



**Friends of
Eastbourne
Hospital**

Help us help them help you

FRIENDS OF EASTBOURNE HOSPITAL

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 AUGUST 2021**

CHARITY NUMBER: 220592

Watson Associates (Audit Services) Ltd
30 - 34 North Street
Hailsham
East Sussex
BN27 1DW

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

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FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity number

220592

Principal address

Friends Office
District General Hospital
Kings Drive
Eastbourne, East Sussex
BN21 2UD

Trustees

Dr P Nash	President
Dr A Walmsley	Chairman
Mrs A Caffyn	
Mrs J Boyce-Sharpe	
Mrs R Cameron	
Ms T Hamblin	
Mr A Holter	
Mrs C Lock	
Mrs M Lonsdale	
Mr H Parker	
Mrs B Phillips	
Mr G Stone	
Mrs G Woolley	

Treasurer

Mr P Skilbeck FCA

Auditors

Watson Associates (Audit Services) Ltd
30-34 North Street
Hailsham, East Sussex
BN27 1DW

Solicitors

Mayo Wynne Baxter LLP
20 Gildredge Road
Eastbourne, East Sussex
BN21 4RP

Bankers

Barclays Bank plc
Leicester Servicing Centre
Leicester
LE87 2BB

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The trustees present their report and financial statements of the charity for the year ended 31 August 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deed, applicable law and United Kingdom Accounting Standards. The charity is a public benefit entity.

The Covid-19 pandemic

Before presenting their report in the usual form, the trustees consider that it would be of benefit to users of these accounts for the trustees to outline the impact that the Covid-19 pandemic has had on the activities of the charity. The effects have of course been significant and can be set out as follows:

a) Fund-raising

As will be appreciated, the first lockdown occasioned by the virus had an immediate effect on the shop trading and turnover decreased immediately by some 70%. Through the dedication of the shop staff and volunteers, the main shop remained open and sales have increased steadily through subsequent months, currently running at approximately 62% of the previous level. The staff shop closed at the time of each lockdown, as did the flower shop and trolley rounds through the Hospital. However, the staff shop, trolley rounds and the small café have re-started trading in recent months.

All fund-raising events have of course only now started to be organized again but the contributions from such functions as the open gardens and the art exhibition are obviously at a much lower level than before the pandemic. The income from all such events was still some £54,000 lower than in the year ended August 2019. It is hoped that all events will re-commence as soon as possible but the trustees are naturally concerned that it may be many months before the previous level of fund-raising can be achieved.

As outlined below in this report, the charity ran a very successful campaign to raise funds in order to assist the Hospital and the staff through each wave of the pandemic and subsequently. The generosity shown by way of donations and assistance from so many people was greatly appreciated.

b) Volunteers and staff

The assistance of many volunteers could not be called upon through the lockdown and, apart from those who selflessly continued to keep the main shop open, volunteers had to remain safely away from the Hospital and from charity events. Whilst the open gardens have been a success through this summer, the trustees of course hope to welcome all volunteers – and members – back as soon as possible. As there was such a downturn in the charity's activities, the part-time administration staff in the Friends' office reduced their hours by 40% and will again resume normal working hours as and when this can be justified by circumstances. At no time was it considered appropriate for the charity to take advantage of the furlough scheme or any other government funding.

c) Charitable services

In February 2020, due to a change in the working practices of the Hospital, the previous special project for 2019/20 became inappropriate. It was replaced with a commitment to purchase equipment for three X-ray rooms within the Hospital together with a mobile X-ray unit. With the arrival of the Covid-19 pandemic, it was apparent – and fully understood by the Trust – that the charity could not finance the project in full until income streams began to return to more usual levels. However, the Trust is proceeding with purchase of equipment for two of the X-ray rooms and for the mobile X-ray unit and funding is set aside within the charity to finance that part of the project. Equipment for the third X-ray room will be financed as soon as practicable. A smaller project was adopted for 2020/21 for approximately £78,000 in respect of equipment in the emergency department.

The generous donations received in respect of the charity's Covid-19 campaign were utilized for support of the Hospital and staff through, and subsequent to, each wave of the pandemic. Liaising with the coronavirus support and the wellbeing hubs in the Hospital, a significant amount of personal protective equipment was purchased in the early stages of the pandemic, along with iPads for patients on the Covid-19 ward, and all manner of equipment and supplies has been donated throughout, as required, to reduce the pressures on staff and patients.

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (Continued)

d) Finances and going concern basis

The trustees are required by the regulatory authorities to consider the financial position of the charity and to report on its position as a going concern. The conservative financial policies of the trustees have always ensured that monies will not be considered available for grant until the funds are actually received and it is intended that this policy will continue. Further, the trustees consider it important that donations and legacies are not used to finance the administrative costs of the charity. This has been the case throughout the financial year and subsequent to the year end. Budgets are in place to ensure that the same applies throughout the year to 31 August 2022. It is hoped of course that the downward pressure on grants and other donations will ease in the foreseeable future. On this basis, and by reference to the financial position of the charity, it is considered wholly appropriate for the trustees to prepare the accounts of the charity on a going concern basis.

In the usual way, the trustees present their more formal report as follows:

Objectives and activities for the public benefit

The charity's purpose is to raise voluntary funds to provide extra equipment, amenities and services for the patients and staff at the Eastbourne District General Hospital (the Hospital) under the control of East Sussex Hospitals Trust (ESHT) and its associated community services provided centrally by ESHT. The charity additionally aims to encourage the interest and support of the public for the staff, patients and the work of the Trust.

The trustees are aware that there is guidance issued by the Charity Commission on Public Benefit. The trustees willingly accept, and confirm their regard for, this responsibility: the Hospital serves the population of Eastbourne and a substantial part of the surrounding county of East Sussex. Every patient, visitor and member of staff has the potential to benefit from the services and equipment provided by the charity. Therefore, everyone who lives in the substantial catchment area of the Hospital may benefit - including the many thousands of annual visitors to the area.

In more normal times, the charity raises its funds through a number of sources including legacies, donations and direct fundraising activities throughout the year. In addition, the charity is determined to continue to provide a service to the Hospital, its patients, staff and visitors. It does this through:

Two shops - a main shop in the entrance to the Hospital and a staff shop.

A flower shop – conveniently situated close to the car parks at the main entrance to the Hospital.

A trolley service around wards for the convenience of staff and of patients who are unable to visit the other shops.

A morning trolley service to all departments for the convenience of staff.

A small café within the radiotherapy department of the Hospital.

The two shops and the café are under the management of a salaried manageress assisted by part-time deputies. The shops, flower shop, the trolley service and the café are otherwise wholly staffed by volunteers with all surpluses generated by these activities being used to further the objectives of the charity.

For the purpose of carrying out the above objectives but not further or otherwise, the charity shall have the following powers:

- to provide funds for extra services, equipment and amenities for patients and staff and to make donations where expenditure has been recommended by ESHT and has been approved by the Executive Committee.
- to encourage voluntary work in the Hospital.
- to provide a link between the Hospital and the community

Volunteers

Volunteers are essential to the success of the charity. In the shops, trolley service and flower shop alone, it is estimated that in a normal year they give an amazing 27,000 man hours of voluntary service per year. In addition, volunteers work in the office and assist with every activity undertaken by the charity, be that a small coffee morning, a sponsored event or a major function such as a fête or ball. It is impossible to quantify these hours or the numbers involved but their contribution to the success of the charity is both invaluable and very much appreciated.

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

Achievements and performance

Whenever appropriate, the charity requests ESHT to identify major projects that it would like the charity to consider as their major objective for the future period. These projects, having been agreed with the trustees, are presented to the Annual General Meeting. As mentioned above, the special project for 2020/21 is equipment for the radiology department. The estates work for this project is currently being carried out by the Trust and the equipment will be purchased when this is complete.

Separate from the above, the charity continues to fund equipment and support many other areas of the Hospital, including educational bursaries where funding for staff at the Hospital is not otherwise available through the NHS.

The main fundraising activities of the charity during the year would usually include:

- an art exhibition – held 'virtually' in November 2020
- a tennis tournament – not held in the current year
- a wine tasting evening – not held in the current year
- quiz evenings and supper evenings – not held in the current year
- a cream tea and mini-fete – not held in the current year
- open gardens events – a restricted number of gardens were opened this summer
- 'free wills' arrangements through the kindness of local solicitors
- individually organised coffee mornings and events – not held in the current year

As in previous years, the charity has continued to benefit from many individual donations and donations in lieu of flowers, as well as events organised by individuals and small groups. These are too numerous to set out in detail but, again, are of course very gratefully received. Legacies have of course also formed a very welcome and significant source of income.

Financial review

For the year ended 31 August 2021, whilst higher legacies were received in the year, the charity saw a significant further decrease in income from the previous two years, resulting in total income from all sources of £469,235 as against a figure of £590,175 in the year ended 31 August 2019. There was a decrease in the level of donations and, of course, a large fall in the proceeds from fund-raising activities, shop trading and other income.

By nature, the amounts available for grant and the performance of the charity are largely dependent on the receipt of voluntary funds and for this reason, objectives cannot be set with any accuracy. However, as funds became available, significant grants were made over and above the major project. These totalled £226,039 and included significant assistance to the podiatry, gynaecology and critical care departments of the Hospital.

The trustees are satisfied with the financial position of the charity at the end of the year. A total of £503,618 is held awaiting draw-down by ESHT in respect of designated bids, including £399,664 relating to the special project for this year. There are funds available for future grants of £578,453 although the trustees consider it important to note that this figure includes substantial legacies where probate has been granted but which will not be considered available for grant until the funds are actually received.

From the total funds held at the year end, certain amounts are retained or committed, as follows:-

- As noted below, the trustees conservatively maintain a capital reserve of £50,000 which is not considered available for grant,
- There is a restricted fund of £39,372 held for the benefit of staff at the Hospital which will be made available as requests for grants are considered and agreed by the trustees,
- Further restricted funds of £132,287 are held for donation when purchases are completed by ESHT,
- Agreed grants are outstanding in the sum of £503,618. These will also be finalised for donation when purchases are completed by ESHT.

Subject to the timing of receipt of legacies and other funds, there is therefore an amount of unrestricted funds totalling £578,453 which is available for future requests and agreement of grants by the trustees.

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

Future Developments

Under the circumstances, the trustees are very satisfied with the results for the year and are confident that the objectives of the charity will continue to be met in the future. There are no material uncertainties about the charity's ability to continue. Whilst proceeding towards financing of major projects for the forthcoming year, it is anticipated that other grants will continue to be made on a conservative basis as funds become available.

Investment policy and objectives

The charity does not, as a rule, receive endowment or capital trust funds. Since it is the policy to allocate funds as soon as practicable the charity does not normally need to hold funds on a medium or long term basis. As the ESHT management indicate that adequate notice can be given before funds are needed, the trustees continue their policy of keeping the funds allocated to the projects until they are required.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees regularly review and consider the major risks to which the charity is potentially exposed. A major risk is one that if materialised would have a significant adverse impact on the charity's ability to function and achieve its aims and objectives. They are not averse to taking reasonable risks as part of their strategy to achieve the charity's objectives. Grant funds are not allocated until funds have been received or can conservatively be anticipated and the trustees consider that the charity is protected from significant financial risk.

The trustees expect all staff and volunteers, when engaging in any activity, to consider the risks it poses and to act in accordance with any recommendations made for risk management.

The trustees expect that the staff and volunteers shall not engage in additional types of activity on behalf of the charity, for example new forms of fundraising or service provision, without informing them. In any such case, a proposal - including an analysis of the possible risks posed to the charity - is to be presented to the trustees for prior approval.

Reserves policy

The reserves policy of the charity is to maintain a fund that is needed to support replacement items and maintenance in the shops and offices. It is the trustees' policy to utilise all other available funds as soon as practicable in line with the identified needs of the Hospital. It is also the policy that all such requests are submitted to the trustees for consideration only after they have been agreed as necessary by the ESHT senior management.

Bearing in mind the low level of risk faced by the charity, the trustees consider that it is reasonable for the charity to retain £50,000 in reserve. This amount is to cover a proportion of annual general expenses and any shortfall in funds for the charity's main project or other commitments due to a fall in bequests or fundraising. The figure is based on the charity's yearly commitments to purchasing equipment and the main projects, as well as salary costs, insurance and office costs.

Structure, governance and management

The charity was established in 1953, having previously been known as The Eastbourne Hospitals Patients' Association established in 1948, and is affiliated to ATTEND. The charity is controlled by its governing document, a deed of trust, and is an unincorporated charity.

New trustees may be co-opted during the year, with their appointment ratified by the membership at the following Annual General Meeting, and triennially thereafter. All necessary familiarisation procedures are followed for new trustees. The president, chairman and vice chairman are subject to appointment and reappointment by the membership in accordance with the trust deed. In addition, nominations for all positions are invited from the membership prior to each Annual General Meeting.

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021 (continued)

The trustees form the Executive Committee which makes all policy decisions and oversees the activities of the charity. Sub-committees are created on an ad hoc basis and are led by trustees who report back to the regular meeting of the Executive Committee. The Executive Committee is joined regularly by a senior member of the ESHT main board.

Key management personnel remuneration

The trustees consider the board of trustees, the treasurer and the two part-time administration staff as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Arrangements for setting the remuneration of other key management personnel are made by the trustees on a normal commercial basis.

Trustees' responsibilities in relation to the financial statements

The charity's trustees are responsible for preparing a trustees' annual report and 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 charity trustees to prepare financial statements for each 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 the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 15 November 2021 and signed on their behalf by:

Dr A J Walmsley – Chairman

16 November 2021

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FRIENDS OF EASTBOURNE HOSPITAL

Opinion

We have audited the financial statements of Friends of the Eastbourne Hospital for the year ended 31 August 2021, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the financial statements have been prepared in accordance with FRS 102 SORP (Statement of Recommended Practice for Accounting and Reporting by Charities) 2015 (as amended by the Bulletin issued in February 2016) published by the Charity Commission in England and Wales, effective January 2016, (The SORP), and under the historical cost convention, which framework constitutes the applicable United Kingdom Generally Accepted Accounting Practice.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

This report is made solely to the Trustees, as a body in accordance with the requirements of Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our work has been undertaken so that we might state to the 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 liability or responsibility to anyone other than the Trustees as a body, for our work, for this report or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF FRIENDS OF EASTBOURNE HOSPITAL (Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you where:

- the information 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; 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 (set out on page 6) the Trustees are responsible for the preparation of the financial statements and for being satisfied that they 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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Watson Associates (Audit Services) Ltd, Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
30-34 North Street
Hailsham
East Sussex
BN27 1DW

16 November 2021

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOMING RESOURCES						
Voluntary income	2	346,377	-	45,806	392,183	345,978
Income from charitable activities and other trading activities	3	349,026	-	-	349,026	425,752
Investment income	4	107	-	-	107	1,872
Total income		<u>695,510</u>	<u>-</u>	<u>45,806</u>	<u>741,316</u>	<u>773,602</u>
RESOURCES EXPENDED						
Expenditure on raising funds						
- voluntary income	5	1,383	-	-	1,383	1,834
- charitable activities and other trading activities	6	270,698	-	-	270,698	323,464
Expenditure on charitable activities	7	<u>48,128</u>	<u>200,357</u>	<u>17,264</u>	<u>265,749</u>	<u>437,865</u>
Total expenditure		<u>320,209</u>	<u>200,357</u>	<u>17,264</u>	<u>537,830</u>	<u>763,163</u>
NET INCOME/(EXPENDITURE)						
BEFORE TRANSFERS		375,301	(200,357)	28,542	203,486	10,439
Transfers between funds	17	<u>(122,898)</u>	<u>122,898</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		252,403	(77,459)	28,542	203,486	10,439
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>326,049</u>	<u>631,078</u>	<u>143,117</u>	<u>1,100,244</u>	<u>1,089,805</u>
TOTAL FUNDS CARRIED FORWARD		<u>£ 578,452</u>	<u>£ 553,619</u>	<u>£ 171,659</u>	<u>£ 1,303,730</u>	<u>£ 1,100,244</u>

The notes on pages 12 to 20 form part of these accounts.

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

FRIENDS OF EASTBOURNE HOSPITAL

BALANCE SHEET AT 31 AUGUST 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	1,800	2,100
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks	13	23,640	26,615
Debtors	14	332,330	196,901
Cash at bank and in hand		964,346	887,578
		<hr/>	<hr/>
		1,320,316	1,111,094
CREDITORS			
Amounts falling due within one year	15	18,386	12,950
		<hr/>	<hr/>
NET CURRENT ASSETS		1,301,930	1,098,144
		<hr/>	<hr/>
NET ASSETS		£ 1,303,730	£ 1,100,244
		<hr/> <hr/>	<hr/> <hr/>
FUNDS			
Unrestricted funds	17	1,132,071	957,127
Restricted funds	17	171,659	143,117
		<hr/>	<hr/>
TOTAL FUNDS		£ 1,303,730	£ 1,100,244
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 20 form part of these accounts.

Approved by the trustees on 15 November 2021 and signed on their behalf by:

Dr A Walmsley - Chairman

16-Nov-21

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
Net cash at bank and in hand provided by/(used in) operating activities	77,752	148,573
Interest from investing activities	107	1,872
Purchase of tangible fixed assets	(1,241)	(2,560)
Disposal of tangible fixed assets	150	-
	<hr/>	<hr/>
Change in cash at bank and in hand in the year	76,768	147,885
	<hr/>	<hr/>
Cash at bank and in hand brought forward	887,578	739,693
	<hr/>	<hr/>
Cash at bank and in hand carried forward	£ 964,346	£ 887,578
	<hr/> <hr/>	<hr/> <hr/>

ANALYSIS OF CASH AND CASH EQUIVALENTS

Cash at bank and in hand	£ 964,346	£ 887,578
	<hr/> <hr/>	<hr/> <hr/>

**RECONCILIATION OF NET MOVEMENT IN FUNDS
TO NET CASH FLOW FROM OPERATING ACTIVITIES**

Net movement in funds	203,486	10,438
Add back: depreciation charge	1,391	4,068
Deduct: interest from investing activities	(107)	(1,872)
Decrease/(increase) in stocks	2,975	(2,047)
(Increase)/decrease in debtors	(135,429)	142,725
Increase/(decrease) in creditors	5,436	(4,739)
	<hr/>	<hr/>
Net cash at bank and in hand provided by operating activities	£ 77,752	£ 148,573
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

a) Basis of preparation and assessment of going concern

The accounts have been prepared under the historical cost convention with items recognised at cost. The financial statements have been prepared in accordance with: Statement of Recommended Practice: 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) issued on 16 July 2014 and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

b) Funds structure

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

c) Income recognition

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

Legacies are recognised on a case by case basis following the grant of probate when entitlement becomes quantifiable and there is certainty of receipt.

Where after date receipts provide additional evidence to enable quantification of amounts receivable, adjustment is made. Income in relation to fundraising events is deferred as necessary so that income is recognised in the period in which the fundraising event will occur.

Membership subscriptions and donations are accounted for as received by the charity. Life memberships are not deferred as the trustees consider that the amounts involved are too small to warrant formal discounting over the possible remaining period of a member's lifetime.

Activities for generating funds is made up of fundraising and shop income. Shop income is included in the accounts net of VAT and trade discounts. Fundraising is accounted for when money is receivable.

d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

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

Costs of generating funds primarily consists of direct costs in relation to the shop including purchases, repairs and other costs. Other items such as staff costs and advertising which assist the charity in the generation of additional income are also included.

Charitable gifts are accounted for in the period in which they are paid.

All expenditure directly related to the objects of the charity is treated as direct charitable expenditure. All other costs including the costs of administration are allocated to the various sources of activity as appropriate.

Staff costs are allocated between the various areas of the charity's operations based on an approximate percentage of the level of time the various members of staff allocate to each section of the charity's undertakings.

e) Donated goods, facilities and services

The donation of goods, facilities and services to the charity provide an economic resource for use in furthering its aims and objectives. However, the cost of valuing the small amount of donated goods for resale outweighs the benefit to users of the accounts and the sale value is included within Note 3 under shop and trolley service income. Given the absence of a reliable measurement basis to value the role played by all the volunteers of the charity, the value of all their time is not included within income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (Continued)

f) Irrecoverable VAT

The charity is only partially exempt for VAT due to the provision of taxable supplies through shop trading. As a result, not all input VAT is recoverable by the charity. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

g) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include statutory audit fees together with an apportionment of overhead and support costs.

h) Tangible fixed assets

Fixtures, fitting and equipment are capitalized and valued at cost. Depreciation is provided on a straight line basis over the estimated useful life as follows:

Fixtures, fittings and equipment - 33% on cost and 20% on cost

i) Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

j) Taxation

The charity is exempt from tax on its charitable activities.

k) Pensions

The charity has fulfilled all its responsibilities under auto-enrolment subsequent to its staging date.

l) Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received; other debt instruments are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

m) Significant judgements and estimates

No significant judgements have had to be made by management in preparing these financial statements.

There were no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Donations and gifts	57,093	10,806	67,899	140,318
Legacies	289,284	35,000	324,284	205,660
	<u>346,377</u>	<u>45,806</u>	<u>392,183</u>	<u>345,978</u>

3. INCOME FROM CHARITABLE ACTIVITIES AND OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fundraising events	23,007	-	23,007	28,331
Shop and trolley service income	319,854	-	319,854	390,598
Collecting tins	3,491	-	3,491	3,219
Advertising in Hospitality magazine	2,674	-	2,674	3,604
	<u>349,026</u>	<u>-</u>	<u>349,026</u>	<u>425,752</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Deposit account and bank interest	107	-	107	1,872
	<u>107</u>	<u>-</u>	<u>107</u>	<u>1,872</u>

5. COSTS OF RAISING FUNDS - VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Staff costs	800	-	800	1,450
Other costs	583	-	583	384
	<u>1,383</u>	<u>-</u>	<u>1,383</u>	<u>1,834</u>

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. COSTS OF RAISING FUNDS - CHARITABLE ACTIVITIES AND OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Staff costs	31,057	-	31,057	33,922
Shop trading expenses	233,611	-	233,611	276,893
Other costs	4,639	-	4,639	8,581
Depreciation	1,391	-	1,391	4,068
	<u>270,698</u>	<u>-</u>	<u>270,698</u>	<u>323,464</u>

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	2021 The advancement of health £	2020 £
Grant funding of activities	215,151	357,385
Other equipment, amenities and services	10,888	31,030
Support costs (Note 8)	39,710	49,449
	<u>265,749</u>	<u>437,864</u>

Grants were made during the year to provide extra equipment, amenities and services for the patients and staff at the Hospital. Grants to institutions relating to the advancement of health comprise -

		2021 £	2020 £
East Sussex Hospitals Trust	Restricted	14,794	15,640
	Unrestricted	200,357	334,598
Sussex Partnership NHS FT	Unrestricted	-	7,147
		<u>215,151</u>	<u>357,385</u>

8. SUPPORT COSTS

	2021 £	2020 £
Management - staff costs	15,676	21,891
- office and other costs	12,776	14,704
Governance costs (Note 9)	11,258	12,854
	<u>39,710</u>	<u>49,449</u>

All support costs were funded from unrestricted funds.

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. GOVERNANCE COSTS

	2021 Total funds £	2020 Total funds £
Accountancy	-	-
Auditors' remuneration	5,225	5,500
Staff costs	6,033	6,585
Costs of meetings	-	769
	<u>11,258</u>	<u>12,854</u>

10. STAFF COSTS

	2021 £	2020 £
Wages and salaries	<u>53,565</u>	<u>63,848</u>

The average number of full and part time employees during the year was 6 (2020 - 6).
No employee received emoluments in excess of £60,000.

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the years ended 31 August 2021 or 2020.

There were no trustees' expenses paid for the years ended 31 August 2021 or 2020.

12. TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
COST	
At 1 September 2020	115,652
Additions	1,241
Disposal at cost	(642)
	<u>116,251</u>
At 31 August 2021	
DEPRECIATION	
At 1 September 2020	113,552
Charge for the year	1,391
Eliminated in respect of disposals	(492)
	<u>114,451</u>
At 31 August 2021	
NET BOOK VALUE	
At 31 August 2021	<u>1,800</u>
At 31 August 2020	<u>2,100</u>

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. STOCKS

	2021	2020
	£	£
Shop stock	21,715	22,691
Other stocks	1,925	3,924
	<u>23,640</u>	<u>26,615</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors and prepayments	4,627	5,601
Legacies receivable	327,703	191,300
	<u>332,330</u>	<u>196,901</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	2,714	2,480
Social security and other taxes	8,001	3,368
Other creditors and accruals	7,671	7,102
	<u>18,386</u>	<u>12,950</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Designated funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
Fixed assets	1,800	-	-	1,800	2,100
Current assets	645,039	503,618	171,659	1,320,316	1,111,094
Current liabilities	(18,386)	-	-	(18,386)	(12,950)
	<u>628,453</u>	<u>503,618</u>	<u>171,659</u>	<u>1,303,730</u>	<u>1,100,244</u>

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. MOVEMENT IN FUNDS

	At 1.9.20. £	Net movement in funds £	Transfers between funds £	At 31.8.21. £
<u>Designated funds</u>				
Urology fund	99,490	(30,064)	(69,426)	-
Equipment fund	171,588	(170,293)	24,809	26,104
Radiology fund	310,000	-	89,664	399,664
Emergency department project	-		77,850	77,850
Total designated funds	581,078	(200,357)	122,897	503,618
Capital reserve	50,000	-	-	50,000
Other charitable funds	326,049	375,301	(122,897)	578,453
Total unrestricted funds	957,127	174,944	-	1,132,071
<u>Restricted funds</u>				
Ophthalmology fund	62,569	35,000	-	97,569
Covid-19 fund	29,613	2,209	1,600	33,422
Intensive Care fund	7,496	(7,496)	-	-
Other funds	4,437	(1,541)	(1,600)	1,296
Special equipment funds	104,115	28,172	-	132,287
W Beavan bequest	39,002	370	-	39,372
Total restricted funds	143,117	28,542	-	171,659
TOTAL FUNDS	1,100,244	203,486	-	1,303,730

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

17. MOVEMENT IN FUNDS (Continued)

Net movement in funds, included on the previous page, are as follows:-

	Incoming resources £	Resources expended £	Movement in funds £
<u>Designated funds</u>			
Urology fund	-	(30,064)	(30,064)
Equipment fund	-	(170,293)	(170,293)
Radiology fund	-	-	-
Emergency department project	-	-	-
Total designated funds	-	(200,357)	(200,357)
<u>Unrestricted funds</u>			
Capital reserve	-	-	-
Other charitable funds	383,720	(8,419)	375,301
Total unrestricted funds	383,720	(208,776)	174,944
<u>Restricted funds</u>			
Ophthalmology fund	35,000	-	35,000
Covid-19 fund	5,383	(3,174)	2,209
Intensive Care fund	-	(7,496)	(7,496)
Other funds	4,423	(5,964)	(1,541)
Special equipment funds	44,806	(16,634)	28,172
W Beavan bequest	370	-	370
	45,176	(16,634)	28,542
	428,896	(225,410)	203,486

FRIENDS OF EASTBOURNE HOSPITAL
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. 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:

Ophthalmology and intensive care funds - Funds received and raised, as yet unspent, relating to the special project funds at the Hospital.

Special equipment funds - Funds received by the charity that are restricted by donors for the purchase of specific equipment for the patients and staff at the Hospital.

W Beavan bequest - a legacy specifically left to be expended for the benefit of staff at the Hospital.

Covid-19 fund - following the Covid-19 appeal and support of the hospital and the staff, funds remain in this fund to cover any expenditure required until the pandemic is over. As far as possible, all donors were advised that, when the pandemic was over, remaining funds would be transferred to the specific fund maintained for the benefit of staff at the Hospital.

19. DESIGNATED FUNDS

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Trustees for specific purposes:

Special equipment funds - funds designated for expenditure on specific equipment, awaiting invoices from the Hospital.

20. CAPITAL RESERVE

The capital reserve is part of the charity's unrestricted funds but is not considered by the trustees to be a designated fund. The reserve is considered to be a 'sub-fund' of other unrestricted funds and, as detailed in the Report of the Trustees, is held so as to set aside a certain amount of unrestricted funds as non-distributable and not available for designation.

21. RELATED PARTY TRANSACTIONS AND TRUSTEES' EXPENSES AND REMUNERATION

There were no related party transactions in the year or in the previous year. The trustees all give freely of their time and expertise without any form of remuneration or other benefit in cash or kind.

22. ULTIMATE CONTROLLING PARTY

The charity was under the control of the Executive Committee, as detailed in the Report of the Trustees, throughout the year.