

FRIENDS OF LYDNEY HOSPITAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

FRIENDS OF LYDNEY HOSPITAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr J Williams Viscount Bledisloe Mrs M Thurston Mr A Midgley
Charity number	277785
Principal address	Watts of Lydney Group Limited Althorpe House High Street Lydney Glos GL15 5DD
Independent examiner	Griffiths Marshall Beaumont House 172 Southgate Street Gloucester GL1 2EZ

FRIENDS OF LYDNEY HOSPITAL

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FRIENDS OF LYDNEY HOSPITAL

TRUSTEES REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Trustees present their annual report and financial statements for the year ended 30 September 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The charity's objects are to support the activities around Lydney & District Hospital as stated in the Declaration of Trust dated 20th April 1979 by A M R Watts, M L Thomas, J R L Carson and A M R Rogers.

The Friends continue to fulfil any requests made by the hospital and the MIIU for equipment needs as well as the well being of the staff in these difficult times but the costs were less than the donations and memorial gifts received.

Trustees and the management committee have attempted to maintain a close relationship with the Health Authorities to ensure that Urgent Care and Outpatient facilities continue to be provided locally.

It is notable that the MIIU for the whole of the Forest of Dean is still successfully being provided from Lydney thus further reinforcing our determination to ensure that the ever increasing population of the south forest is not disadvantaged by moving this service away from the centre of the population.

We had suggested that the new primary hub for Lydney and District could make use of the vacant Coop store in the centre of Lydney and it appears that this may well now be implemented.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake in support of public benefit.

Financial review

The majority of the funds are managed by COIF Charity Investment Fund, they decreased in value during 2022 partially offsetting the gains made in the previous year.

The Trustees now have substantial reserves and when the direction of the new health provision in Lydney and the South Forest are better known, the Trustees will consider how they can be used to supplement local services; in the meantime they will continue to support the provision of services at Lydney Hospital until it closes.

Investments are held for the purpose of generating a financial return which will be applied to present and future charitable purposes.

The Trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The Trustees who served during the year and up to the date of signature of the financial statements were:

Mr J Williams
Viscount Bledisloe
Mrs M Thurston
Mr A Midgley

FRIENDS OF LYDNEY HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Should vacancies occur in the Board of Trustees, new Trustees are appointed following interview and the usual recruitment checks.

In accordance with the Trust Deed, the management of the charity is delegated to the 'Committee of Friends of Lydney Hospital', which is elected in accordance with the Trust Deed.

The Trustees report was approved by the Board of Trustees.

Mrs M Thurston

Trustees

Dated: 14 June 2023

FRIENDS OF LYDNEY HOSPITAL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF FRIENDS OF LYDNEY HOSPITAL

I report to the Trustees on my examination of the financial statements of Friends of Lydney Hospital (the charity) for the year ended 30 September 2022.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard 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 now been withdrawn.

I understand that this has been done in order for financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Ian Price (FCA)

Griffiths Marshall
Beaumont House
172 Southgate Street
Gloucester
GL1 2EZ

Dated: 14 June 2023

FRIENDS OF LYDNEY HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	25,064	-	25,064	103,392	-	103,392
<u>Charitable activities</u>							
Investments	4	49,994	-	49,994	47,389	10	47,399
Total income		75,058	-	75,058	150,781	10	150,791
Expenditure on:							
<u>Raising funds</u>							
Fundraising and publicity	5	-	-	-	79	-	79
<u>Charitable activities</u>							
Charitable Activities	6	19,493	-	19,493	15,105	-	15,105
Total charitable expenditure		19,493	-	19,493	15,105	-	15,105
Total expenditure		19,493	-	19,493	15,184	-	15,184
Net gains/(losses) on investments	10	(110,451)	-	(110,451)	211,890	-	211,890
Net movement in funds		(54,886)	-	(54,886)	347,487	10	347,497
Fund balances at 1 October 2021		2,111,298	2,843	2,114,141	1,763,811	2,833	1,766,644
Fund balances at 30 September 2022		2,056,412	2,843	2,059,255	2,111,298	2,843	2,114,141

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

All income and expenditure derive from continuing activities.

FRIENDS OF LYDNEY HOSPITAL

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11	15,813		21,085	
Investments	12	1,635,772		1,746,223	
		<u>1,651,585</u>		<u>1,767,308</u>	
Current assets					
Cash at bank and in hand		<u>407,670</u>		<u>346,833</u>	
Net current assets			407,670		346,833
Total assets less current liabilities			<u>2,059,255</u>		<u>2,114,141</u>
Income funds					
Restricted funds	14	2,843		2,843	
Unrestricted funds		2,056,412		2,111,298	
		<u>2,059,255</u>		<u>2,114,141</u>	

The financial statements were approved by the Trustees on 14 June 2023

Mrs M Thurston
Trustee

FRIENDS OF LYDNEY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Charity information

Friends of Lydney Hospital is an unincorporated charity, and was registered with the Charities Commission on 14 May 1979.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity.

The financial statements have been prepared under the historical cost convention, modified to include investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

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

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

FRIENDS OF LYDNEY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Expenditure is included on an accruals basis, inclusive of irrecoverable VAT and is recognised when there is a legal or constructive obligation to pay.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Equipment	25% Reducing balance
Fixtures and fittings	25% Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

FRIENDS OF LYDNEY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	25,064	103,392

Donations and gifts income for the year ended 30 September 2022 includes income from legacies and memorial gifts of £22,554 (2021 - £102,175).

4 Investments

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2022	2021	2021	2021
	£	£	£	£
Investment income	49,712	47,383	-	47,383
Interest receivable	282	6	10	16
	49,994	47,389	10	47,399

5 Raising funds

	Total	Unrestricted funds
	2022	2021
	£	£
Fundraising and publicity	-	79
Staging fundraising events	-	79

FRIENDS OF LYDNEY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

6 Charitable activities

	Charitable Activities 2022 £	Charitable Activities 2021 £
Depreciation and impairment	5,271	7,028
Flowers and other costs	1,364	741
Hospital Donations	11,214	5,836
Bank charges	144	-
	<u>17,993</u>	<u>13,605</u>
Share of governance costs (see note 7)	1,500	1,500
	<u>19,493</u>	<u>15,105</u>

7 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Legal and professional	-	1,500	1,500	1,500
	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Analysed between Charitable activities	-	1,500	1,500	1,500
	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

9 Employees

There were no employees during the year.

10 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Revaluation of investments	(110,451)	211,890
	<u>(110,451)</u>	<u>211,890</u>

FRIENDS OF LYDNEY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Tangible fixed assets

	Equipment	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 October 2021	22,675	24,393	47,068
At 30 September 2022	22,675	24,393	47,068
Depreciation and impairment			
At 1 October 2021	13,109	12,875	25,984
Depreciation charged in the year	2,391	2,880	5,271
At 30 September 2022	15,500	15,755	31,255
Carrying amount			
At 30 September 2022	7,175	8,638	15,813
At 30 September 2021	9,566	11,519	21,085

FRIENDS OF LYDNEY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 October 2021	1,746,223
Valuation changes	(110,451)
	<hr/>
At 30 September 2022	1,635,772
	<hr/>
Carrying amount	
At 30 September 2022	1,635,772
	<hr/>
At 30 September 2021	1,746,223
	<hr/>

13 Financial instruments	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,635,772	1,746,223
	<hr/>	<hr/>

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 October 2020 £	Movement in funds Incoming resources £	Balance at 1 October 2021 £	Movement in funds Incoming resources £	Balance at 30 September 2022 £
Pathfinder SET	2,833	10	2,843	-	2,843
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

15 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 30 September 2022 are represented by:						
Tangible assets	15,813	-	15,813	21,085	-	21,085
Investments	1,635,772	-	1,635,772	1,746,223	-	1,746,223
Current assets/(liabilities)	404,827	2,843	407,670	343,990	2,843	346,833
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,056,412	2,843	2,059,255	2,111,298	2,843	2,114,141
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

FRIENDS OF LYDNEY HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

16 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).