



**The Queen's Award
for Voluntary Service**



Registered Charity Number 1155088

Annual Report & Accounts

For the Year Ending 31 December 2020



Many patients will benefit thanks to a generous legacy which funded this
£50K Mini C Arm System, used for hand and wrist surgery.



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Dr Catriona Irvine
Chairman

Chairman's Foreword

Since its foundation in 1953, the aim of the League of Friends of the Kent and Canterbury Hospital has been to support the work of the hospital by providing services and raising funds to purchase equipment for the benefit of patients, staff and visitors. We raise funds through the hard work of the nine groups in the city of Canterbury and surrounding villages who hold many enjoyable community fundraising events throughout the year. The profits from our highly valued four hospital shops also provide a good source of income. We meet regularly to share ideas and to allocate funding for gifts to the hospital wards and departments. Many volunteers work in the League's hospital shops and help to run the mobile library and shops ward trolleys for patients. The volunteers are supported by our paid staff who manage the charity and the shops.

In normal times our main fundraising event has been the annual joint Hospital and LOF Summer Fair. However, 2020 was a very different year. At the time of signing last year's accounts, the Covid-19 pandemic was just beginning. A year on we have seen the enormous pressure the global pandemic has put on the NHS and the UK economy including all businesses and charities. In March 2020 we closed all our shops in compliance with government advice but since June, two shops have remained open, providing a valuable service for staff and patients. Thanks to the economic support offered by the government and the diligent work of our Trustees and staff, our charity has remained in good financial shape. Although our income has significantly reduced, we have continued to 'meet' virtually and have donated gifts to the K&CH throughout the pandemic, some of which will be highlighted later. We have also continued to receive a number of generous donations and legacies from grateful patients and families.

As Chairman, I would like to thank each and every volunteer, through whose hard work and dedication we are able to contribute so much for the benefit of patients and staff. I would also like to thank our charity employees who manage the charity and run the shops so efficiently throughout the year and my fellow trustees for their hard work and invaluable support. Through everyone's combined effort we are able to make a real difference for patients.

We are always happy to welcome new members and volunteers to help us in this worthwhile work supporting our hospital. See our website, www.lofkch.org.uk for more information.

Catriona
Chairman

Charity Objectives

The key objective of the charity (the League) is to provide services and funds to support the purchase of equipment and facilities which are beyond the scope of government funding to relieve sickness, protect good health and enhance the care and treatment of patients and visitors accessing NHS services at the Kent and Canterbury Hospital, which is a constituent of the East Kent Hospitals University NHS Foundation Trust (the Trust).

The League achieves its objectives by means of operating hospital shops which primarily sell goods to patients, visitors and hospital staff, by fundraising activities and the provision of services.

These services include the provision of a mobile library service to patients and shop trolley to the wards, as well as fundraising activities.

In considering the objectives, the Trustees have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

The Trustees are confident that the activities which they undertake have a clear public benefit. The Trust provides clinical services within the scope of their NHS requirements and the League works hard to support and enhance those services.

Grants

Applications are received from the Kent and Canterbury Hospital staff for equipment and facilities for use in the hospital.

Applications are examined against criteria laid down by the Trust and the League Trustees. Grants are approved at the Trustee Committee meetings and supported by both Central and Group funds.

The aim of the grants is to deliver projects that make a difference to all who use the services at the Kent and Canterbury Hospital by:

- Enhancing the quality of patient care
- Improving the environment for patients and visitors
- Supporting NHS staff welfare in their work environment
- Providing financial funding for projects that support patient education and well-being.

The League depends almost entirely on unpaid volunteers for fundraising and for staffing the many services which we provide for the hospital. The Trustees are truly appreciative of their hard work and acknowledge that the success of the League is largely due to them.

Our valued hospital shops help us achieve our mission by providing a service to patients, staff and visitors, whilst raising funds to purchase equipment for the hospital



Our President, the Lord Mayor of Canterbury, attended our main shop grand opening following a major refurbishment, resulting in a modern and professional environment for staff and customers

Focus on Fundraising



Our nine city and village groups are instrumental in raising funds for the charity and form the backbone of the League. Pre-pandemic, volunteers in the various groups ran a wide range of activities throughout the year, including coffee mornings, bingo sessions, bring and buy events, stalls at the annual fair, selling Christmas cards, etc. Sadly, due to the pandemic normal fundraising activities were necessarily curtailed for most of 2020, although groups impressively still found innovative ways to raise money.

Many group members, as well as individual volunteers, give their time in our four hospital shops. These provide a valuable service for patients, staff and visitors by selling food, snacks, drinks, newspapers, magazines, cards and many other useful items. The League turns profit into equipment and facilities for the benefit of the patients, staff and visitors.

It has often been commented that volunteers gain as much back for themselves as they give to the charity. Our volunteers thoroughly enjoy the social aspect of giving up their free time to support the League, working with long-established friends and having the opportunity of meeting new people. Many of our volunteers enjoy it so much that they have been with us for 20 years or more - some as many as 40 years and one over 60 years!

However, we are always looking for new people to join the League of Friends, so if you are interested in finding out more please email Lynne at ekh-tr.leagueoffriends@nhs.net or telephone 01227 864030.

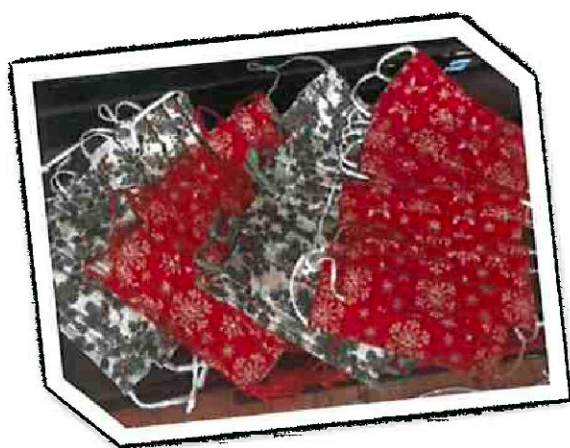
To everyone who has given up their free time to organise fundraising events or worked in our hospital shops, supporting the League, we say a huge thank you for your support and for contributing towards the continuing success of our charity.

FUNDRAISING FUN



At the start of lockdown, with the cancellation of many fundraising events, Canterbury South group decided to set up an unmanned Honesty Table outside a member's home. Passers-by could take items and pay what they wished. They relied on the generosity and honesty of people and raised an amazing £1,450!

During the year, Rough Common, Harbledown & Blean group had a couple of sales tables at a member's home, selling a variety of donated items. Passers-by en route to the local shop enjoyed browsing and buying, helping to raise £1,000 and boosting group funds at a time when regular fundraising events had been cancelled.



Chairman's Masks

During lockdown our Chairman was not idle – she started making face masks almost on a factory scale, selling them in our shops and raising over £240. These Christmassy masks proved extremely popular and quickly sold out.

Chartham group enjoyed making a variety of delicious jams and chutneys for sale in our shops, which proved very popular and raised over £300 for group funds.



Fundraising Fun (continued)



With most fundraising events cancelled, three of our groups, namely: Nailbourne, Rough Common, Harbledown & Blean and Canterbury South decided to undertake house-to-house letter drops to raise funds for their respective groups. Between them, they walked the streets and delivered 4,000 letters in their local area, requesting donations. Their hard work paid off and in total, over £11,000 was raised.

Barham & Kingston group stood out in all weathers, holding two table-top sales outside a member's home during the year. Thanks to their hard work, a fantastic £500 was raised.



Well done to Canterbury South group and League of Friends' trustees who raised £316 at one of the regular Whitstable Junior School charity parking days. Home grown produce and jams boosted takings. With so many events cancelled due to the pandemic, this was a welcome addition to the group's income.

Due to the continuing generosity of the public, donating used stamps, stamp albums, postcards, coins, first day covers, etc, our Collectibles Service has gone from strength to strength, raising £1,427 during the year from auction sales. Although down on the previous 'bumper' year which raised £2,187, this is still an excellent result and thanks go to everyone who has supported this fundraising initiative.



Do you fancy coming to one of our events or perhaps volunteering? Want to organise your own fundraiser? Maybe you want to know more about the League? Visit our website: www.lofkch.org.uk or contact Lynne on ekh-tr.leagueoffriends@nhs.net or 01227 864030. We'd love to hear from you.

Gifts in Action

Despite a difficult year which saw greatly reduced fundraising events, reduced donations, and challenging trading conditions for our hospital shops, as well as purchasing previously committed gifts the League was still able to award new grants totalling £41,925 from Central funds to improve patient care at the Kent & Canterbury Hospital. In addition, our nine hard working city and village groups contributed £39,100 in grants to purchase items benefitting hospital patients, staff and visitors. Some of the items identified below show how our funds were used in achieving our objectives.



"A game changer" is how the delighted Physiotherapy Department described their new £45K anti-gravity treadmill, purchased by the League. This innovative machine allows patients to mobilise and weight-bear in a controlled way, avoiding putting full body weight onto damaged or recovering joints. Patients with a variety of problems benefit from this therapy, including those needing to improve fitness and mobility prior to joint surgery, those recovering from hip or knee replacement surgery, leg amputees, patients with tendon or ligament injuries and those with fractures.

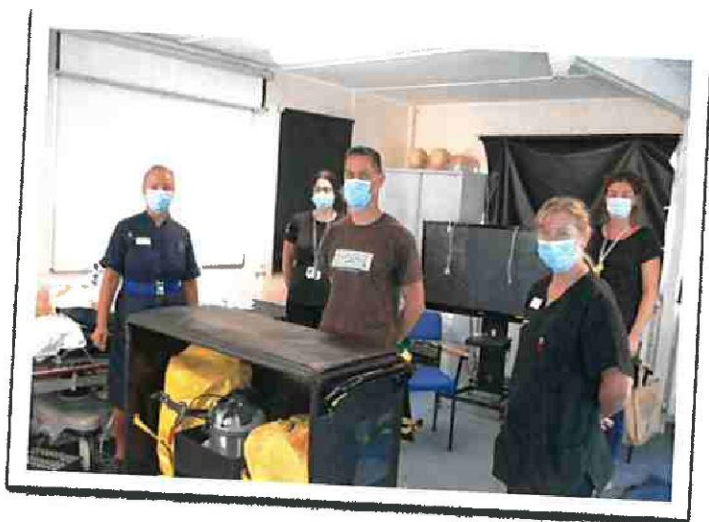
Covid-safe bags containing Christmas gifts were distributed to wards

"You have not been forgotten this Christmas". That was the League's message to patients in hospital over the festive period, including renal dialysis patients, those undergoing chemotherapy and children attending outpatient appointments leading up to Christmas. Thanks go to the Shop Manager and his team who sourced and distributed nearly 700 gifts to help spread a little festive cheer at a difficult time for many.



Gifts in Action (continued)

The FloJac air assisted lifting device helps clinicians safely lift patients who have fallen, from the floor without the need of a lift team to assist. The device inflates with air to lift patients from the floor to bed or stretcher height, minimising the risk of injury to both patient and staff. Fitted with a battery pack, it can also be used outside to lift patients when they have fallen, as well as an evacuation pack which can be used to move patients downstairs.



The League was happy to fund scar suction pumps for the Hand Therapy department. These are used following injuries or surgery where there is scarring which causes superficial adhesions and limits movement. The pump helps to release the adhesions, improving the range of movement. They have been incredibly useful for dealing with tight scars that have become stiff/stuck, allowing the therapist to get a good grip on the scar and

move it about. This has aided many post-surgical patients who experience difficulties managing their scars.

The Paediatric I-Care, costing £4K, is used to check the intraocular pressure of babies and young children. Naomi, Orthoptist at K&C Hospital, said, 'The I-Care ic200 has been invaluable since the League of Friends kindly donated it. We have used it in clinic for babies in need of an intraocular pressure check that previously we were unable to assess. It has also been invaluable in theatre when an emergency check was needed on an already sedated patient'.



Gifts in Action (continued)



Staff at the Children's Assessment Centre were delighted that the League funded a device which will greatly improve childhood asthma diagnosis and monitoring. Childhood asthma is the commonest chronic condition in childhood and cases are rising. A very worthwhile piece of equipment which will be used daily.

Additional equipment purchased during the year:

2 Phlebotomy Chairs	£ 5,579.54
Refreshments for NHS Staff	£ 662.56
15 Wheelchairs	£ 6,720.00
9 Washable Hoist Slings	£ 1,579.20
Bedfont NoBreath Monitor	£ 3,295.00
3 Dermatology Couches	£ 10,980.00
Sweat Collection System	£ 3,385.00
Ultrasound System	£ 16,558.00

Grants awarded in 2020 but not yet purchased:

Other equipment requested that have had grants awarded by Central and Group funds which have not yet been purchased are listed below:

10 Pool Hoist Slings	£ 1,944.83
Hydro Pool Shower Trolley & Hoist Chair	£ 6,518.76
Transducer	£ 4,032.00
Microsuction Service	£ 7,941.44
Microwave & Freezer	£ 346.00

Looking forward/our plans for the future...

Since the start of 2020 the NHS and our local Trust have experienced unprecedented pressure on services due to the Covid-19 pandemic. Like all charities, the League of Friends (LOF) has experienced enormous restrictions on fundraising and normal activities but we have continued to support the patients and staff of the Kent and Canterbury Hospital (K&CH) and the LOF Trustee body will ensure this support continues.

The process of grant application resulting in LOF financial support has been streamlined and the Trustees will continue to ensure that gifts are provided and reach their destination as quickly as possible. The League will continue to endeavour to increase not only the total value of the grants given but to ensure that the money is well spent.

Fortunately, we receive a number of legacies from grateful patients and families, although this varies from year to year. The LOF will continue to ensure that these often large donations are used in projects in line with the donor families' wishes.

The Trustees regularly consider what emerging issues and potential problems they may need to address to ensure the League can continue to meet its objectives and serve the community.

During 2020 the LOF Hospital shops, which are the business arm of our charity, have updated policies, procedures and governance to ensure best practice. The staff and volunteers have engaged positively in developing the service for the benefit of the patients, staff and visitors to the K&CH. New staff and volunteers continue to join our enthusiastic workforce and will benefit the LOF shops service through the pandemic and beyond.

Although the shops' service in this pandemic year has been disrupted with three months' closure at the onset of the pandemic and furlough of many staff, the LOF continues to return towards normal service and previous success. The major refurbishment of the main shop, creating a modern and professional environment, has already shown benefits and we will continue to improve the shops premises.

The Trustees are continuing to seek new ways to strengthen our team of volunteers and have undertaken to work more closely with both the East Kent Hospitals University Foundation Trust and our colleagues in the Leagues of Friends of the other East Kent hospitals.

Our aims for the future include:

- continue to raise the profile of the LOF and fundraising in the community, working with the nine city and village Groups to help them succeed in innovative ways.
- work with the Trust to maximise patient benefit by increasing the level of financial support to the Trust
- maintain the highest standards of governance and management and adhere to legislation and published best practice.
- demonstrate value for money from the resources invested while monitoring risk, to ensure it is maintained at a level commensurate with Charity legislation and guidelines.
- whatever the final configuration of the hospitals and services across East Kent in the future, the K&CH will continue to have an important role and the LOF will continue to support the staff, patients and visitors to the K&CH.
- The LOF can only achieve these plans with your support. Please go to our website for more information about our work and find out how to donate or become involved with this worthwhile charity. www.lofkch.org.uk

Financial Summary

Financial Review Summary

The figures stated here provide an overview and are drawn from the full Annual Accounts at the back of this report. The League held net assets of £810,016 as at 31 December 2020 (£630,079 in 2019)

Income from all sources:	£696k
Voluntary contributions:	£275k
Expenditure totalled :	£516k
Grants to the Trust:	£81k
Governance &	
Administrative costs	£ 39k
Income exceeded	
expenditure by	£180k

The net assets of the League were increased by £179,937 from the balance held at the end of the previous financial year.

Where our income came from

The League's main source of income comes from charitable activities, profit from the four shops (reduced in 2020 compared to previous years) and the generosity of the public who give donations as a thank you for the care they or their friends and family have received or in memory of loved ones, and in bequests and legacies from their estates.

Fundraising by our Groups and volunteers was significantly impacted by the global pandemic with most activities cancelled or postponed. Despite the challenging conditions, groups found innovative ways to raise money and achieved an income of £25k, which is very much appreciated by the Trustees. Without this support the work of the League to provide additional facilities, support to patients, relatives and staff and enhance the services provided by the Kent and Canterbury Hospital would not be possible.

Due to the economic climate donations decreased compared to previous year by £14k and legacies were also lower from £307k in 2019 to £275k in this year.

Legacies are unpredictable and can take time for the cash to be distributed into bank accounts.

Where we spent our funds

The League spends the funds received in accordance with charity law, its grant making policy and respecting the wishes of the donors. Grants to the Trust made up 16% of the total expenditure decreasing from £244k in 2019 to £81k. Due to the additional stress placed on the NHS we had not received as many gift applications in the year, but hope as their work begins to return to normality we will see an increase in applications and will be able to spend our reserves accordingly.

The Trust have been able to identify additional equipment and facilities to request funding by the League which has contributed to the steady flow of grants. The Trustees are hoping that this trend will increase in the coming year.

Financial Summary (continued)

Grants are approved to achieve a benefit to the public (staff and the patients and visitors who use the services and facilities), which would not otherwise be possible within the constraints of the Trust's capital budgets.

Trustees consider each application on merit and aim to support technological advances in treatments by purchasing new and replacement medical equipment.

Projects also include new furniture, refurbishment of patient rooms and gardens.

The League provides a specific suite (Jubilee Suite) for families to enable them to stay close to a loved one whilst giving them time away from the ward, with facilities for a shower, rest and refreshments.

The League also provides services to patients and the public by way of a mobile Library Trolley, newspaper and refreshments trolley and four hospital shops.

A summary of the expenditure is given below:

Gifts to the Hospital	£81k
Hospital Shops	£395k
Governance & Administration	£39k
Cost of Fundraising	£1k

Structure, Governance & Management

The League of the Friends of the Kent and Canterbury Hospitals Charitable Incorporated Organisation (CIO) is registered with the Charity Commission for England and Wales under charity number 1155088.

The charity was established by Constitution on 12 December 2013 and received all assets and liabilities under transfer from The League of Friends of the Kent and Canterbury Hospital – charity number 206925 on the 11 February 2014.

Charity number 206925 remains operative to receive any gifts left to it, but these are transferred to the CIO under the terms of the transfer agreement.

The objects of the Charity as stated in the Constitution document are: 'To relieve sickness and to preserve and protect good health for the public benefit by supporting the work of Kent and Canterbury Hospital by such means as the Trustees deem appropriate.'

The League CIO exists to raise and receive charitable donations to benefit the wards, departments and services provided by the East Kent Hospitals University NHS Foundation Trust at the Kent and Canterbury Hospital in Kent.

All income is recorded as 'unrestricted' unless a document which forms a legally binding Trust eg, a Will, which identifies that the funds are to be used for a specific purpose and no other is received at the time of receipt.

There is currently one restricted legacy outstanding with an estimated value of £125k. Most legacies are given without reservation to benefit the League.

Under the constitution, the League's Trustees shall manage the affairs of the CIO and may for that purpose exercise all the powers of the CIO.

All the profits from the hospital League shops, donations, legacies, gift aid, group fundraising activities, proceeds from the Stamps and Collectibles Service, the joint annual Hospital Fair and investment interest provide our income, to be made available for the purchase of gifts to the Kent and Canterbury hospital.

The Trustees

Trustees are the people legally responsible for having general control of the management and administration of the League of Friends of the Kent and Canterbury Hospital CIO.

Trustees are appointed in accordance with the League Constitution as at 12 December 2013. A maximum of sixteen Trustees may be appointed at any one time with a minimum of four in office. At the Annual General Meeting (AGM) one third of the Trustees must retire from office (on a rotation basis) and vacancies so arising may be filled by the decision of the members at the meeting. Due to the pandemic, the June AGM was postponed until October. In accordance with clause 13 of the constitution, one third of the charity trustees retired from office at the AGM. All the retiring Trustees agreed to stand for election and were re-elected unanimously. The following trustees retired from office: Mr N E J Wells, Mrs L Higgins, Mrs P M Shephard and Mr R F Hughes.

Structure, Governance & Managements (continued)

For the year ended 31 December 2020 the Trustees were:

Dr C Irvine – Chairman	Mrs G M Morton
Mrs L Coleman – Vice Chair	Mrs J A Reed
Mr V E Pritchard – Hon Secretary	Mrs E W Gould
Mr A Collyer – Hon Treasurer (appointed 20.1.20)	Miss C Blakemore (appointed 18.5.20)

Meetings

The Trustees meet regularly, 6 times a year and are supported by a salaried charity manager. Membership of the CIO is open to nominated persons from each of the nine local supporters' groups and from nominated persons from the services offered by the League.

The Trustees report to the wider membership at the Central Committee, which meets 5 times a year, and all nominated members are entitled to vote at this meeting. In advance of the Annual General Meeting, members receive the formal reports and audited accounts. Aside from the Annual General Meeting, the Central Committee's main purpose is to decide on the allocation grants for gifts to the Hospital and individual local groups can pledge full or partial funding for specific gifts.

Groups

Our nine city and village groups form the backbone of the League and meet regularly to plan and hold fundraising events. At Central Committee meetings, held five times a year, the groups agree to purchase specific items for the hospital, chosen from a list of requests from hospital wards and departments. The groups also make up many of the volunteers required to run the on-site hospital shops.

The majority of fundraising in 2020 was curtailed due to the Coronavirus pandemic, although groups still found innovative and impressive ways to raise money in a Covid safe environment. For example, three groups between them delivered 4,000 letters in their local area, highlighting the work of the League and requesting donations – over £11,000 was raised. Several groups also held table top sales outside their homes, raising significant sums.

Each League Group has its own Chair, Secretary and Treasurer as well as other members to manage its affairs and assist with fundraising. One of the CIO Trustees acts as Groups Liaison, attending their meetings and reporting to the Trustees on any issues, concerns and activities of the Groups.

The Groups prepare end of year financial statements which are then incorporated into the CIO Annual Accounts. In 2020 the CIO Trustees requested half-yearly returns to enable Gift Aid, other claims and reimbursements and outstanding commitments to be monitored in alignment with the Central and Shop Funds reporting.

Structure, Governance & Managements (continued)

There are currently nine community groups as follows:

**Ash * Barham & Kingston * Canterbury South * Chartham * City Centre * Nailbourne
Rough Common, Harbledown & Blean * St Stephen's & St Dunstan's * Sturry**



Rough Common, Harbledown & Blean group served coffee and delicious homemade cake prior to their AGM. A raffle and sales table raised £300 for group funds

Library Trolley Service

The ward library trolley was unable to visit wards during most of 2020. In normal times, the service aims to undertake a daily ward round, offering patients a good selection of books and magazines on loan, and is even able to provide a pair of reading glasses, if required. Patients enjoy seeing a friendly face and if well enough, passing the time of day with our volunteers, even if they do not wish to take a book.

Collectibles Service

A long-serving volunteer and his wife have been diligently preparing and sending to auction donations of stamps, coins, first day covers, postcards, etc. With increased publicity, the service has gone from strength to strength with people realising that they can help the charity raise money without it costing them anything.



Advisors

Regulating Body

Charity Commission for England and Wales
London

Investment Managers

CCLA Investment Management Limited
80 Cheapside, London EC2V 6DZ

Registered Charity Number

1155088

Bankers

National Westminster Bank PLC
11 The Parade, Canterbury, Kent CT1 2SG

Principal Office

Kent and Canterbury Hospital Ethelbert Road Canterbury Kent CT1 3NG

Accountants and Auditors

Kreston Reeves LLP Chartered Accountants Statutory Auditor
37 St Margaret's Street Canterbury Kent CT1 2TU

Patron

The Lord Archbishop of Canterbury

President

The Lord Mayor of Canterbury

Finance Sub Committee

This Committee was established in 2016 as a separate committee to support the Trustees in Governance and Finance issues that require in depth review and discussion and where immediate decisions are required prior to the next Trustees' meeting.

The Committee works under Terms of Reference set out in the Governance Policy, which was updated in November 2020, and reports directly to the Trustees at the next meeting, making recommendations and notifying them of any decisions and actions that may have been taken.

Terms of Reference are reviewed annually and updated where required to meet the changing needs of the League.

Meetings are held at least once a year and on an ad-hoc and/or via remote communication where necessary to ensure the best outcome for the League.

The members of the Finance Sub Committee are key Trustee Officers and are chaired by the Hon. Treasurer or the Chairman where the Treasurer is unable to attend.

Members are:

- Chairman
- Vice Chairman
- Hon. Treasurer
- Hon. Secretary
- Shop Trustee
- Additional officers where appropriate

Structure, Governance & Managements (continued)

The Committee has the following specific duties and functions:

- Review investment strategies to maximise opportunities
- Review approval thresholds for expenditure from the League's funds
- Review and approve the annual report and accounts prior to submission to Trustees
- Review contracts relating to audit, banking and shop bookkeeping to ensure these remain competitive, meet legal and Charity Commission compliance.
- Authorise expenditure where immediate action is required to maximise benefit to the League.

Members are required to disclose all relevant interests at the start of meetings and withdraw from decisions when a conflict of interest arises.

Staff and Volunteers

The League is grateful for the unstinting efforts of its volunteers who are involved in fundraising activities, service provision through the League shops, Ward and Library Trolley Services.

The League of Friends has an estimated 200 volunteers and members covering all aspects of the League's work. If each volunteer spends on average 3 hours per week, this equates to around 31,200 hours per year of voluntary work. If these volunteers were paid the real living wage of £9.50 per hour, then we estimate they give nearly £296,400 worth of unpaid work per year to the hospital.

Hospital Shops are manned by paid staff including a full time Shops Manager and Deputy Manager, supported by volunteers.

Post pandemic, it is planned that both the Ward Mobile Library Service, run by volunteers, and the daily Ward Trolley Service (newspapers/refreshments/toiletries, etc), undertaken by paid staff, will re-commence.

Kreston Reeves acts as shop bookkeepers and the League is supported by a paid Charity Manager for administration.

Total paid staff equates to circa 8wte. The League had a monthly average of 13 paid employees in 2020 (17 in 2019) at an annual cost of £209,521 (£249,775 in 2019).

Policies and Objectives

Grant making policy

The League accepts applications from the Kent and Canterbury hospital staff for equipment, facilities and support for patient educational groups and projects as well as welfare requests in support of the NHS staff.

All the applications must have been processed through the rigorous East Kent Hospitals University NHS Foundation Trust procedures to ensure that any request meets the required standards and criteria of the Trust prior to being submitted to the League for consideration.

It is the responsibility of the Trust to ensure that the applications have been authorised under their procedures and that any equipment purchased by the League funds will be supported and used at the Kent and Canterbury Hospital for a minimum of three years.

Applications are reviewed by the Trustees to ascertain their suitability to meet the objectives of the League and to request any additional information from the Trust deemed necessary to enable them to make this decision.

The applicants are requested to attend a League Central meeting to present their case in support of their request. This provides an opportunity for the League's Groups and members to raise any issues and to decide if they wish to fully fund the equipment or to make a partial contribution.

The Trustees will commit Central Funds to meet any balance not met by the Groups to enable the equipment to be purchased.

Where the application is for medical equipment, the League requires a clinician to present the case for support. Significant equipment/project is deemed to be any single or joint purchase of over £15,000.

Where the applicant or Trust representative cannot, or fails to attend, the application will be deferred until the next meeting.

Grants agreed should be actioned within 3 months from approval. The League retains the right to cancel the grant if it has not been actioned.

The Trust will purchase the equipment and invoice the League once the supplier has been paid, providing a valid copy of the supplier's invoice in confirmation of purchase.

The League will arrange publicity presentations with the receiving department to promote the work of the League.

Risk statement

Throughout the year the Trustees actively review the risks which the League faces and take all reasonable steps to reduce and apply procedures to mitigate those risks.

Policies and Objectives (continued)

The main areas of risk have been identified within the following categories:

- Financial
- Governance
- Reputational

The Trustees have mitigated these risks by:

- Regular review of the financial procedures and systems
- Maintaining a diversified low-risk approach to cash holdings and investments
- Review of reserves to ensure there are sufficient resources in the event of adverse conditions arising to meet all legal obligations.
- Maintaining up-to-date financial records, governance, policies and training documentation and practices.
- Working with the Trust to understand the changes in strategic approach to delivery of services and the role of the League within these confines.

In the Trustees' opinion, all appropriate action has been taken to ensure the risks are mitigated.

Investment Powers

The investment powers are stated in the charity's Constitution as follows: "the power to deposit or invest funds, employ a professional fund-manager, and arrange for the investments or other property of the CIO to be held in the name of a nominee, in the same manner and subject to the same conditions as the trustees of a trust are permitted to do by the Trustee Act 2000.

Investment Objective

In view of the volatility in the share markets the Trustees retain all surplus funds in various cash holdings which provide immediate and notice access to funds to meet current and ongoing grants to the hospital to achieve the League's objectives.

Committed and non-committed funds are held in Charity Deposit accounts. It is important to maintain sufficient funds in instant access accounts to enable the League to meet all current and anticipated demand for grants (ie, gifts/equipment) to the Kent and Canterbury Hospital.

A significant sum of circa £96,000 has been maintained in the COIF account, managed by CCLA Investment Management Ltd, which has restrictions on access but pays interest.

Remaining cash is currently held with commercial banks. To minimise the risk as covered by the Financial Services Compensation Scheme (currently £85,000) the Trustees agreed to maintain a rolling programme of short-term deposits held in higher interest deposit accounts to maximise returns on surplus cash which is not ordinarily required by the League within a 12-month period.

Due to the increased activity in the purchase of equipment the Trustees agreed not to reinvest in a short-term deposit in 2020 as it is anticipated that the demand for cash will negate the need to invest further at this time. This will remain under review.

Interest rates have remained very low for the last few years and income from investments remain below historic levels and are not currently expected to increase in the foreseeable future.

Policies and Objectives (continued)

Unless the donor has expressed a specific request regarding investment, the investment of funds is in accordance with the Trustees Investment Act 1961.

Reserves Policy

Charity Reserves as defined under the Statement of Recommended Practice (SORP) FRS 102 2015 (1.1.48) are those funds which become available to the charity to be spent at the Trustees' discretion in furtherance of the charity's objectives, excluding funds which are spent or committed or could only be realised through the disposal of fixed assets. These are therefore classified as 'free'.

The Trustees recognise their obligation to ensure that income received by the League should be spent effectively and promptly in accordance with the charity's objects.

The Trustees have reviewed and revised their Reserves Policy and have determined that it is necessary to retain reserves over the longer term to:

- *Reduce the impact of risks from the external environment should the levels of income reduce significantly*
- *Hold sufficient reserves to ensure the charity can cover its ongoing operational costs to process outstanding commitments.*
- *Meet the cost of closure or transfer of the charity's affairs should the need ever arise*

The Trustees consider it prudent that a minimum reserve of £120,000 should be maintained. This sum is held to cover any known commitments to suppliers and provide sufficient funds to pay staff in the event of the Charity having to cease trading and to finalise its responsibilities.

Definition of Funds

Restricted Funds

Funds which are subject to specific trusts e.g. terms of will

Endowment Funds

Funds which are to be held as capital and only the income generated can be expended.

Unrestricted Funds

Funds which are expendable at the discretion of the Trustees, or designated in consideration of donors' wishes.

Designated Funds

Funds held for specific wards or services in consideration of approved grants (commitments) and/or donors' wishes. They do not form any binding Trust and can be transferred to general purpose funds at the discretion of the Trustees.

Policies and Objectives (continued)

At the 31 December 2020 the reserves held were identified as below:

Restricted funds £125k

Unrestricted funds £685k

Less Fixed assets £ 46k

Less Stock £ 10k

Freely available
reserves
 £629k

The level of reserves held at 31 December 2020 is higher than the minimum requirements set in the policy but this is partly because the cash from expected legacies has not yet been received. The accrued legacies total £430k which reduces the free cash reserves to £199k.

Although this is still higher than the policy minimum the Trustees are confident that the level of grants will fluctuate within the year and reserve levels will reflect these changes.

In addition, Trustees are actively approaching staff on the wards and in departments to encourage more applications, are actively chasing departments to place orders when grants have been agreed as well as the Trust to send invoices to settle outstanding grants.

Covid 19

The Trustees are aware of the economic and social effects on the charity caused by the global pandemic and will continue to mitigate future risks by following Government guidelines and adapting its own internal strategy accordingly.

During the year the Government Furlough Scheme was used to the benefit of the Charity whilst retaining staff to ensure the day-to-day operation was able to continue within the imposed government restrictions

Statement of Trustees' Responsibilities

The following pages show the financial accounts for the year ended 31 December 2020.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charity SORP 2015 (FRS 102)
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 operation.

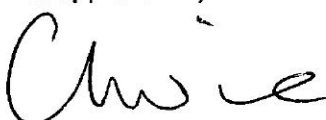
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008, and the provisions of the League Constitution.

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. The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website.

As far as the Trustees are aware, there is no relevant audit information of which the League's auditors are unaware and the Trustees confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts.

The financial statements attached have been compiled from and are in accordance with the financial records maintained by the Trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the Trustees on 17/5/2021 and signed on their behalf by:

Signed: 

Dr Catriona Irvine
Chairman

Independent Auditor's Report

Issued to the Trustees of The League of Friends of the Kent & Canterbury Hospital CIO

Opinion

We have audited the financial Statements of The League of Friends of the Kent & Canterbury Hospital CIO (the 'charity') for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flow 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, including Financial Reporting Standard (FRS) 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31st December 2019 and of its incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 charity'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 trustees' annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 set out on page 23, the trustees are responsible for the preparation of financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements.

We have been appointed as Auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the Charity and industry, and through discussion with the trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of legacies. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and

- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
Canterbury

18 May 2021

Statement of Financial Activities

Statement of Financial Activities for the year ended 31 December 2020

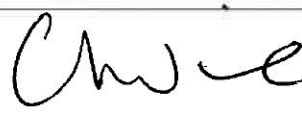

				2020			2019
	Note	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£
Income from	2						
Donations and legacies		150,000	125,000	275,000	341,429	0	341,429
Charitable activities		308,173	0	308,173	784,666	0	784,666
Other trading activities		13,089	0	13,089	37,354	0	37,354
Investments		552	0	552	2,710	0	2,710
Government grants		99,009		99,009			
Total Income	2	570,823	125,000	695,823	1,166,159	0	1,166,159
Expenditure	3						
Raising funds		861	0	861	4,230	0	4,230
Charitable Activities		515,025	0	515,025	991,581	0	991,581
Total expenditure	3	515,886	0	515,886	995,811		995,811
Net movement in funds before transfers		54,937	125,000	179,937	170,348	0	170,348
Transfer between funds	8	0	0	0	0	0	0
Reconciliation of funds:							
Total funds brought forward		630,079	0	630,079	459,731	0	459,731
Total Funds carried forward		685,016	125,000	810,016	630,079	0	630,079

The accompanying notes form an integral part of these financial statements.

All activities relate to continuing operations.

Balance Sheet

Balance Sheet as at 31 December 2020

				2020		2019	
	Note	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds	Restricted Funds	Total Funds
		£	£	£	£	£	£
Fixed Assets							
Tangible assets	4	45,757	0	45,757	22,477	0	22,477
Current Assets							
	5						
Stocks		10,439	0	10,439	14,441	0	14,441
Debtors	6	430,198	125,000	555,198	302,046	0	302,046
Cash at bank and in hand		337,643	0	337,643	524,506	0	524,506
Total Current Assets		778,280	125,000	903,280	840,993	0	840,993
Liabilities							
Creditors: Amounts falling due within one year	7	(139,021)	0	(139,021)	(233,391)	0	(233,391)
Total Net Current Assets		639,259	125,000	764,259	607,602	0	607,602
Total Net Assets	5	685,016	125,000	810,016	630,079	0	630,079
Total Funds		685,016	125,000	810,016	630,079	0	630,079
The financial statements were approved by the Trustees on <i>May 17th</i> 2021 and signed on their behalf by:							
Dr C Irvine, MBBS, FRCP Chairman							
Mrs L Coleman Vice Chair							
The accompanying notes form an integral part of these financial statements.							

Cash flow as at 31 December 2020

Cash Flow as at 31 December 2020			
	Note	2020	2019
		£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		179,937	170,348
Adjustments for: -			
Depreciation on assets		7,906	3,860
(Increase)/decrease in stocks		4,002	(1,491)
(Increase)/decrease in debtors		(253,152)	(146,516)
Increase/(decrease) in creditors		(94,370)	(33,439)
Net cash provided by/ (used in) operating activities		(155,677)	(7,238)
Net cash provided by /(used in) investing activities:			
Net cash used to purchase of tangible fixed assets		(31,186)	(9,729)
Change in cash and cash equivalents in the year		(186,863)	(16,967)
Cash and cash equivalents at the beginning of the reporting period		524,506	541,473
Cash and cash equivalents at the end of the reporting period (c/fwd)		337,643	524,506

Notes to the financial statements for the year ended 31 December 2020

The League of Friends of the Kent and Canterbury Hospital CIO is a charitable incorporated organisation, domiciled in England and Wales, registration number 1155088. The principal office is at Kent and Canterbury Hospital, Ethelbert Road, Canterbury, Kent, CT1 3NG. The accounts are presented in pounds sterling and rounded to the nearest pound.

Principal accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historic cost convention, with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Charities Act 2011 and have only departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities 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 (FRS 102) effective 1 January 2015 rather than the earlier version of the SORP published in 2005 which has since been withdrawn. The League of Friends of the Kent and Canterbury Hospital CIO constitutes a public benefit entity as defined by FRS 102.

The functional and presentation currency is Pounds Sterling. The financial statements are presented to the nearest Pound.

1.2 Going concern

The Trustees have a reasonable expectation that the League has adequate resources to continue in operational existence for the foreseeable future and are unaware of any material uncertainties facing the charity that could impact on this conclusion. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Incoming Resources

All incoming resources are recognised once the League has evidence of entitlement and it is probable (more likely than not) that the resources will be received and the monetary value can be measured with sufficient reliability. It is not the charity's policy to defer income.

All income is considered to be Unrestricted, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the League unless there is a legally binding Trust, such as a Will or Deed, or when the League has raised funds for a publicly stated specific purpose. Those funds with such documents will be recognised as Restricted in the accounts until such time as they are either spent, or can no longer be used for the purpose for which they were given. In such cases the donors will be contacted to request a change of purpose or return of funds, or where they become too small a value to achieve the initial purpose, they will be transferred to general funds in furtherance of the League's objectives.

Principal accounting policies (continued)

Designated (unrestricted) funds comprise funds that have been set aside by the Trustees for particular purposes. These purposes are, in the main, for the provision of gifts to the Trust. The Trustees may return these funds for general purposes at their discretion.

Where there are terms or conditions attached to the incoming resource (particularly grants) then these must be met before the income is recognised as the entitlement will not be evidenced, or where there is uncertainty that the conditions can be met, then the income is not recognised in the year. It is not the charity's policy to defer income even where a pre-condition for use is imposed.

Legacies are accounted for as incoming resource either on receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted
- The executors have established that there are sufficient assets in the estate to pay the legacy and
- All conditions attached to the legacy have been fulfilled or are within the charity's control
- Where the amount of the legacy can be reliably estimated.
- Legacies which are subject to a life interest party are not recognised.

Where legacies have been notified to the League, or are aware of the granting of probate, but that a reliable estimate cannot be identified, then the legacy is shown as a contingent asset and disclosed if material.

Fundraising income is shown gross.

Income from the shops operated by the League is accounted for when earned.

Investment income is recognised at the time the investment income is received.

Gifts in kind are valued at a reasonable estimate of their value to the Charity. Gifts donated for resale are included as income either when they are sold or at the estimated resale value after deduction of the cost to sell the goods.

1.4 Intangible Income

The value of services rendered by volunteers is not incorporated in these accounts, but it is recognised that the

intangible value of volunteers far outstrips any financial worth that may be attributed to their service.

1.5 Resources expended

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

Principal accounting policies (continued)

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs are those costs incurred directly in support of expenditure on the objects of the League. These are allocated on a time spent basis.

Governance costs are those incurred in connection with administration of the League and compliance with constitutional and statutory requirements.

The cost of charitable activities comprises both the shops' expenditure and the value of gifts made to the Kent and Canterbury Hospital. Such gifts are recognised when the League has committed itself to the expenditure and this has been communicated to the hospital.

The League does not make grants to individuals. All grants are made to the Trust to provide for the care of NHS patients in furtherance of its charitable aims.

Liabilities are recognised as and when an obligation arises to transfer economic benefits as a result of past transactions or events.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

1.6 Tangible Fixed assets

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful life on the following basis: -

- Computers – 33% Straight line
- Shop Improvements – 5% Reducing balance
- Fittings & equipment – 20% Reducing Balance – all areas

1.7 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.

1.8 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.

Principal accounting policies (continued)

1.9 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.

1.10 Creditors and provisions

Creditors and provisions are recognised where the League 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.

Grant commitments are only recognised when the League has committed itself to the expenditure and this has been communicated to the hospital.

1.11 Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the Trustees to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities and the results for the year.

The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

Estimates for legacies have been made based on the market value of property from website estate agents and from information provided by the solicitors regarding estimated value of the estates and/or probate figures.

1.12 Charity Tax

The League of Friends of the Kent and Canterbury Hospital CIO is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance

Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2 Income from

Voluntary income	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
Donations	20,234	0	20,234	34,392	0	34,392
Legacies	129,766	125,000	254,766	307,037	0	307,037
Total Donations and Legacies	150,000	125,000	275,000	341,429	0	341,429
Charitable Activities						
Shops and Trolleys	308,173	0	308,173	784,666	0	784,666
Other Trading Activities:						
Groups	13,089	0	13,089	21,644	0	21,644
Joint Summer Fair	0	0	0	15,710	0	15,710
Total Other Trading Activities	13,089	0	13,089	37,354	0	37,354
Investment:						
Bank Interest – deposit accounts	157	0	157	1,508	0	1,508
COIF Deposit Interest	395	0	395	1,202	0	1,202
Total Investment income	552	0	552	2,710	0	2,710
Government grants	99,009	0	99,009	0	0	0
Total incoming resources	570,823	125,000	695,823	1,166,159	0	1,166,159

3 Expenditure on

Raising funds	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
Summer Fair including Grand Draw Tickets and prizes	252	0	252	2,640	0	2,640
Other fundraising costs	609	0	609	1,590	0	1,590
Total Costs of Raising Funds	861	0	861	4,230	0	4,230
Charitable activities:						
Hospital shops						
Shop and trolley purchases	177,165	0	177,165	454,955	0	454,955
Sundry purchases	1,220	0	1,220	3,039	0	3,039
Other direct costs	27,287	0	27,287	26,872	0	26,872
Shop staff wages	180,960	0	180,960	221,324	0	221,324
Depreciation of tangible fixed assets	7,870	0	7,870	3,815	0	3,815
Total shop expenditure	394,502	0	394,052	710,005	0	710,005
Gifts to the Kent & Canterbury Hospital						
Central	41,925	0	41,925	209,913	0	209,913
Groups	39,100	0	39,100	34,195	0	34,195
Total cost of Gifts	81,025	0	81,025	244,108	0	244,108
Support and Governance Costs						
Secretarial fees	28,561	0	28,561	28,451	0	28,451
Depreciation of tangible fixed assets	36	0	36	45	0	45
Sundry purchases	8,014	0	8,014	7,233	0	7,233
Other direct costs	7	0	7	167	0	167
Auditors' remuneration	2,880	0	2,880	1,572	0	1,572
Total Support and Governance Costs	39,498	0	39,498	37,468	0	37,468
Total Expenditure	515,886	0	515,886	995,811	0	995,811

4 Analysis of tangible fixed assets

	Fittings/ Equipment Central	Computer Equipment Central	Total 2020 Central	Fittings/ Equipment Hospital Shops	Improvements – Hospital Shops	Total 2020 Shops	Total 2020
Cost							
At 01 January 2020	2,104	1,490	3,594	52,451	14,642	67,093	70,687
Additions	0	0	0	17,547	13,639	31,186	31,186
Disposals	0	0	0	(5,260)	0	(5,260)	(5,260)
At 31 December 2020	2,104	1,490	3,594	64,738	28,281	93,019	96,613
Depreciation:							
At 01 January 2020	(1,918)	(1,490)	(3,408)	(38,962)	(5,840)	(44,802)	(48,210)
Charge for the year	(36)	0	(36)	(6,057)	(1,120)	(7,177)	(7,213)
On disposals	0	0	0	4,567	0	4,567	4,567
At 31 December 2020	(1,954)	(1,490)	(3,444)	(40,452)	(6,960)	(47,412)	(50,856)
Net book value:							
At 31 December 2020	150	0	150	24,286	21,321	45,607	45,757
At 31 December 2019	186	0	186	13,489	8,802	22,291	22,477

5 Analysis of net assets between funds

Analysis of net assets between funds	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
Tangible Fixed Assets	45,757	0	45,757	22,477	0	22,477
Current Assets:						
Cash in hand	337,643	0	337,643	524,506	0	524,506
Stocks – Goods for resale	10,439	0	10,439	14,441	0	14,441
Debtors – Gift Aid	2,430	0	2,430	2,892	0	2,892
Debtors – Legacies	424,939	125,000	549,939	298,000	0	298,000
Debtors - others	2,829	0	2,829	1,154	0	1,154
Total Current Assets	778,280	125,000	903,280	840,993	0	840,993
Creditors due within 1 year:						
Trade – Shops	(14,678)	0	(14,678)	(37,786)	0	(37,786)
Gifts for Hospital	(118,898)	0	(118,898)	(168,445)	0	(168,445)
Other creditors	(5,445)	0	(5,445)	(27,160)	0	(27,160)
Total Creditors	(139,021)	0	(139,021)	(233,391)	0	(233,391)
Total Net Assets	685,016	125,000	810,016	630,079	0	630,079

6 Analysis of Debtors

Analysis of Debtors due within 1 year	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
Legacies	424,939	125,000	549,939	298,000	0	298,000
Other	2,829	0	2,829	1,154	0	1,154
Gift Aid - Central	2,430	0	2,430	2,892	0	2,892
Gift Aid - Groups	0	0	0	0	0	0
Total Debtors	430,198	125,000	555,198	302,046	0	302,046

7 Analysis of Creditors

Analysis of Creditors due within 1 year	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
Trade (shop purchases for resale)	14,678	0	14,678	37,786	0	37,786
Other Creditors						
Other creditors - Wages	0	0	0	13,366	0	13,366
Other creditors - VAT	0	0	0	6,222	0	6,222
Total Other Creditors	14,678	0	14,678	19,588	0	19,588
Accruals:						
Accountancy/Bookkeeping/ Stocktake	3,873	0	3,873	6,000	0	6,000
Auditors	1,572	0	1,572	1,572	0	1,572
Commitment of Gifts to the Hospital	118,898	0	118,898	168,445	0	168,445
Total Accruals	124,343	0	124,343	176,017	0	176,017
Total Creditors	139,021	0	139,021	233,391	0	233,391

8 Transfer of Funds

The Trustees review all unrestricted and restricted funds to ensure that there is a need and can meet the criteria for its purposes. No funds were transferred or reclassified in the reported year (NIL in 2019)

9 Related Party Transactions

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2019 – Nil).

10 Staff Costs and Trustee remuneration

The average monthly number of employees was 13 (17 in 2019). The East Kent Hospitals University NHS Foundation Trust pays the staff costs on behalf of the League, which are then reimbursed. The amounts reimbursed for the year amount to £75,389 (£249,775 in 2019). For 2020 this encompasses salaries, National Insurance costs and pension contributions for the first 4 months of the year (12 months in 2019), after which the charity ran its own payroll through a professional provider.

The total staff costs and employees' benefits was as follows: -

Gross wages	£196,075
Employer's National Insurance	£ 8,895
Employer's pension contributions	£ 4,551

No employee received remuneration amounting to more than £60,000 in either year. None of the Trustees have received any remuneration or benefits in kind from the League for their work in this financial year whilst undertaking their responsibilities for the Charity (2019 None).

No Trustees received reimbursement of expenses in the current year (2019 Nil).

11 Covid 19

At the time of signing the accounts the Trustees are aware of the potential economic and social effects of the Covid-19 virus outbreak has had on 2020. Although we cannot be sure whether there will be further impact, the government have mapped the route out of lockdown and we are comfortable that we have an appropriate financial plan in place for the shop going forward. If there is an unforeseen further Covid impact then the charity will continue to seek to mitigate this risk by following the UK Government's guidelines and adapting/developing its own internal strategy.