**

Regular Board meetings are held throughout the year and the Trustees are supported in their role by the following:

**Representative Members:**

Cllr C Stewart

Rushmoor Borough Council

**House Committee**

The day to day affairs of Devereux House are managed by the House Committee consisting of:

Mrs M A Kayll

Mrs C Ketteringham

Mrs T Willcocks - Chair

**Audit Committee**

Mrs L Caney

Mr P Hurst

Mr D Rowe

**d. Pay Policy For Senior Staff**

Salaries for key management staff are set by the Trust with the support of the Finance Officer, in accordance with the charity's Remuneration Policy and approved by the Trustees. Local and national comparators are taken into account, alongside individual responsibility levels and performance.

**e. Financial Risk Management**

The Trustees confirm that the major risks to which the charity is exposed, are constantly reviewed and systems and procedures have been established to mitigate those risks. There remains a risk that the local authority grant could be again be cut. Ways of replacing lost income continue to be discussed and explored. The closure of the Day Centre because of the COVID Pandemic has created an additional and very major risk to the solvency of Devereux House.

The Trustees have had regular meetings during the year and discuss all matters pertaining to the business with particular attention paid to occupancy levels in the Residential Home. Following the Pandemic, consideration has been given at meetings to the availability and securing of financial support from Government grants. The Trustees are provided with regular financial statements and briefed quarterly on the performance of the share portfolio. There is a House Committee which deals with the day to day business of the Charity and Audit Committee which reviews financial and other systems and informs the Board of Management of their findings. Through these processes all risks that the Charity may face are regularly reviewed. Meetings have continued in person where possible, but also via via Zoom.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Structure, governance and management (continued)**

**f. Daily Management**

The day to day management of the Trust is vested in:

Miss Victoria Knight, Registered Manager.

Care Officers support the registered manager in both the residential home and daycare centre. A finance Officer reports directly to the Trust on all financial and business matters.

**Objectives and activities**

**a. Policies and objectives**

**Day Care Centre**

The aim of promoting the welfare of the aged and the infirm within the area of benefit is achieved by opening the ground floor of the building as a Day Care Centre from Monday to Friday. About 100 visits are made by members to the day centre each week, most of whom are collected and returned home by the Trust's own minibus. Members with dementia attend on most days. All members attending the Day Care Centre are provided with social activities, craft therapy, lunch and refreshments. Hairdressing, chiropody and bathing facilities are also available. This activity ceased in mid March 2020 and ahead of the lockdown on March 23 2020.

**Residential Home**

The aims of the organisation are furthered by the residential facility on the first floor which is self funding and registered for 16 beds. Most of the rooms are occupied by permanent residents, but some are used to provide respite care or short stay support when available. The residents are generally those who can no longer manage in their own homes and the facilities available mean that they are cared for and provided with 'hotel services'. Short stay accommodation meets the needs of those who require care when their usual carers are on holiday or unwell. It means that carers have peace of mind during their break. Staff endeavour to provide as homely an atmosphere as possible to the benefit of all residents who frequently show a great improvement in their abilities because of the care provided. Respite residents are often those recovering from operations, who need to be looked after on a short term basis before they return home and they achieve considerable benefit from this break. In addition, families will book their elderly relatives in for a short stay when they go on holiday, which gives them the benefit of peace of mind whilst they are away.

The Farnborough and Cove War Memorial Trust is in the process of disposing of the freehold for Farley Court which was gifted to them in 1986. Once this process has been completed, the Trust will be wound up and any remaining assets given to an organisation that has similar objectives to the Trust.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Objectives and activities (continued)**

**b. Main activities undertaken to further the charity's purposes for the public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to guidance published by the charity commission relating to public benefit.

The charitable purpose of Devereux House is enshrined in the charity's objects which are for purposes beneficial to the community with the object of promoting the welfare of the aged, disabled and infirm within the area of benefit, which is within a radius of ten miles of the hospital.

In line with the Articles of the Trust, once it has been wound up, the intention is to give our remaining assets to an organisation that has similar objectives.

**Achievements and performance**

**a. Investment policy and performance**

Investec manage the portfolio on behalf of the charity.

The trustees have delegated investment decisions to the investment manager with the main purpose of maintaining the level capital whilst producing an overall annual income for the charity. Investments had to be sold in this financial period in order to meet closure costs including that of redundancy payments.

**Financial review**

**a. Going concern**

The closure of the Day Centre meant that we received no income from day centre clients after mid March 2020. The residential section continued to operate as normal, but numbers gradually reduced as some residents left or went into hospital for treatment unrelated to COVID. Devereux House remained COVID free throughout 2020.

On 31 December 2020 Devereux House closed after the redundancy process had been completed. The keys were handed back to Rushmoor Borough Council on January 5 2021 when Rushmoor Borough Council staff returned from their Christmas break.

**Summary of Events Leading To Closure:**

Lockdown on March 23 2020 meant that the Day Care Centre could not open and new admissions to the residential home stopped. Obviously this had significant financial implications, but grants from local and central government enabled DH to survive during the summer of 2020. The management team completed the risk assessments and followed Hampshire County Council guidelines on COVID 19 with a view to re opening the Day Care Centre in September 2020. The 'Rule of 6' prevented us from implementing these plans. This meant that all overhead costs had to be transferred to the Residential Home which was now operating at 60% capacity. At its meeting on September 28 2020, anticipating insolvency, the Board of Management proposed closure whilst there were still sufficient funds to complete the closure process in an orderly fashion and provide enough time to re home the residents. Most staff received their redundancy notices on November 17 2020 with the remainder being issued in the week beginning December 14 2020.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**b. Reserves policy**

The financial statement shows that our free reserves are mainly vested in our share portfolio which was valued at £151,679 at the end of the financial year 2020. Fluctuations in the markets could impact on the Trust's ability to manage any major shortfall in income of the Residential Home or the Day Care Centre.

The remaining unrestricted reserve funds amount to £75,985.

In October 2020 the Trust closed its Gibson Lowrey fund and ring fenced the proceeds (£180,360.86) to cover the costs of closure and redundancy.

**c. Principal funding**

The Day Care Centre is funded by a grant provided by Rushmoor Borough Council. Independent members pay their own fees with Hampshire Adult Services funding these costs for those members less able to fund themselves.

Fees in the residential Home are set at the beginning of each financial year on the basis of breakeven occupancy levels and every effort is made to ensure that fee levels are set as low as possible. Those residents that are able to fund themselves do so, but some residents that cannot afford the fees are funded by Adult Services. The rates paid are generally about 30% less than our fees. Each case is assessed by the Trustees regarding affordability.

The main source of funding in the financial year 202-21 was government COVID grants.

**Members' liability**

The Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

**Small company provisions**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2016.



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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**Statement of Trustees' responsibilities**

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

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:

*T. Willcocks*

**Mrs T Willcocks**

Chair

Date:

*19/10/2021*

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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
(A company limited by guarantee)

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**INDEPENDENT EXAMINER'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Independent examiner's report to the Trustees of Farnborough & Cove War Memorial Hospital Trust Ltd ('the charity')**

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2021.

**Responsibilities and basis of report**

As the Trustees of the charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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

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



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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**INDEPENDENT EXAMINER'S REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 an Independent examiner's 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 or for this report.

Signed:

*M. Dickinson*

Dated:

*22/10/2021*

Mark Dickinson FCA

**Wise & Co**  
Chartered Accountants  
Wey Court West  
Union Road  
Farnham  
Surrey  
GU9 7PT

**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Income from:</b>					
Donations and legacies	3	-	194,832	194,832	108,871
Charitable activities	4	-	279,604	279,604	534,003
Other trading activities	5	-	8,521	8,521	22,405
Investments	6	-	2,075	2,075	5,172
<b>Total income</b>		-	485,032	485,032	670,451
<b>Expenditure on:</b>					
Raising funds	7	-	1,704	1,704	4,628
Charitable activities	8	8,703	652,099	660,802	788,968
<b>Total expenditure</b>		8,703	653,803	662,506	793,596
<b>Net expenditure before net gains/(losses) on investments</b>		(8,703)	(168,771)	(177,474)	(123,145)
Net gains/(losses) on investments		-	21,823	21,823	(20,631)
<b>Net expenditure</b>		(8,703)	(146,948)	(155,651)	(143,776)
Transfers between funds	19	(3,497)	3,497	-	-
<b>Net movement in funds</b>		(12,200)	(143,451)	(155,651)	(143,776)
<b>Reconciliation of funds:</b>					
Total funds brought forward		17,242	219,436	236,678	380,454
Net movement in funds		(12,200)	(143,451)	(155,651)	(143,776)
<b>Total funds carried forward</b>		5,042	75,985	81,027	236,678

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

The notes on pages 15 to 34 form part of these financial statements.

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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**

(A company limited by guarantee)  
REGISTERED NUMBER: 05114661

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**BALANCE SHEET  
AS AT 31 MARCH 2021**

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	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	-	64,947
Investments	15	-	151,679
		<hr/>	<hr/>
		-	216,626
<b>Current assets</b>			
Stocks	16	-	424
Debtors	17	2,610	27,437
Cash at bank and in hand		84,436	44,402
		<hr/>	<hr/>
		87,046	72,263
Creditors: amounts falling due within one year	18	(6,018)	(52,211)
		<hr/>	<hr/>
<b>Net current assets</b>		81,028	20,052
		<hr/>	<hr/>
<b>Total net assets</b>		81,028	236,678
		<hr/>	<hr/>
<b>Charity funds</b>			
Restricted funds	19	5,042	17,242
Unrestricted funds	19	75,986	219,436
		<hr/>	<hr/>
<b>Total funds</b>		81,028	236,678
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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**

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The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

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

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

*T. Willcocks*

**Mrs T Willcocks**

(Chair)

Date: 19/10/2021

The notes on pages 15 to 34 form part of these financial statements.



**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	22	(147,433)	(78,880)
<b>Cash flows from investing activities</b>			
Dividends, interests and rents from investments		2,075	5,172
Purchase of tangible fixed assets		(1,110)	(4,180)
Proceeds from sale of investments		261,698	52,801
Purchase of investments		(88,196)	(46,918)
Proceeds from sale of tangible fixed assets		13,000	-
<b>Net cash provided by investing activities</b>		<b>187,467</b>	<b>6,875</b>
<b>Change in cash and cash equivalents in the year</b>		<b>40,034</b>	<b>(72,005)</b>
Cash and cash equivalents at the beginning of the year		44,402	116,407
<b>Cash and cash equivalents at the end of the year</b>	23	<b>84,436</b>	<b>44,402</b>

The notes on pages 15 to 34 form part of these financial statements

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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**1. General information**

Farnborough & Cove War Memorial Hospital Trust Ltd is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association. The charitable company was incorporated and registered in England and Wales (registered number 05114661). The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The registered office address is 43-45 Victoria Road, Farnborough, Hampshire, GU14 7PD.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Farnborough & Cove War Memorial Hospital Trust Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**2.2 Going concern**

These accounts have been prepared on a going concern basis, which assumes that the company will continue to operate for the foreseeable future, considered to be at least 12 months from the date of signing these accounts.

Operating Devereux House has historically been the main activity of the company. At the beginning of the fiscal year 2020-21 the trustees anticipated that Devereux House would be able to continue operating as a going concern. However, due to the restrictions imposed by the COVID-19 Devereux House is unable to continue as a viable concern and, therefore, trustees have had to close Devereux House as of December 31st 2020.

The company will continue to hold the freehold of Farley Court, and the trustees have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. For this reason the trustees have continued to adopt the going concern basis in preparing the financial statements of the company.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.3 Income**

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

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised; the Trustee's report provides more information about their contribution.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the charity which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Government grants**

Grants are credited to the Statement of financial activities as the related expenditure is incurred.

**2.6 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**2.7 Intangible assets and amortisation**

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Software licence	-	over 5 years
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**FARNBOROUGH & COVE WAR MEMORIAL HOSPITAL TRUST LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**2. Accounting policies (continued)**

**2.8 Tangible fixed assets and depreciation**

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Fixtures and fittings	- 10% reducing balance & 25% straight line
- Day Care Centre	
Fixtures and fittings	- 10% reducing balance & 25% straight line
- Residential Home	
Motor vehicles	- 15% straight line

**2.9 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

**2.10 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**2.11 Debtors**

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

**2.12 Cash at bank and in hand**

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.



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**2. Accounting policies (continued)**

**2.13 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.14 Financial instruments**

The charity only has financial assets and financial 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2.15 Operating leases**

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**2.16 Pensions**

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

**2.17 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**3. Income from donations and legacies**

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Donations	-	6,416	<b>6,416</b>
Government grants	-	188,416	<b>188,416</b>
	<u>-</u>	<u>194,832</u>	<u><b>194,832</b></u>
	<u>-</u>	<u>194,832</u>	<u><b>194,832</b></u>
	<b>Restricted funds 2020 £</b>	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Donations	1,190	5,111	<b>6,301</b>
Government grants	-	102,570	<b>102,570</b>
	<u>1,190</u>	<u>107,681</u>	<u><b>108,871</b></u>
	<u>1,190</u>	<u>107,681</u>	<u><b>108,871</b></u>

**4. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Fees receivable	279,604	<b>279,604</b>
	<u>279,604</u>	<u><b>279,604</b></u>
	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Fees receivable	534,003	<b>534,003</b>
	<u>534,003</u>	<u><b>534,003</b></u>

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**5. Income from other trading activities**

**Income from fundraising events**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
League of Friends	592	592
Rents	7,765	7,765
Shop Income	164	164
	<u>8,521</u>	<u>8,521</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
League of Friends	1,814	1,814
Rents	18,900	18,900
Shop Income	1,691	1,691
	<u>22,405</u>	<u>22,405</u>

**6. Investment income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Investment Income	<u>2,075</u>	<u>2,075</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Investment Income	<u>5,172</u>	<u>5,172</u>



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**7. Expenditure on raising funds**

**Costs of raising voluntary income**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Investment management fees	1,244	1,244
Shop purchases	460	460
	<u>1,704</u>	<u>1,704</u>
	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Investment management fees	1,837	1,837
Shop purchases	2,791	2,791
	<u>4,628</u>	<u>4,628</u>

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Expenditure	<u>8,703</u>	<u>652,099</u>	<u>660,802</u>

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**8. Analysis of expenditure on charitable activities (continued)**

**Summary by fund type (continued)**

	<i>Restricted funds 2020 £</i>	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Expenditure	3,164	785,804	788,968

**9. Analysis of expenditure by activities**

	<i>Activities undertaken directly 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Expenditure	625,929	34,873	660,802

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Expenditure	754,813	34,155	788,968



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**9. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Staff costs	481,511	525,323
Premises costs	5,431	47,422
Food	25,133	56,623
Stationary and supplies	4,503	6,735
(Profit)/loss on disposal of fixed assets	32,641	-
Household costs	6,190	9,777
Depreciation	20,416	41,440
Repairs and improvements	32,556	31,553
Advertising	1,890	4,882
Insurance	4,181	5,747
Minibus expenses	1,489	7,139
Occupational therapy	-	840
Training and recruitment	1,854	8,434
Miscellaneous	2,399	2,644
Amortisation of software	-	853
Bank charges	414	1,033
Governance costs	5,321	4,368
	<u><u>625,929</u></u>	<u><u>754,813</u></u>

Included in depreciation is £xxx (2020: £3,091) spent from restricted funds.

**Analysis of support costs**

	<b>Total funds 2021 £</b>	<b>Total funds 2020 £</b>
Staff costs	<u><u>34,873</u></u>	<u><u>34,155</u></u>

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**10. Governance Costs**

	2021 £	2020 £
Independent Examiners fee	5,321	4,368

**11. Staff costs**

	2021 £	2020 £
Wages and salaries	485,600	528,021
Social security costs	22,878	23,656
Employer's pension contributions	7,906	7,801
<b>Total staff costs</b>	<b>516,384</b>	<b>559,478</b>

Included in wages and salaries are agency fees of £1,935 (2020: £14,807).

The average number of persons employed by the charity during the year was as follows:

	2021 No.	2020 No.
Care Staff	36	42
Administrative	2	2
	<b>38</b>	<b>44</b>

The average headcount expressed as full-time equivalents was:

	2021 No.	2020 No.
Care Staff	22	22
Administrative	2	2
	<b>24</b>	<b>24</b>

No employee received remuneration amounting to more than £60,000 in either year.

Details of remuneration and benefits received by key management personnel are as follow:

Aggregate salary: £48,035 (2020: £49,478)

Aggregate employer's pension contribution: £1,031 (2020: £1,142)

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**12. Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

**13. Intangible assets**

	Software licence £
At 1 April 2020	4,266
Disposals	(4,266)
	<hr/>
At 31 March 2021	-
	<hr/>
At 1 April 2020	4,266
On disposals	(4,266)
	<hr/>
At 31 March 2021	-
	<hr/>
<b>Net book value</b>	
At 31 March 2021	-
	<hr/> <hr/>
At 31 March 2020	-
	<hr/> <hr/>

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**14. Tangible fixed assets**

	Fixtures and fittings Day Care Centre £	Fixtures and fittings Residential Centre £	Motor vehicles £	Total £
At 1 April 2020	56,860	111,579	51,920	220,359
Additions	-	1,110	-	1,110
Disposals	(56,860)	(112,689)	(51,920)	(221,469)
At 31 March 2021	-	-	-	-
At 1 April 2020	40,444	79,302	35,666	155,412
Charge for the year	5,985	10,537	3,894	20,416
On disposals	(46,429)	(89,839)	(39,560)	(175,828)
At 31 March 2021	-	-	-	-
<b>Net book value</b>				
At 31 March 2021	-	-	-	-
At 31 March 2020	16,416	32,277	16,254	64,947

**15. Fixed asset investments**

	Listed investments £
At 1 April 2020	151,679
Additions	88,196
Disposals	(261,698)
Revaluations	21,823
<b>Net book value</b>	
At 31 March 2020	151,679



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**16. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	-	424
	<u>          </u>	<u>          </u>

**17. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	320	16,216
Prepayments and accrued income	2,290	11,221
	<u>          </u>	<u>          </u>
	<u>2,610</u>	<u>27,437</u>

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**18. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>1,890</b>	<b>18,095</b>
Other creditors	<b>-</b>	<b>2,177</b>
Accruals and deferred income	<b>4,128</b>	<b>31,939</b>
	<b>6,018</b>	<b>52,211</b>

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**19. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>						
Revaluation reserve	20,960	-	-	-	21,823	42,783
General funds	198,476	485,032	(653,802)	3,497	-	33,203
	<u>219,436</u>	<u>485,032</u>	<u>(653,802)</u>	<u>3,497</u>	<u>21,823</u>	<u>75,986</u>
<b>Restricted funds</b>						
Gifts	17,242	-	(8,703)	(3,497)	-	5,042
<b>Total of funds</b>	<u>236,678</u>	<u>485,032</u>	<u>(662,505)</u>	<u>-</u>	<u>21,823</u>	<u>81,028</u>



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**19. Statement of funds (continued)**

**Statement of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
<b>Unrestricted funds</b>					
Revaluation reserve	41,591	-	-	(20,631)	20,960
General funds	319,647	669,261	(790,432)	-	198,476
	<u>361,238</u>	<u>669,261</u>	<u>(790,432)</u>	<u>(20,631)</u>	<u>219,436</u>
<b>Restricted funds</b>					
Gifts	<u>19,216</u>	<u>1,190</u>	<u>(3,164)</u>	<u>-</u>	<u>17,242</u>
<b>Total of funds</b>	<u>380,454</u>	<u>1,190</u>	<u>(793,596)</u>	<u>(20,631)</u>	<u>236,678</u>

**20. Summary of funds**

**Summary of funds - current year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2021 £
General funds	219,436	485,032	(653,802)	3,497	21,823	75,986
Restricted funds	17,242	-	(8,703)	(3,497)	-	5,042
	<u>236,678</u>	<u>485,032</u>	<u>(662,505)</u>	<u>-</u>	<u>21,823</u>	<u>81,028</u>

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**20. Summary of funds (continued)**

**Summary of funds - prior year**

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
General funds	361,238	669,261	(790,432)	(20,631)	219,436
Restricted funds	19,216	1,190	(3,164)	-	17,242
	<u>380,454</u>	<u>670,451</u>	<u>(793,596)</u>	<u>(20,631)</u>	<u>236,678</u>

**21. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Current assets	5,042	82,003	87,045
Creditors due within one year	-	(6,018)	(6,018)
Difference	-	1	(1)
<b>Total</b>	<u>5,042</u>	<u>75,986</u>	<u>81,028</u>

**Analysis of net assets between funds - prior year**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	4,688	60,259	64,947
Fixed asset investments	-	151,679	151,679
Current assets	12,554	59,709	72,263
Creditors due within one year	-	(52,211)	(52,211)
<b>Total</b>	<u>17,242</u>	<u>219,436</u>	<u>236,678</u>

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**22. Reconciliation of net movement in funds to net cash flow from operating activities**

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(155,651)	(143,776)
<b>Adjustments for:</b>		
Depreciation charges	20,416	41,440
Amortisation charges	-	853
Gains/(losses) on investments	(21,823)	20,631
Dividends, interests and rents from investments	(2,075)	(5,172)
Loss on the sale of fixed assets	32,641	-
Decrease/(increase) in stocks	424	(146)
Decrease in debtors	24,828	2,910
Increase/(decrease) in creditors	(46,193)	4,380
<b>Net cash used in operating activities</b>	<b>(147,433)</b>	<b>(78,880)</b>

**23. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	84,436	44,402
<b>Total cash and cash equivalents</b>	<b>84,436</b>	<b>44,402</b>

**24. Analysis of changes in net debt**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	44,402	40,034	84,436
	<b>44,402</b>	<b>40,034</b>	<b>84,436</b>



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**25. Pension commitments**

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £7,290 (2020 - £7,801) were payable to the fund at the balance sheet date and are included in creditors.

**26. Operating lease commitments**

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	-	618
	<u>          </u>	<u>          </u>

**27. Other financial commitments**

The premises previously occupied by the Charity are owned by Rushmoor Borough Council.

The Charity occupied these premises under a 5 year licence renewed in 2017 and was committed to an annual rent of £5,315.

The premises were vacated by the Charity on 31st December 2020, and there are no further rents due.

**28. Controlling party**

The charitable company is under the control of the trustees.