

**THE MEDWAY LEAGUE OF FRIENDS**

**CHARITY REGISTRATION NO: 1172065**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2023**

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

The trustees present their sixth report with the financial statements of the charity for the year ended 31 July 2023.

**ADMINISTRATIVE DETAILS**

Charity registration number	1172065
Principal address	Medway Maritime Hospital Windmill Road Gillingham Kent ME7 5NY
Trustees	Mrs J Harsent - chairperson Mrs E Norman S Towsey C H Silk Mrs M Cogger Ms H Belcher S Dansie T Higgins P McKenna - resigned 11 September 2023 Ms D Peers J C H Weir - resigned 14 November 2022
Auditors	Kreston Reeves Montague Place Quayside Chatham Maritime Chatham Kent, ME4 4QU
Bankers	Lloyds Bank plc 142-146 High Street Chatham Kent, ME4 4DQ

**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**

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.

## **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. In the 2022/3 year the trustees met eight times, the first four times by video link and the rest in person. 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 (mainly the Medway Maritime Hospital but also at Wainscott) 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 at the Medway Maritime Hospital.

During the year 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. The main activity of the year under review was to fully refurbish the shop with measures taken to provide an alternative service while the work took place.

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 shop. During the year under review the League continued connect with the community by providing Work Experience and Duke of Edinburgh placements. Some young people choose to stay on as volunteers after their placement ends. The League has also established a link to a local employment agency to offer work experience to people wanting to get back into employment. Basic training courses are offered to acquire certified skills to take forward.

## **THE MEDWAY LEAGUE OF FRIENDS**

### **TRUSTEES' REPORT**

#### **Impact Statement**

In normal times the League devotes all its surplus funds to grants to the NHS. In 2022/23 the Refurbishment Project absorbed some of the surplus, but it was still possible to make 5 grants, totalling £120,418. The main item covered the replacement of 15 outdated defibrillators throughout the Hospital at a cost of £94,935. Details of the other four are shown below.

#### **Baby Simulation Manikins – Neonatal Unit - £5,545**

A request was received by the League from the Neonatal Unit for a baby simulation manikin. Whilst simulation manikins are available in the hospital for adults and full-term babies, there was no such training aid for pre-term babies. Updated framework guidance advised babies as young as 22 weeks should be considered for resuscitation, but staff require appropriate training. The League agreed to fund this equipment which is now in use on the Oliver Fisher Neonatal Unit.



#### **2 x Jaundice Meters - Maternity/Community - £7,800**

The League was asked to consider a bid for two replacement jaundice meters to be used to detect jaundice in neonates. The meters which were in use were often being repaired/serviced and, therefore, not available for the team.

The Community Senior Sister advised that the meters 'are a very big help in providing a non-invasive way of testing our babies for jaundice. They provide reassurance for our families, and also us as care providers'.



#### **3 x Gynae Couches - Colposcopy Department - £11,315**

A request was received from the Colposcopy Department for the League to consider funding three replacement patient couches. It was noted the couches in use were non height-adjusting and the wheels were beyond repair.

The couches were used for TV scan examinations and those in use did not have a removable lower section to enable the scans to be undertaken. The Manager of the department advised the replacement couches will be in constant use for scans and enable the service to be compliant with national recommendations and best practice.

## **THE MEDWAY LEAGUE OF FRIENDS**

### **TRUSTEES' REPORT**

#### **Pharmacy Refrigerator for the Endocrine Department - £825**

The Manager and Consultant Physician working in the Endocrine Department asked the League if members would consider funding a refrigerator to hold special medicines which are used for dynamic function tests. These tests are used to help diagnose some complex endocrine conditions and enable staff to start the right treatment sooner; also to monitor patients who already have a diagnosis and are on special treatments and for tests to be undertaken in the department under the direct supervision of the endocrine team.



#### **Donations**

The League's income is supplemented by donations. These picked up with the return to more normal conditions. They totalled £11,856 including those for Hospital Radio, significantly ahead of the 2021/22 figure.

#### **Achievements**

##### **The League of Friends**

Following the agreement with the Hospital Trust of a 10-year lease for the Main Shop and adjacent seating area (May 2022), planning began in earnest for a complete refurbishment of the retail operation. The aim was to provide a state of the art refreshment facility with seating and a more accessible and streamlined retail operation within an attractive environment. Finance was entirely provided by the League, drawing upon funds previously earmarked for a separate coffee shop which had to be abandoned because of the pandemic.

Planning and preparation for the refurbishment took until February 2023, and the project began in March. The Hospital Trust allowed the use of space in the foyer opposite the site for a pop-up shop offering a basic refreshments service. This proved very popular, allowed the continued employment of staff and volunteers, and covered its costs. The night service in the A&E kiosk remained open throughout the refurbishment until it could be transferred to work from the night service hatch in the new shop.

The refurbishment lasted 14 weeks and required a great deal of work from the Staff Management Team, who forged a strong working relationship with the contractor. The new facility, named 'The First Rate Shop and Cafe' opened on 14 June. It has been well received, and traded very promisingly for the remaining six weeks of the year.

##### **Hospital Radio Medway ("HRM")**

The radio service continues to reach all areas of the Hospital enabling Patients, Staff and Visitors access to bespoke programmes consisting of music and features of local interest. HRM's streaming figures continue to show steady growth since the installation of a dedicated text request line. By working with local charities, Departments within the Hospital and by publicising HRM it is possible to recruit new Members in order to increase the programmes currently on offer.

Hospital Radio Medway is self-funding and seeks grants and donations from many sources in order to keep the Station on air while being aware of the financial commitment by ring-fencing funds required for the duration of the licences in place. A partnership with local Rotary Clubs funded the purchase of a quantity of DAB/FM radios for the Wards to increase the potential audience.

As Members of The National Association of Hospital Broadcasting Organisations HRM receives support and training for its Members along with recognition of excellence for the Member Stations as well as individual Members.

## THE MEDWAY LEAGUE OF FRIENDS

### TRUSTEES' REPORT

#### Progress against objectives

Progress on the objectives which the Trustees set for 2022/23 was as follows:

1 Renew the retail offer

*Achieved with the completion of the First Rate shop and café which opened for business on 14th June 2023.*

2 Reinstate financial support for the Hospital Trust

*Re-started in July 2023 with a commitment to grants for capital equipment of £124,000.*

3 Enhance communications

*Talks to local Groups in Medway continued. Work Experience and Duke of Edinburgh placements have continued. Screens in the new shop and café are used to publicise the League's activities. The League has taken up the offer from the Hospital Trust to include League information on the two screens installed in the foyer. The League continues to use Hospital Trust's newsletters and social media to publicise the League and Hospital Radio.*

4 Develop staff and encourage Volunteers

*Staff are appraised annually using a format that recognises achievement and sets challenging and realistic agreed goals for the next year. Training needs are also identified and addressed. In 2023 the Operations Manager was appraised by the Treasurer and Chair.*

*Star Awards are awarded to a nominated volunteers twice yearly, at the Summer Tea Party and Xmas lunch, along with any Long Service awards.*

5 Increase and diversify the Trustee Board, and implement succession plans

*Recruiting new Trustees prove difficult in 2022/23, but continuing efforts have produced an application, which is being processed in 2023/24. A Trustees training day took place on 13th September.*

*There has been no progress on succession planning which has been carried over into 23/24 as part of the Objective to Improve Governance.*

6 Improve the governance of the League

*Trustees' training resumed, with a Training Day facilitated by Attend on 19 October 2022. A majority of Trustees also attended a training seminar given by Kreston Reeves (25 July 2023) on Charity Trustees' Responsibilities.*

*Internal League policies continue to come up for regular review. The annual internal financial review has taken place and work on the Risk Register is ongoing to include the new shop/cafe. It will be kept under review.*

7 Take steps to mitigate the environmental impact of the League's operations

*During the planning of the new shop/café the environmental impact was a key concern. Data has been submitted to the Carbon Neutral Britain Ltd. As a result, the League has been certified as a Carbon Neutral Organisation. This certification lasts for one year so a new assessment took place in July 2023, following which the Trustees agreed to offset the League's emissions by contributing to the Woodland Trust.*

*The League complied with recent legislation banning all use of all single use plastics in its operation.*

#### Objectives 2023/24

Many of the 2022/23 Objectives related to continuing activities and have been renewed for 2023/24. The full list set by the Trustees is:

- |  |                                 |
|--|---------------------------------|
| 1 Resume regular grants                    | 5 Develop staff and volunteers  |
| 2 Explore new retail opportunities         | 6 Improve governance            |
| 3 Increase efficiency of retail operations | 7 Mitigate environmental impact |
| 4 Enhance communications                   |                                 |

There are specific goals for these Objectives. Responsibility for each of the latter is assigned to an individual Trustee, and progress is regularly reviewed at Trustees' meetings.



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

**FINANCIAL REVIEW**

Review of the Financial Position

The financial position is set out on pages 11 to 18. Gross income from the charity's activities operating shops has increased despite the disruption caused by the refurbishment of the retail/cafe area which were closed for a period. Sales totalled £1,466,418 compared to £1,289,902. Gross margins on sales fell from 41.4% to 38.7%.

Increases in staffing and other costs including those resulting from the shop refurbishment led to a contribution from the shops of £191,385 (2022: £243,850). With grants to the Medway NHS Foundation Trust of £120,418, there was a surplus of £83,165. This increased the charity's net assets at the end of the year to £909,934.

The League has spent £461,601 on the fabric of the new shop and equipment. As a result cash at bank and short term monies on deposit fell from £841,608 to £509,656.

Restricted funds

There are restricted funds for Hospital Radio, which are explained in the notes to the financial statements.

Reserves Policy

Last year the Trustees agreed that a Designated Reserve totalling £525,000 should be sufficient to cover the refurbishment project and furnish a provision for costs in the event of business interruption. A significant portion of this sum has been spent on the shop. Monies spent on the structure of the shop are being depreciated over the length of the lease granted to the League by the Hospital, and as such the net book value of £380,731 is regarded as continuing Designated reserves.

As grant making has resumed to the Hospital for specific projects and /or assets, sums committed by the Trustees but not incurred at the year end, which total £123,892, have been allocated to Designated reserves to cover them. All remaining surplus funds will be utilised for the benefit of the Hospital and Medway NHS patients.

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

15<sup>th</sup> May 2024

Mrs J Harsent, Chairperson

and signed on their behalf

*J Harsent*

**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 2023, 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 2023 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.

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

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the Charity and the sector as a whole, 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, anti-bribery 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 Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and 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 related to and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements. 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 and fraud; and
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; 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

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

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

- review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

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

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.

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*

**Kreston Reeves LLP**  
Statutory Auditor

Montague Place  
Quayside  
Chatham Maritime  
Chatham  
Kent, ME4 4QU

Date: 23 May 2024

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 2023**

	Notes	Unrestricted fund £	Restricted funds £	Total 2023 £	Total 2022 £
<b>INCOME AND ENDOWMENTS</b>					
Donations and legacies					
- Donations		10,606	1,250	11,856	6,486
- Grants		-	2,500	2,500	7,947
Fundraising		1,817	-	1,817	1,029
Investment income					
- Interest on deposit accounts		4,728	-	4,728	188
Income from charitable activities					
- Operation of shops and trolley		1,466,418	-	1,466,418	1,289,902
<b>TOTAL INCOME</b>		<b>1,483,569</b>	<b>3,750</b>	<b>1,487,319</b>	<b>1,305,552</b>
<b>EXPENDITURE</b>					
Costs of raising funds		1,521	-	1,521	768
Expenditure on charitable activities	<b>3</b>	1,405,499	(2,866)	1,402,633	1,291,585
<b>TOTAL EXPENDITURE</b>		<b>1,407,020</b>	<b>(2,866)</b>	<b>1,404,154</b>	<b>1,292,353</b>
<b>NET INCOME</b>		<b>76,549</b>	<b>6,616</b>	<b>83,165</b>	<b>13,199</b>
Total funds brought forward		821,767	5,002	826,769	813,570
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>898,316</b>	<b>11,618</b>	<b>909,934</b>	<b>826,769</b>

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 13 to 18 form part of these financial statements.

**THE MEDWAY LEAGUE OF FRIENDS**  
**BALANCE SHEET**  
**AT 31 JULY 2023**

	Notes	2023	2022
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	456,550	16,058
<b>CURRENT ASSETS</b>			
Stocks		25,461	33,006
Debtors and prepayments		38,957	2,270
Investments		121,877	250,180
Cash at bank and in hand		387,779	591,428
		<u>574,074</u>	<u>876,884</u>
<b>CREDITORS: amounts falling due within one year</b>			
Trade creditors		72,871	43,967
Taxation and social security		3,381	9,683
Other creditors		44,438	12,523
		<u>120,690</u>	<u>66,173</u>
<b>NET CURRENT ASSETS</b>		453,384	810,711
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>909,934</u></u>	<u><u>826,769</u></u>
<b>FUNDS OF THE CHARITY</b>			
Unrestricted income fund	12	898,316	821,767
Restricted funds	12	11,618	5,002
<b>TOTAL CHARITY FUNDS</b>		<u><u>909,934</u></u>	<u><u>826,769</u></u>

The notes on pages 13 to 18 form part of these financial statements.

Approved by the trustees on

and signed on their behalf

15<sup>th</sup> May 2024

*J. Harsent*

Mrs J Harsent, Chairperson

**THE MEDWAY LEAGUE OF FRIENDS**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2023**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Cash flows from operating activities:</b>		
Cash used by operations (see below)	<u>124,921</u>	<u>(15,594)</u>
<b>Cash flows from investing activities:</b>		
Purchase of tangible fixed assets	(461,601)	-
Interest received	<u>4,728</u>	<u>188</u>
<b>Net cash provided from (used in) investing activities</b>	<u>(456,873)</u>	<u>188</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<u>(331,952)</u>	<u>(15,406)</u>
Cash and cash equivalents at the beginning of the reporting period	<u>841,608</u>	<u>857,014</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>509,656</u></u>	<u><u>841,608</u></u>

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

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Net income for the reporting period (as per the statement of financial activities)	83,165	13,199
Adjustments for:		
Depreciation	21,109	5,362
Interest received	(4,728)	(188)
Decrease in stocks (2022 : increase)	7,545	(6,823)
Increase in debtors (2022 : decrease)	(36,687)	78
Increase in creditors (2022 : decrease)	<u>54,517</u>	<u>(27,222)</u>
<b>Net cash used by operating activities</b>	<u><u>124,921</u></u>	<u><u>(15,594)</u></u>



**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

**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.

**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.

The presentation currency of the financial statements is the Pound Sterling (£), and all amounts are rounded to the nearest Pound.

(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 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) Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations on future events that are believed to be reasonable under the circumstances.

There are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the balance sheet. The League plans to redevelop its Main Shop used for its activities and a Designated fund has been set up to cover the anticipated costs. The amount is the best estimate at the time of preparing these financial statements.

(d) Income and debtors

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 at the Medway Maritime Hospital. All amounts exclude value added tax.

Debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

(e) 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.

## **2 ACCOUNTING POLICIES (continued)**

(f) Expenditure and liabilities

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.

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

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

(g) 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.

(h) 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:

Land and buildings - over the length of the lease	Hospital radio equipment - 10% on cost
Shop equipment - 11%, 15% or 20% on cost	Computer equipment - 33% on cost

Assets which cost less than £1,000 are not capitalised.

(i) Stocks

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

(j) Cash at bank and in hand

Cash at bank and in hand includes cash and deposits that are available to finance the League's day to day operations and have a maturity of three months or less from the date of acquisition, excluding amounts held as part of an investment portfolio.

(k) 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.

Other funds are unrestricted income funds. Within those amounts the Trustees create Designated funds for particular purposes, such as the redevelopment of the Main Shop. Also 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.

Unrestricted income funds not designated are general reserves available to meet the League's objectives.

**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

**3 EXPENDITURE ON CHARITABLE ACTIVITIES**

	Operation of shops and trolley £	Grants payable £	Hospital Radio £	Total 2023 £	Total 2022 £
Shop purchases for resale	898,207	-	-	898,207	755,925
Wages and salaries (see note 7)	272,756	-	-	272,756	227,242
Purchase of equipment and other donations (see note 6)	-	120,418	-	120,418	231,924
Bank and card charges and cash processing fees	20,903	-	-	20,903	21,183
Travel and motor expenses	5,007	-	-	5,007	4,589
Depreciation	20,228	-	881	21,109	5,362
Equipment maintenance and computer costs	16,908	-	1,347	18,255	12,628
Printing postage and stationery	6,222	-	-	6,222	5,050
Telephone and other costs	17,499	-	3,222	20,721	8,298
Governance and support costs (see note 4)	17,303	1,657	75	19,035	19,384
	<u>1,275,033</u>	<u>122,075</u>	<u>5,525</u>	<u>1,402,633</u>	<u>1,291,585</u>

The expenditure has been allocated to restricted and unrestricted funds as follows:

Unrestricted	1,405,499	1,281,664
Restricted	(2,866)	9,921
	<u>1,402,633</u>	<u>1,291,585</u>

**4 GOVERNANCE AND SUPPORT COSTS**

	Charitable activities £	Governance £	Total 2023 £	Total 2022 £
Audit fees	-	7,440	7,440	4,150
Accountancy costs	-	1,985	1,985	6,020
Attend subscription and insurance	1,445	-	1,445	1,609
Shop development	-	-	-	3,763
Legal and professional fees	-	1,523	1,523	338
Staff entertaining	5,015	-	5,015	2,075
Rent	1,057	-	1,057	803
Sundries	570	-	570	626
	<u>8,087</u>	<u>10,948</u>	<u>19,035</u>	<u>19,384</u>

**5 SUPPORT FOR CHARITABLE ACTIVITIES**

This table shows the income arising from and the costs for the operation of the shops and trolley and the surplus that arises therefrom which provides additional support for charitable activities. In the previous year the Government provided grants to support jobs, without which there would have been a loss.

	2023 £	2022 £
Income	1,466,418	1,289,902
Costs	(1,275,033)	(1,046,052)
Net funding for other activities	<u>191,385</u>	<u>243,850</u>

**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6 GRANTS PAYABLE**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Medway NHS Foundation Trust	<u>120,418</u>	<u>231,924</u>

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

	<b>£</b>	<b>£</b>
15 defibrillators - throughout the hospital	94,935	-
3 gynae couches - Colposcopy department	11,315	-
2 Jaundice meters - Maternity and community use	7,798	-
Baby simulation manikins - Neonatal unit	5,545	-
Pharmacy refrigerator - Endocrine department	825	-
Fibroscan - Gastroenterology (Outpatient)	-	88,150
Infusion Pumps (Dolphin & Panda) - Paediatrics	-	46,050
3 Patient Monitors - Delivery suite	-	30,754
Contribution towards memorial garden	-	30,000
2 Criticool Units - Neonatal	-	27,516
75 Asset Monitoring Tags for falls equipment - Falls Service	<u>-</u>	<u>9,454</u>

**7 STAFF COSTS AND NUMBERS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	258,567	215,903
Social security costs	10,114	7,987
Employer's contribution to defined contribution pension scheme	<u>4,075</u>	<u>3,352</u>
	<u>272,756</u>	<u>227,242</u>

The average monthly number of employees during the year was 17 (2022 : 16). No employees received emoluments in excess of £60,000.

There are no key management personnel other than the trustees in this, or the previous, year.

**8 TRUSTEE REMUNERATION**

None of the trustees have been paid any remuneration or received any other benefits. Three trustees have been reimbursed £571 for expenses incurred on behalf of the League (2022 : two trustees reimbursed a total of £444). This was in relation to reimbursement of meeting expenses.

**9 RELATED PARTY TRANSACTIONS**

There are no related party transactions in the current year or previous year.

**10 TAXATION**

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

**THE MEDWAY LEAGUE OF FRIENDS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2023**

**11 TANGIBLE FIXED ASSETS**

	Land and buildings £	Fittings and equipment £	TOTAL £
Cost			
- at 1 August 2022	-	36,924	36,924
- additions	389,839	71,762	461,601
- disposals	-	(25,798)	(25,798)
- at 31 July 2023	389,839	82,888	472,727
Depreciation			
- at 1 August 2022	-	20,866	20,866
- charge for year	9,108	12,001	21,109
- disposals	-	(25,798)	(25,798)
- at 31 July 2023	9,108	7,069	16,177
Net book values			
- at 31 July 2023	380,731	75,819	456,550
- at 31 July 2022	-	16,058	16,058

**12 STATEMENT OF CHANGES IN EQUITY**

CURRENT YEAR	General fund £	Designated fund £	Unrestricted funds £	Restricted funds £	Total £
Balance at 1 August 2022	296,767	525,000	821,767	5,002	826,769
Income	1,483,569	-	1,483,569	3,750	1,487,319
Expenditure	(1,407,020)	-	(1,407,020)	2,866	(1,404,154)
Allocation of funds	20,377	(20,377)	-	-	-
Balance at 31 July 2023	393,693	504,623	898,316	11,618	909,934

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

- Fixed assets	69,659	380,731	450,390	6,160	456,550
- Cash	258,429	123,892	382,321	5,458	387,779
- Net other current assets	65,605	-	65,605	-	65,605
- Total funds	393,693	504,623	898,316	11,618	909,934

PRIOR YEAR	General fund £	Designated fund £	Unrestricted funds £	Restricted funds £	Total £
Balance at 1 August 2021	802,773	-	802,773	10,797	813,570
Income	1,301,426	-	1,301,426	4,126	1,305,552
Expenditure	(1,282,432)	-	(1,282,432)	(9,921)	(1,292,353)
Allocation of funds	(525,000)	525,000	-	-	-
Balance at 31 July 2022	296,767	525,000	821,767	5,002	826,769

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

- Fixed assets	9,008	-	9,008	7,050	16,058
- Cash	66,428	525,000	591,428	-	591,428
- Net other current assets	221,331	-	221,331	(2,048)	219,283
- Total funds	296,767	525,000	821,767	5,002	826,769



**12 STATEMENT OF CHANGES IN EQUITY (continued)**

The Designated fund represents the net book value of the land and buildings shown in note 11 resulting from the shop refurbishment plus commitments made before the year-end date to the Medway NHS Foundation Trust for grants.

The restricted funds are in relation to Hospital Radio and represent several grants for capital equipment and running costs. The balance carried forward at the year-end date represents the net book value of the equipment funded (and included in fixed assets in note 11) and unspent monies for running costs to be incurred in the following year.