

**THE MEDWAY LEAGUE OF FRIENDS**

**CHARITY REGISTRATION NO: 1172065**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2020**

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**THE MEDWAY LEAGUE OF FRIENDS**  
**TRUSTEES' REPORT**

The trustees present their third report with the financial statements of the charity for the year ended 31 July 2020. This is their second report since the transfer of the charity's activities from the "Medway League of Friends", to this Charitable Incorporated Organisation on 1 August 2018.

**ADMINISTRATIVE DETAILS**

Charity registration number	1172065
Principal address	Medway Maritime Hospital Windmill Road Gillingham Kent ME7 5NY
Trustees	J Spence D May Mrs E Norman S Towsey Mrs J Harsent C H Silk Mrs M Cogger Ms H Belcher T Higgins - appointed 5 September 2019 Mrs C Harvey - resigned 13 May 2020
Auditors	Kreston Reeves Montague Place Quayside Chatham Maritime Chatham ME4 4QU
Bankers	Lloyds Bank plc

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The charity is a charitable incorporated organisation registered with the Charities Commission on 15 March 2017 and governed by its constitution adopted 8 March 2017.

**Appointment of Trustees**

Many of the trustees named above are the first trustees appointed in the charity's constitution. At the first annual general meeting all trustees retired from office and were re-appointed. At the subsequent meetings one third of the total number retire by rotation. Trustees are appointed by the members at the annual general meeting and their number shall not be less than four.

New trustees would require some experience of the sector in which the charity operates and be appropriate for the League. They would usually be invited by existing trustees to consider standing for election.

## **THE MEDWAY LEAGUE OF FRIENDS**

### **TRUSTEES' REPORT**

#### **Organisation and Decisions**

The trustees meet at least four times a year to manage the League's affairs. This Committee consists of a Chairman, Vice Chairman, Treasurer and Secretary and between one and eleven other persons. No person shall be a member of the Committee who is not a member of the League itself.

The Committee are assisted by managers and organisers of the League's shops and a representative of the Medway NHS Foundation Trust. An operations manager has day to day control over its employed staff and the many volunteers.

#### **Affiliations**

The League is a member of Attend, which exists to promote and develop the role of volunteers in our health and social services throughout the UK.

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives**

The objects of the charity are the relief of sickness and the promotion of the good health and wellbeing of patients of NHS services in Medway, in particular the patients of the Medway Maritime Hospital Trust, through the provision of grants, items and services, funded where possible by the work of volunteers.

#### **Public Benefit**

In accordance with the Charities Acts and Regulations, the trustees have had due regard to the guidance published by the Charity Commission on the requirement that the objectives and work undertaken by the League are in line with charitable objects and do provide benefit for the public.

In 2018, the charity took over the activities previously carried on by the 'Medway League of Friends' whose original aim was to provide those 'little extras' for patients and staff in the then local hospitals (latterly just the Medway Maritime Hospital) that the NHS cannot always provide. Over time those 'little extras' have turned into vital pieces of medical equipment, furniture and other amenities. The difference, that the charity intends to continue through its activities, is to help speed patients' recovery and get them back to their homes and loved ones and to do this wherever possible through the services of volunteers from the community.

#### **Aims and Activities**

The main objective for the year under review was to continue the provision of services through sales at the League's shops and trolley at the Medway Maritime Hospital.

During 2019/20 the League operated two shops at the Medway Maritime Hospital: the main shop / refreshment area and a 24-hour kiosk in A&E, so that patients, visitors and hospital staff can always get a snack or a hot drink whatever the time of day or night. In addition there was a daily trolley service around the wards of the hospital, until the outbreak of the COVID-19 pandemic forced its suspension. The League's Trustees have reluctantly concluded that continuing infection control measures make it impossible to resume this service. The League's small shop in "A" Block closed in August 2019 when the Hospital Trust required the site for redevelopment.

Hospital Radio Medway is a part of the League, and broadcasts 24 hours of programmes each and every day, including record requests, themed music and items of local interest to the patients.

The League makes significant use of volunteers in the course of undertaking its charitable and income generating activities. The volunteers carry out many of the duties required to operate the shops.



## **THE MEDWAY LEAGUE OF FRIENDS**

### **TRUSTEES' REPORT**

#### **Impact Statement**

In deciding whether to make grants, the Trustees work from a business case made by the applicants. In order to see how the items funded are being used, the Trustees have begun following up the grants. Here are some examples.



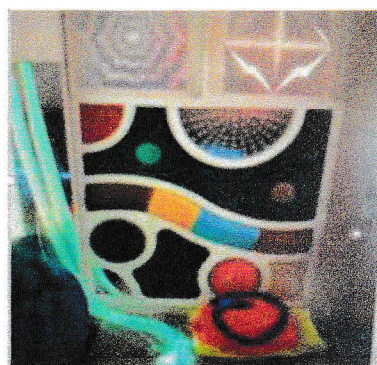
#### **CAPITAL DONATION – Laser Scanner - £97,600 donation towards the total cost.**

For their 2019-2020 Capital Donation, the League was asked to contribute towards the cost of a laser scanner used mainly for the treatment of benign prostate conditions. In the hospital the main field of such surgery is to treat patients with large prostates through a minimally invasive approach which is offered through use of this scanner. The lead surgeon has thanked the League for their contribution towards this scanner which is already in use to support patient treatment.



#### **Bid no. 649 – Refrigerated Centrifuge for the Research Department - £5,435**

Staff in the Research Department asked for the League's help to fund a refrigerated centrifuge to support their research trails. A centrifuge spins blood samples to separate the constituents for analysis. A study was due to commence to look at the treatment and progression of lung disease. Additional information included the fact that scarring of lungs affects people's ability to breathe, eventually decreasing the amount of oxygen in their bloodstream. Unfortunately, there are high levels of lung disease in the Medway Towns and research is vital to support the affected patients. Staff have reported that the equipment is assisting in their various research trials including genetic testing and they thank the League for their support.



#### **Bid No. 642 Toys for the Multi-Sensory Room Paediatric A&E - £3,733**

The Play Therapist on Dolphin Ward asked for the League's help to purchase a new vibro-tub for their sensory room. This is one of the main features of the room but unfortunately the current machine has broken after many years' service and cannot be repaired. The tub is supported by a music system and when the music is playing, the balls change colour and the tub vibrates, creating a calm, relaxing environment. In addition, some new toys would be much appreciated to help with a young patient's anxiety, mental health and relaxation, especially for those waiting to Theatre or in isolation.

The Play Therapist has told us the toys are in constant use and much appreciated by children in the department - and their families.



#### **Bid no. 644 – 2 x Reclining Chairs for Pearl Ward - £3,145**

A request was agreed by the League for two reclining chairs for Pearl Ward. In the transitional care bay on the ward there are 8 beds and it is used to accommodate mothers and babies when their babies need additional care but do not need to be admitted to the neonatal unit. The length of stay is often increased due to the additional care required. The second parent of the baby is encouraged to stay to offer support and to help the bonding process. Therefore, these chairs provide a comfortable place for that parent and enables them to remain with the other and new baby.



## **THE MEDWAY LEAGUE OF FRIENDS**

### **TRUSTEES' REPORT**



#### **Bids nos. 646 and 657 – Moving Aids for the Therapy Department - £2,825.**

The League of Friends agreed to fund various moving aids for the Therapy Department including 5 x Mo Lift Raiser stand aids and 1 x Quick Move. The equipment is used on a daily basis by members of the Occupational Therapy team, Physiotherapists and the Therapy Assistants to enable patients to use their own muscle power during a transfer from e.g. bed to chair or to the toilet. The equipment stimulates the patient's natural movement and enables them to feel safer during a transfer. The equipment is stable and can be manoeuvred in a confined space such as a toilet.

The department has told us that many patients are benefitting from the



#### **Bid No. 641 – Digital Cameras x 2 for the Orthodontic Department.**

The Consultant Orthodontist asked for the League's support to fund 2 x digital camera. The cameras are used on a daily basis and prove invaluable for patient treatment. They record the original clinical situation for a patient prior to the commencement of treatment and for progress thereafter. The information is also used as a training method for trainees and to communication with patients and primary care General Dental Practitioners.

The department has commented that the cameras are already proving to be extremely useful to patients and to staff.

### **Donations**

The League's income is supplemented by donations. In 2019/20 these totalled £8,900. This sum included £2,939 which people gave in memory of loved ones, whose names are recorded below;

Joan Eabry  
Les Gulliver  
Stuart Jeffrey  
David William Kite

Rose Elizabeth Lintott  
Donald Macfarlane  
Audrey Manington

Michael Morris  
Audrey Thomas  
Albert Simmonds

### **Achievements**

Throughout the year the League engaged constructively with the Hospital Trust over all aspects of the mutual relationship. In December 2019, after more than two years of negotiations, the League and the Hospital Trust signed draft Head of Terms, so concluding a formal agreement under which the League will finance the construction of a coffee shop in the foyer, in exchange for a lease to run it. Building work should have begun in April 2020, but was postponed because of the COVID-19 pandemic.

These restrictions have affected restaurants and cafes badly, and look certain to continue for some months. This clearly affects the viability of the new coffee shop, and at the League's behest the legal teams of both parties have produced additional clauses in the draft lease which would suspend the rent due if normal trading were unable to occur. The League has been discussing with the Hospital Trust how to proceed, and it has been recently agreed (October 2020) to postpone any construction work until early 2021, when a decision on the viability of the project will be taken. While remaining fully committed to the coffee shop project, the Trustees doubt whether trading at all will be able to take place at pre-COVID-19 levels before the end of the 2020/21 financial year.

In the circumstances the Trustees were delighted to have been able to fund grants to the Medway NHS Hospital Trust totalling £211,911 during 2019/20.

## THE MEDWAY LEAGUE OF FRIENDS

### TRUSTEES' REPORT

#### FINANCIAL REVIEW

##### Review of the Financial Position

The financial position is set out on pages 10 to 17. Income from the charity's activities in the operation of shops and trolley have decreased during the year by 24.6% to £1,418,764. The principal reason was the COVID-19 pandemic, restrictions which caused a major fall in sales for the last 4½ months of the financial year.

Gross margins on sales have increased slightly to 37.9% from 37.4%. This has led to a surplus to fund other activities of £180,713. Despite the pandemic, the League has donated £211,911 to Medway NHS Foundation Trust.

In the previous year the Charity had a net surplus of £83,013 after making grants to Medway NHS Foundation Trust of £314,286. This year there is a reduced surplus of £5,859 after the donations. Despite the pandemic, the net assets at the end of the year stood at a healthy £901,894 with cash at bank of £786,790.

The Trustees are pleased with the results. Although total funds held by the League increased during the year, the trustees remain aware that Medway NHS will be looking for the League to fund additional projects which meet the League's approved criteria.

The League holds the stewardship of the funds of the Medway Scanner Appeal, a charity which has ceased to operate. These funds currently amount to £94,653 and may only be spent on the development of new clinical services and innovative technology. As such they appear in the League's accounts as a restricted fund. Possible projects to utilise these funds were identified in 2018/19, but proved unacceptable. There is now a suitable candidate, but it will need other sources of funding and has still to be considered for the inclusion in the Hospital Trust's capital programme for 2020/21.

##### Reserves Policy

The Trustees have examined the need for unrestricted and undesignated reserves. Having regard for the investment in a new coffee shop, current working capital requirements and a provision for the costs in the event of business interruption, the Trustees are of the opinion that such reserves should be in the region of £647,000. This includes £552,000 towards the cost of developing a new coffee shop in the hospital foyer. The expenditure on the new coffee shop may be delayed due to COVID-19 as explained on the previous page in the Achievements section.

All remaining funds shall be utilised for the benefit of the hospital and patients.

The League usually has designated reserves. These occur where the Trustees have considered requests from the NHS for funding projects or the purchase of equipment and committed to make grants when the project occurs or the equipment is purchased. However at 31 July 2020 with all formalities completed every grant had been made, so unusually there were no outstanding items for which to carry reserves across into 2020/21.

##### Plans for the Future

Because of the pandemic the outturn for the six-point Business Plan for 2018/19 was badly affected. Most objectives are being carried forward, with much re-engineering in line with the continuing restrictions. The 2019/20 results are;

- Formalise relations with the Hospital Trust

*During the years 2019/20 the Chairman of Trustees of the League of Friends started a series of three-monthly catch-up meetings with the Chair of the Medway Hospital Trust. Every six months this has included the CEO of the Hospital Trust. These meetings will continue in 2020/21.*

- Increase turnover and efficiency of the retail operations

*Turnover for 2019/20 was reduced by three quarters for the final 4½ months of the year, reaching only £1.4M, a decrease of 23% against 2018/19. Cost cutting measures were accelerated due to the pandemic and included furloughing seven staff, and finally redundancies when it became clear that the infection control precautions make it impossible to continue the ward trolley round.*



## **THE MEDWAY LEAGUE OF FRIENDS**

### **TRUSTEES' REPORT**

- **Enhance communications**

*The Medway League of Friends has a popular Facebook page which promotes both the equipment purchased via the League plus various staff activities, and updates on items for sale within our retail outlets, e.g. Christmas and Mother's Day. This has been a useful means to keep in touch with people especially during the COVID-19 situation. Once published, the news pages are either "liked" or "shared" by individual staff, volunteers and Trustees.*

- **Develop staff and encourage volunteers**

*Staff retention in the last 12 months has been high and as a result we have had no roles within the hospital that were suitable for volunteers to move into. We did recruit two new members of staff for a satellite shop based in a local care home which was open to volunteer applicants, but none came forward.*

*The past twelve months have been difficult times for both our volunteers and staff. The COVID-19 pandemic has reduced our numbers of voluntary workers from 135 to fewer than 10, but throughout the crisis we have attempted to maintain contact with them and keep them engaged whilst ensuring the safety of those able to attend.*

*In order to keep the paid members of staff who were able to work motivated, we offered training courses that were selected based on their own requests or agreed areas for improvement as recorded during the appraisal process. As a result, people were trained in a range of subjects from conflict resolution to bookkeeping, health and safety, and employment law. In some cases these training courses have also been selected with succession planning in mind.*

*There is an established programme of performance management appraisals which aim to recognise achievement and further develop and train our staff, as we believe it is important to invest in people.*

*The Star Awards take the form of a gold star-shaped pin badge. They recognise the outstanding contribution of individual volunteers. Anyone can nominate a recipient, and experience has shown that Star Award holders feel appreciated and know that their contribution is valued by colleagues and customers. The Awards are usually presented twice a year - at the Christmas lunch and Summer Tea Party (not taking place in 2020 due to the pandemic). We are reviewing the nomination process and the presentation of awards while large gatherings are prohibited.*

*The increased use of social media has raised awareness and engagement. It has been especially valuable for maintaining contact with staff and volunteers, imparting information to those unable to work during the present situation. Alternative sources of fundraising are being investigated to generate income and encourage engagement with proposed events.*

- **Increase and develop the Leagues' trustees**

*There has been no progress in increasing the number of Trustees. This is being carried forward into 2020/21 as specific Objective with renewed emphasis. A training course for Trustees had to be postponed because of the pandemic restrictions, and will be re-programmed in 2020/21.*

- **Update the League's charitable status**

*Following the establishment of The Medway League of Friends as a new Charitable Incorporated Organisation on 1 August 2018 there were considerable administrative matters to resolve. These have all been completed.*

The first five remain key objectives for 2020/21. The last is expanded as follows;

- Increase the number and diversity of the League's Trustees, and develop effective succession planning.

An additional key Objective will be:

- Improve the governance of the League by reviewing compliance with all relevant external regulations, ensuring all its policies are up to date and fit for purpose, and taking any other steps to ensure the core charity is insulated from any ill-effects experienced by the retail arm.

**THE MEDWAY LEAGUE OF FRIENDS**  
**TRUSTEES' REPORT**

Trustees' Responsibilities

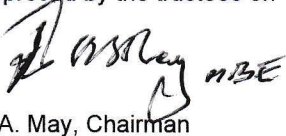
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Charities SORP;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the 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.

Approved by the trustees on 9/12/2020 2020 and signed on their behalf

A handwritten signature in black ink, appearing to read 'D.A. May', with the letters 'nBE' written to the right of the signature.

D.A. May, Chairman



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF  
THE MEDWAY LEAGUE OF FRIENDS**

**Opinion**

We have audited the financial statements of The Medway League of Friends (the 'charity') for the year ended 31 July 2020, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting practice).

The financial statements have been prepared in accordance with 'Accounting and Reporting by Charities' preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs at 31 July 2020 and of its income and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 of 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.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF  
THE MEDWAY LEAGUE OF FRIENDS**

**Matters on which we are required to report by exception**

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities statement, 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.

**Auditor's responsibilities for the audit of the financial statements**

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

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 of 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 my 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 my 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 represent the underlying transactions and events in a manner that achieves fair presentation.



**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEES OF  
THE MEDWAY LEAGUE OF FRIENDS**

**Auditor's responsibilities for the audit of the financial statements (continued)**

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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**Kreston Reeves LLP**  
Statutory Auditor  
Chatham Maritime

1 February 2021|

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**THE MEDWAY LEAGUE OF FRIENDS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 JULY 2020**

	Notes	Unrestricted fund £	Restricted funds £	Total 2020 £	Total 2019 £
<b>INCOME AND ENDOWMENTS</b>					
Donations and legacies					
- Transfer of funds from former charity	3	-	-	-	813,022
- Donations		12,487	-	12,487	16,453
- Grants		24,305	10,000	34,305	-
Fundraising		1,466	-	1,466	2,787
Investment income					
- Interest on deposit accounts		1,059	-	1,059	2,260
Income from charitable activities					
- Operation of shops and trolley		1,418,764	-	1,418,764	1,882,236
<b>TOTAL INCOME</b>		<b>1,458,081</b>	<b>10,000</b>	<b>1,468,081</b>	<b>2,716,758</b>
<b>EXPENDITURE</b>					
Costs of raising funds		103	-	103	210
Expenditure on charitable activities	4	1,462,119	-	1,462,119	1,820,513
<b>TOTAL EXPENDITURE</b>		<b>1,462,222</b>	<b>-</b>	<b>1,462,222</b>	<b>1,820,723</b>
<b>NET INCOME</b>		<b>(4,141)</b>	<b>10,000</b>	<b>5,859</b>	<b>896,035</b>
Total funds brought forward		801,382	94,653	896,035	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>797,241</b>	<b>104,653</b>	<b>901,894</b>	<b>896,035</b>

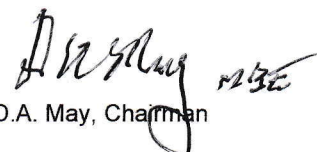
All income and expenditure derive from continuing activities, all of which were transferred on 1 August 2018 to this charity from the unincorporated "Medway League of Friends". Further information is contained in note 2.



**THE MEDWAY LEAGUE OF FRIENDS**  
**BALANCE SHEET**  
**AT 31 JULY 2020**

	Notes	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	12		17,453		22,267
<b>CURRENT ASSETS</b>					
Stocks		33,390		29,306	
Debtors and prepayments		6,169		4,220	
Investments		96,185		95,835	
Cash at bank and in hand		786,790		839,900	
		<u>922,534</u>		<u>969,261</u>	
<b>CREDITORS: amounts falling due within one year</b>					
Trade creditors		23,109		90,179	
Taxation and social security		3,517		-	
Other creditors		<u>11,467</u>		<u>5,314</u>	
		<u>38,093</u>		<u>95,493</u>	
<b>NET CURRENT ASSETS</b>			884,441		873,768
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>901,894</u>		<u>896,035</u>
<b>FUNDS OF THE CHARITY</b>					
Unrestricted income fund	13		797,241		801,382
Restricted funds	13		<u>104,653</u>		<u>94,653</u>
<b>TOTAL CHARITY FUNDS</b>			<u>901,894</u>		<u>896,035</u>

Approved by the trustees on 9/12/2020 2020 and signed on their behalf

  
D.A. May, Chairman

**THE MEDWAY LEAGUE OF FRIENDS**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2020**

	2020 £	2019 £
<b>Cash flows from operating activities:</b>		
Cash generated from operations (see below)	<u>(53,819)</u>	<u>93,253</u>
<b>Net cash provided by operating activities</b>	<u>(53,819)</u>	<u>93,253</u>
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	-	(20,353)
Interest received	<u>1,059</u>	<u>2,260</u>
<b>Net cash provided from (used in) investing activities</b>	<u>1,059</u>	<u>(18,093)</u>
<b>Change in cash and cash equivalents in the reporting period</b>	(52,760)	75,160
Cash and cash equivalents at the beginning of the reporting period	935,735	860,575
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>882,975</u></u>	<u><u>935,735</u></u>

**RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2020 £	2019 £
Net income for the reporting period (as per the statement of financial activities)	5,859	896,035
Adjustments for:		
Transfer of funds from former charity	-	(813,022)
Depreciation	4,814	4,862
Interest received	(1,059)	(2,260)
Increase in stocks (2019 : decrease)	(4,084)	2,868
Increase in debtors	(1,949)	(776)
Decrease in creditors (2019 : increase)	<u>(57,400)</u>	<u>5,546</u>
<b>Net cash provided by operating activities</b>	<u><u>(53,819)</u></u>	<u><u>93,253</u></u>



**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**1 STATUTORY INFORMATION**

The Medway League of Friends is registered in England and Wales under the Charities Act 2011 as a charitable incorporated organisation. The Charity's registered number and registered office address can be found within the Trustees' Report.

The presentation currency of the financial statements is the Pound Sterling (£).

**2 ACCOUNTING POLICIES**

(a) Basis of accounting

The financial statements of the charity, which is a public benefit entity under FRS102, have been prepared in accordance with the Charities SORP (FRS 102) "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)", Financial Reporting Standard 102 "The Financial Standard applicable in the UK and Republic of Ireland" and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

(b) Going Concern

When preparing the financial statements, the Trustees have assessed whether there are significant doubts about the charity's ability to continue as a going concern. There are no material uncertainties of which the Trustees are aware in making their assessment.

The Trustees have considered the downside scenarios as a result of the COVID-19 pandemic and its impact on the operation of its shops and trolley, and the ability to make grant payments. They consider that the charity has sufficient cash reserves to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. As such, the Trustees are satisfied that the charity has adequate resources to continue to operate for the foreseeable future and they continue to adopt the going concern basis for preparing these financial statements.

(c) Income

Voluntary income, which includes donations, gifts and legacies, and fundraising income are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis and arises from interest bearing deposit accounts.

Income from charitable activities includes the sales from the League's shops and trolley at the Medway Maritime Hospital. All amounts exclude value added tax.

(d) Volunteers and donated services and facilities

No value is incorporated into these financial statements for the services provided by volunteers or where services are provided to the charity as a donation that would normally be purchased from suppliers.

(e) Expenditure

Expenditure is recognised when a liability is incurred. Grant payments are recognised when a liability or constructive obligation arises that results in the payment being unavoidable.

Costs of generating funds are those costs incurred in attracting voluntary income.

Charitable activities include expenditure associated with the League's shops and trolley and grants of equipment and services to the Medway NHS Foundation Trust and others. The expenditure includes both the direct costs and support costs relating to these activities.

Governance and support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

(f) Financial instruments

The charity enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans to and from banks, and other third parties. Basic financial instruments are recognised at amortised cost, with changes recognised in the statement of financial activities.

(g) Tangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its estimated useful life at the following rates:

Computer equipment - 33% on cost

Other assets - 15% on cost

Assets which cost less than £500 are not capitalised.

(h) Stocks

Stocks are included at the lower of cost and net realisable value. Stocks consists of goods for resale from the shops and trolley.

(i) Funds structure

The charity has restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

All other funds are unrestricted income funds. The trustees receive requests from Medway NHS Foundation Trust to make donations and purchase equipment for the Trust. Once the trustees agree that they will offer financial support, a transfer is made to a designated fund for that purpose.

**3 COMPARATIVE FIGURES**

The Medway League of Friends began operations on 1 August 2018 following the transfer to it of the operations formerly carried on by the unincorporated charity the "Medway League of Friends". The comparative figures include an amount of £813,022 separately disclosed representing the net assets acquired at that date.

**4 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Operation of shops and trolley £	Grants payable £	Hospital Radio £	Total 2020 £	Total 2019 £
Shop purchases for resale	881,060	-	-	881,060	1,178,806
Wages and salaries (see note 9)	275,673	-	-	275,673	228,778
Purchase of equipment and other donations (see note 8)	-	212,572	-	212,572	315,223
Bank charges and cash processing fees	21,643	-	-	21,643	20,670
Travel and motor expenses	6,468	-	-	6,468	11,011
Depreciation	4,814	-	-	4,814	4,862
Equipment maintenance and computer costs	19,871	-	4,917	24,788	32,542
Clothing costs	-	-	-	-	1,908
Printing postage and stationery	3,069	-	-	3,069	3,471
Telephone and other costs	1,203	-	2,190	3,393	3,204
Governance and support costs (see note 5)	24,250	4,247	142	28,639	20,038
	<u>1,238,051</u>	<u>216,819</u>	<u>7,249</u>	<u>1,462,119</u>	<u>1,820,513</u>



**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**5 GOVERNANCE AND SUPPORT COSTS**

	Charitable activities	Governance	Total 2020	Total 2019
	£	£	£	£
Audit and accountancy	6,275	3,750	10,025	9,870
Attend subscription and insurance	1,509	-	1,509	1,317
Legal & Professional fees	-	12,995	12,995	779
Staff entertaining	2,732	-	2,732	2,853
Rent	1,007	-	1,007	4,872
Bank charges	371	-	371	347
	<u>11,894</u>	<u>16,745</u>	<u>28,639</u>	<u>20,038</u>

**6 TAXATION**

The League is a registered charity and no provision is considered necessary for taxation.

**7 SUPPORT FOR CHARITABLE ACTIVITIES**

This table shows the income arising from and the costs of the operation of the shops and trolley and the surplus that arises therefrom which provides additional support for charitable activities.

	2020	2019
	£	£
Income	1,418,764	1,882,236
Costs	(1,238,051)	(1,498,566)
Net funding for other activities	<u>180,713</u>	<u>383,670</u>

**8 GRANTS PAYABLE**

	2020	2019
	£	£
Medway NHS Foundation Trust	211,911	314,826
Others	661	397
	<u>212,572</u>	<u>315,223</u>

Grants to Medway NHS Foundation Trust are for the purchase of equipment and for the funding of various projects and services. The major items funded in this year are:

	£
Laser System	97,600
3 RITA systems	19,485
Ultrasound scanner	9,730
1 Continuous Positive Airway Pressure machine	7,495
Defibrillator	7,266
Beach chair- Sunderland Theatres	6,616
Dementia friendly garden	6,240
Refrigerated Centrifuge	5,435
ECG machine and Dinamap	4,764
Toys for sensory room	4,556
Other items costing less than £4,500 each bid	42,724
	<u>211,911</u>

**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**9 STAFF COSTS AND NUMBERS**

	2020	2019
	£	£
Wages and salaries	261,753	218,205
Social security costs	10,142	8,016
Employer's contribution to defined contribution pension scheme	3,778	2,557
	<u>275,673</u>	<u>228,778</u>

The average monthly number of employees during the year was 18 (2019 : 18). No employees received emoluments in excess of £60,000.

There are no key management personnel other than the trustees.

**10 TRUSTEE REMUNERATION**

None of the trustees have been paid any remuneration or received any other benefits. Two trustees have been reimbursed a total of £270 for expenses incurred on behalf of the League for gifts to volunteers.

**11 AUDITORS' REMUNERATION**

	2020	2019
	£	£
Auditing the accounts	3,750	1,620
Other financial services including accountancy, payroll and taxation returns	-	8,250
	<u>3,750</u>	<u>9,870</u>

**12 TANGIBLE FIXED ASSETS**

**Fixtures, fittings and equipment**

	£
Cost	
- at 1 August 2019 and 31 July 2020	<u>27,129</u>
Depreciation	
- at 1 August 2019	4,862
- charge for year	4,814
- at 31 July 2020	<u>9,676</u>
Net book values	
- at 31 July 2020	<u>17,453</u>
- at 31 July 2019	<u>22,267</u>



**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**13 STATEMENT OF CHANGES IN EQUITY**

	General fund £	Restricted funds £	Total £
Balance at 1 August 2019	801,382	94,653	896,035
Income	1,458,081	10,000	1,468,081
Expenditure	(1,462,222)	-	(1,462,222)
Balance at 31 July 2020	<u>797,241</u>	<u>104,653</u>	<u>901,894</u>

The funds held at the year-end date are as follows:

- Fixed assets	17,453	-	17,453
- Cash	682,137	104,653	786,790
- Net other current assets	97,651	-	97,651
- Total funds	<u>797,241</u>	<u>104,653</u>	<u>901,894</u>

The restricted funds are monies received from:

- Medway Cancer Scanner Appeal upon it ceasing to exist, and which can only be used on the development of new clinical services and innovative technology.

94,653

- National Lottery Awards for All for the hospital radio to set up a short-range FM transmitter in the hospital grounds and issue receivers to patients

10,000

104,653

**14 RELATED PARTY TRANSACTIONS**

There are no related party transactions in the current year. In the previous year, as described in the notes above, the charity received funds of £813,022 from the former unincorporated charity which was under the control of many of the trustees of the new charity.

**THE MEDWAY LEAGUE OF FRIENDS**  
**MANAGEMENT SCHEDULES - not part of the financial statements**  
**FOR THE YEAR ENDED 31 JULY 2020**

**MEDWAY**

	2020		2019	
	£	£	£	£
<b>INCOME</b>				
Main shop		1,255,998		1,624,504
Accident & Emergency		114,169		156,518
A Block and Trolley		44,167		101,214
Wainscott		4,430		-
Job Retention Scheme Grant		14,305		-
Medway Council Grant		10,000		-
		<u>1,443,069</u>		<u>1,882,236</u>
<b>COST OF SALES</b>				
Opening stock	29,306		32,174	
Purchases for resale	885,144		1,175,938	
Closing stock	<u>(33,390)</u>		<u>(29,306)</u>	
		<u>881,060</u>		<u>1,178,806</u>
<b>GROSS PROFIT</b>		562,009		703,430
<b>OTHER COSTS</b>				
Wages and salaries	271,895		226,221	
Pensions	3,778		2,557	
Travel and motor expenses	6,468		11,011	
Depreciation	4,814		4,862	
Equipment maintenance and renewals	17,201		22,512	
Computer costs and software support	2,670		5,015	
Clothing costs	-		1,908	
Cash collection fees	6,610		7,537	
Bank charges and cash processing fees	15,033		13,133	
Printing postage and stationery	3,069		3,471	
Telephone	661		529	
Training	542		844	
Sundries	-		122	
		<u>332,741</u>		<u>299,722</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		<u><u>229,268</u></u>		<u><u>403,708</u></u>



**THE MEDWAY LEAGUE OF FRIENDS**  
**MANAGEMENT SCHEDULES - not part of the financial statements**  
**FOR THE YEAR ENDED 31 JULY 2020**

**HOSPITAL RADIO**

	2020		2019	
	£	£	£	£
<b>INCOME</b>				
Donations		2,320		5,086
Fundraising		1,466		2,361
Members' subscriptions		192		281
Lottery grant		10,000		-
Sundry income		664		426
		<u>14,642</u>		<u>8,154</u>
<b>EXPENDITURE</b>				
Studio costs	4,852		4,666	
Engineering and maintenance	-		51	
Music library	65		298	
Telephone	402		391	
Subscriptions	738		566	
Insurance	538		509	
Fundraising expenses	103		210	
Sundries	512		243	
		<u>7,210</u>		<u>6,934</u>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>		<u><u>7,432</u></u>		<u><u>1,220</u></u>

**TREASURERS ACCOUNT**

	2020		2019	
	£	£	£	£
<b>INCOME</b>				
Donations and legacies		9,311		11,086
Bank interest		1,059		2,260
		<u>10,370</u>		<u>13,346</u>
<b>EXPENDITURE</b>				
Grants and donated equipment to NHS	211,911		314,826	
Other donations	661		397	
Audit and accountancy	10,025		9,870	
Attend subscription and insurance	1,509		1,317	
Legal & Professional fees	12,995		779	
Staff entertaining	2,732		2,853	
Rent	1,007		4,872	
Bank charges	371		347	
		<u>241,211</u>		<u>335,261</u>
<b>DEFICIT OF INCOME TO EXPENDITURE</b>		<u><u>(230,841)</u></u>		<u><u>(321,915)</u></u>