

**CRANLEIGH VILLAGE HOSPITAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

CHARITY NO 1089861

COMPANY NO 04253074



BREWERS

Chartered Accountants
Bourne House
Queen Street
Gomshall
Surrey GU5 9LY

CRANLEIGH VILLAGE HOSPITAL TRUST

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CRANLEIGH VILLAGE HOSPITAL TRUST
REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

LEGAL AND ADMINISTRATIVE INFORMATION

Registered office and business address and registration numbers

Oliver House
93, High Street
Cranleigh
Surrey, GU6 8AU
Charity Number: 1089861
Company Number: 04253074

Website

www.cvht.org.uk

Board of Directors

The Trustees serving during the financial year and since the year end were as follows:

Dr Robin Fawkner-Corbett	(Chairman)
Nick Vrijland	(President)
John Bainbridge	(Treasurer and Company Secretary)
David Barry	
Brian Cheesman	
Dianne Davies	
David Graham-Smith	
Andy Leahy	
Nigel Roberts	

Independent Examiner

Andrew Skilton
Brewers Chartered Accountants
Bourne House
Queen Street
Gomshall
Surrey GU5 9LY

Bankers

HSBC Bank plc
12A North Street
Guildford
Surrey GU1 4AF

Solicitors

Penningtons Manches LLP
Highfield
Brighton Road
Godalming
Surrey GU7 1NS

CRANLEIGH VILLAGE HOSPITAL TRUST
CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

This year has been a watershed for Cranleigh Village Hospital Trust (CVHT) and with the positive input from the Royal Surrey County Hospital (RSCH), Surrey County Council (SCC) and the Guildford and Waverley Clinical Commissioning Group (CCG), the momentum for success, for which we have been yearning for so many years, has at last become realistic. So much so that by the time of our AGM on 21st November, we should be in a position to announce our selected Care Home provider.

In September 2015, Peter Ridley, RSCH Director of Finance, who was leading the project from the RSCH's standpoint, was in discussions with four possible care home providers. By November this number had been reduced to the one provider with not only considerable experience in the delivery of NHS and County Council funded nursing care, and a large portfolio of care homes, but also demonstrable enthusiasm for the Cranleigh project.

In June of this year I, my fellow trustee, Nigel Roberts, and Tina Hetherington, Portfolio Head of Nursing at the RSCH, as part of our assessment of the provider's suitability, particularly at the nursing level, paid a visit to two of their care homes – one in Yorkshire and one in Derby. In Tina's subsequent report she was very much reassured by their clinical governance, the positive patient feedback, and the excellent staff training and development programmes provided. She also was impressed by there being no differentiation between funding streams and the care delivered. After discussion with our partners and as a result of the positive conclusions reached, Heads of Terms are being finalised between the Care Home provider and CVHT.

Following detailed discussions with this provider, RSCH and SCC, a detailed scheme for the development of the Care Home on our Knowle Lane site has been prepared. 20 of the beds will be sited in an interconnecting annex with the 60 bedded Care Home and will provide 10 beds for NHS funded step down and end of life care, and 10 beds for SCC funded nursing care.

Funding of the development has now become significantly clearer and the final details should be made public in the very near future. It was also decided to apply to Waverley BC for a public subsidy under their Infrastructure Delivery Plan in accord with Section 106.

I am indebted to our principal stakeholders, RSCH, the CCG and SCC for their considerable input. Earlier this year Peter Ridley moved on from the RSCH and his successor, Giles Mahoney, Director of Strategy at the RSCH, has seamlessly taken on Peter's role in leading the Cranleigh project from the RSCH's perspective. I am very grateful to them both for their expertise and their proven ability to work well with CVHT and our other partners, SCC, the CCG and our chosen Care Home provider. Similarly, I would like to express my gratitude to Liz Uliasz from Surrey County Council and Leah Moss from the CCG, who have provided crucial input to our discussions.

Andrew Carne, Deputy Medical Director at the Royal Surrey, continues to develop the plans for diagnostics and out patients on the old Village Hospital site but has not been able to quite match the pace of the Knowle Lane development – mainly as a result of the longer than expected negotiations with Propco, the NHS Property Company. However, CVHT is delighted that despite a very challenging financial climate the RSCH has achieved so much in advancing their role in the Knowle Lane plans.

CRANLEIGH VILLAGE HOSPITAL TRUST
CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016– CONT'D

The League of Friends of Cranleigh Village Hospital (LoF) have funds in hand, waiting to support the acquisition of diagnostic equipment and are patiently awaiting the green light from the RSCH. However, with plans advancing rapidly, especially with regard to the NHS beds, there may well be a need for significant fund raising in the not too distant future. CVHT and LoF have a mutually supportive partnership and will be coordinating closely over the management of future fund raising.

In the last two months there have been numerous meetings with our proposed developer, their lawyers, our own legal adviser and we have also taken independent advice concerning both due diligence and achieving our goals in line with the Charitable Commission's regulations.

At the AGM the name of our developer will be announced, and although we had anticipated signing off the Heads of Terms prior to the AGM, this will be achieved soon after the AGM – given the complexity of the document it was felt that it just required a little more time to have them signed off.

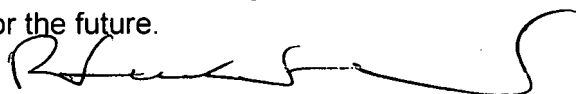
The extra good news for local health care is that we have made the decision to build a 20 unit accommodation block dedicated to the use by health care workers. This block would be built on part of the remaining land on the Knowle Lane site and create positive benefits with regard to both health staff appointments and staff retention.

It is intended that a planning application for the development will be made in the early Summer of 2017, preceding which there will be a pre-application exhibition – providing ample time for public viewing as well as feedback.

During the year the Trustees were most grateful to receive a very significant legacy in support of their work and aspirations. This is reported in the Financial Review in the Trustees' Report that follows.

I would like to express my gratitude to all my fellow Trustees for both their industry and their enthusiasm for the project. CVHT is also grateful to Christina Pearce, our administrator, for her skills in running the office, organising meetings and being our main and very competent minute taker. Finally, a heartfelt thank you to all our volunteers for helping keep the show on the road by their dedicated help in the Hospital Shop.

Our dreams and efforts of the last 16 years are now becoming close to fruition through the inspiration and dedication of so many people. With the new Health Centre at the central point, together with the National Health Service and SCC nursing beds on one side and up to date diagnostic and out-patient units on the other, Cranleigh and the surrounding villages will have exceptional health facilities in place for the future.



Robin Fawkner-Corbett

Chairman

16th November 2016

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees are pleased to present their report together with the financial statements of the Charity for the year ended 31 August 2016. Group financial statements have not been prepared as its subsidiary CVHT Enterprises Limited is dormant.

The financial statements have been prepared in accordance with the accounting policies, set out in the notes to the financial statements, comply with the Charity's governing document, the Companies Act 2006 and Accounting and Reporting by Charities Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Legal and administrative information set out on page 3 forms part of this report. The financial statements comply with the Companies Act 2006, relevant accounting standards, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Cranleigh Village Hospital Trust is a company limited by guarantee and a registered Charity governed by its Memorandum and Articles of Association. Charity number: 1089861. Company number: 04253074.

Directors and Trustees

The Trustees of the Company are also Directors under company law and the Trustees' Report is also a Directors' Report as required by S417 of the Companies Act 2006. Throughout this report the Directors are referred to as Trustees. In accordance with the Articles of Association, one third of the Trustees will resign at the AGM. Trustees are elected at a meeting of the Board of Trustees based on nominations received from Trustees or Members. Nominations are made based on personal competence and specialist skills. Any nomination must be proposed and seconded. New appointments are ratified at the AGM. Candidates must show knowledge of and an interest in the Hospital and the community it serves and be willing to give the time necessary to meet the Charity's aims. Trustees are also selected to give the Charity a good mix of appropriate professional skills e.g. finance, legal, retail, property management and fund-raising.

Thus, all the Trustees are highly skilled professionals and the Charity, in recognising the special requirements of a Charitable Company, encourages the Trustees to make themselves duly aware of the needs of the Charity by studying relevant guidance, undertaking appropriate reading and, where necessary, attending suitable courses, especially those issued or organised by the Charity Commission. The Charity also stresses in its governance documentation the need to operate under Charity Commission guidelines. All Trustees are appointed for a fixed term of not more than three years. The Trustees retire by rotation and may put themselves forward for re-election at the AGM.

The Trust maintains Trustees Fidelity Insurance in respect of the Trustees.

Objects of the Charity

Cranleigh Village Hospital Trust (Company No. 04253074) is a company limited by guarantee and is governed by its Memorandum and Articles of Association as amended on 6 December 2001, 29 August 2007 and 28 January 2010. The liability of the Members is limited to £1.

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2016 – CONT'D

It was established as a Charity (registered number 1089861) on 19 December 2001 with the purpose of: *"The relief of sickness in the Waverley Primary Care Group area and any additional areas as the Trustees think fit in particular by providing or assisting in the provision of a hospital in Cranleigh being the Cranleigh Village Hospital"*.

In early 2008, the Charity made public that it was working with the care home industry with the intention of solving the "beds problem" created when the then Primary Care Trust closed the beds in the old Village Hospital.

Since then, CVHT has been pursuing the aims of providing a new Out Patients Department (OPD) and Care Home with 10 beds free at the point of access to the public in separate buildings on the Knowle Lane site and in the old Village Hospital; together referred to below as the "healthcare facilities". The Trustees believe this will enable the provision of significantly superior healthcare than was provided by the old hospital. The Trustees are now, with the Royal Surrey County Hospital (RSCH), investigating utilising the old hospital for out-patient functions and the provision of a Palliative Care Unit in Cranleigh.

The abbreviated title of the Charity is CVHT and it has the following mission statement:

"CVHT is committed to the development of new secondary health care facilities with an extended OPD and including 10 free at the point of access beds for NHS patients. When opened these facilities will be available to patients from Cranleigh and the surrounding villages. CVHT will remain the ground landlord of the site in Knowle Lane in perpetuity on behalf of the community but will liaise with others to build, maintain, run and possibly develop further the said ground".

Any grants made by the Charity are in accordance with Charity law, its constitution and the wishes of donors.

Organisation

The Charity has a subsidiary, CVHT Enterprises Limited, which was formed to manage major fundraising events. CVHT Enterprises Limited was not active in the year.

The Charity is managed by a Board of Trustees which met nine times during the year. Decisions are made on a majority basis unless a decision is perceived by the Trustees as being fundamental to the objectives of the Charity, in which case a unanimous vote is required.

The day-to-day administration of the Charity's needs is delegated to the Administration Manager: Christina Pearce.

Risk Management

The Board regularly considers the major risks to which the Charity is exposed and the following risks have been identified:-

Inability to meet Waverley Borough Council planning requirements; inability to obtain full planning permission, without undue conditions, for the healthcare facilities now envisaged; inability to find sufficient on-going resources to manage the project effectively for the envisaged proposals.

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2016 – CONT'D

The Trustees address those identified risks in accordance with the following action plan:-

To work closely with the planners before a Planning Application is submitted; to continue to liaise closely with the CCG, RSCH and SCC regarding their potential need for facilities in the healthcare facilities and to seek suitable resources to fill any gaps in Trustee resources caused by lack of time or appropriate skills.

Investment policy

The Board is responsible for the Charity's investment policy. The Trustees review the deposits held and the funds available at their regular board meetings. The Trustees duly consider the Charity's income requirements, the risk profile and market prospects, and invest in low-risk investments to ensure the appreciation of the Charity's funds. During the year the return was 1.29% reflecting the continuing low interest environment. The emphasis is on maintaining a high level of liquidity and a low to moderate investment risk.

Reserves

Reserves have been accumulated in order to finance the proposed new healthcare facilities.

Public benefit

The primary objective of the Charity is the relief of sickness in the Waverley Cranfold area. The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. The Charity seeks to achieve these objectives by continuing the pursuit of the provision of, or assisting with the provision of, new healthcare facilities in Cranleigh.

ACHIEVEMENTS AND ACTIVITIES OVER THE LAST 12 MONTHS

CVHT's achievements and activities in the year are contained in the Chairman's Statement on pages 4 and 5.

PROJECT DEVELOPMENT / FUTURE PLANS

The necessary next steps include:-

- Finalisation of discussions with RSCH and SCC including the services to be provided in the healthcare facilities
- Completion of all legal formalities
- Submission of detailed planning application(s)
- Continued liaison with the various statutory bodies
- Development and launch of a fundraising campaign

Financial Review

The principal funding sources during the year were income from the shop and £132,982 (2015: £2,000) from a legacy. The net surplus for the year from ordinary activities was £91,822 which is compared to a deficit of £38,153 in 2015. The principal movement that contributed to this turn round was the receipt of a generous legacy during the year.

CRANLEIGH VILLAGE HOSPITAL TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2016 – CONT'D

Supporters

During the year, Charity membership has remained largely unchanged. The Charity wishes to thank all its supporters – Patrons, Appeal Patrons, Members, Fundraisers, Volunteers and others – for their continuing support and flow of ideas throughout another challenging year.

Volunteers

Cranleigh Village Hospital Trust is very fortunate to have a pool in excess of 30 supportive and dedicated volunteers. The Trustees are extremely grateful for the way in which they ensure the smooth running of the Oliver House shop and also volunteer to support other fundraising activities. All their time is freely given and amounts to a total equivalent of in excess of 300 man-days throughout the year. The shop and the goodwill engendered by their contribution is a vital source of encouragement to us all.

Interested Parties

The relationships with the League of Friends of Cranleigh Village Hospital and Cranleigh Parish Council continue to be excellent and the Charity wishes to thank them for their continued support.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Cranleigh Village Hospital Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and accounting standard estimates that are reasonable and prudent;
- State whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee's report has been prepared in accordance with the provisions applicable to the small companies regime.

By order of the Trustees



.....
John Bainbridge

Company Secretary

16th November 2016

CRANLEIGH VILLAGE HOSPITAL TRUST

Independent Examiner's Report to the Trustees of Cranleigh Village Hospital Trust Limited

I report on the financial statements of the company for the year ended 31 August 2016 as set out on pages 12 to 19.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work, for this report, or for the opinions I have formed.

Respective responsibilities of Trustees and examiner

The Charity's Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of financial statements. The Trustees consider that an audit is not required for this year under Section 144(2) of the Charities Act 2011 (the '2011 Act') and that only an independent examination is needed.

Having satisfied myself that the Charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the financial statements under section 145 of the 2011 Act;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act; and
- state where particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

CRANLEIGH VILLAGE HOSPITAL TRUST
Independent examiner's statement

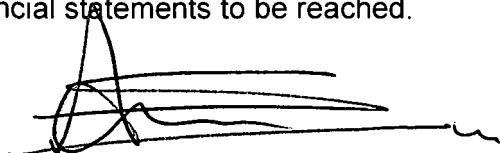
In connection with my examination, no matter has come to my attention:

a) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Andrew Skilton ACA
Brewers Chartered Accountants
Bourne House,
Queen Street,
Gomshall
GU5 9LY

Date: 21 November 2016

CRANLEIGH VILLAGE HOSPITAL TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds 2016 £	Unrestricted Funds 2015 £
Income and Endowments from:			
Donations and legacies	1,4	134,474	4,184
Other trading activities:			
Income from sale of goods	1	22,938	20,597
Investments			
Bank interest	1	<u>4,066</u>	<u>4,309</u>
Total Income		<u>161,478</u>	<u>29,090</u>
Expenditure on:			
Raising funds:			
Shop Expenditure	5	25,124	22,805
Charitable activities	6	44,532	44,438
Total Expenditure		<u>69,656</u>	<u>67,243</u>
Net income/(expenditure) for year		91,822	(38,153)
Reconciliation of funds			
Total Funds Brought Forward		<u>2,703,442</u>	<u>2,741,595</u>
Total Funds Carried Forward		<u>2,795,264</u>	<u>2,703,442</u>

The statement of financial activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.

CRANLEIGH VILLAGE HOSPITAL TRUST
BALANCE SHEET AS AT 31 AUGUST 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	9		2,400,490		2,400,654
Investments	3		<u>1,000</u>		<u>1,000</u>
Total fixed assets			<u>2,401,490</u>		<u>2,401,654</u>
Current assets					
Stock	10	1,651		637	
Debtors	11	58,329		2,996	
Cash at bank and in hand		<u>339,350</u>		<u>304,110</u>	
Total current assets		<u>399,330</u>		<u>307,743</u>	
Creditors: amounts falling due within one year	12	<u>(5,556)</u>		<u>(5,955)</u>	
Net current assets			<u>393,774</u>		<u>301,788</u>
Net Assets			<u><u>2,795,264</u></u>		<u><u>2,703,442</u></u>
Unrestricted funds					
General	13		<u><u>2,795,264</u></u>		<u><u>2,703,442</u></u>

For the year ending 31 August 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of the financial statements.

These financial statements have been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Under the Companies Act 2006 S454 on a voluntary basis, the trustees can amend these financial statements if they subsequently prove to be defective.

These accounts were approved by the Trustees on 16th November 2016 and signed on their behalf by:-



Robin Fawkner Corbett – Trustee



John Bainbridge - Trustee

Company registration No: 04253074
Charity registration No: 1089861

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The charity is a public entity and these financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

GROUP FINANCIAL STATEMENTS

Consolidated Financial Statements have not been as the results of the subsidiary are not material to the group. The results of the trading subsidiary CVHT Enterprises Limited are given in note 3.

INCOMING RESOURCES

Fundraising Events

Income from fund raising events is included in incoming resources in the period in which the relevant event takes place.

Shop Income

Income from commercial activities relates to sales made by the shop at Oliver House, Cranleigh. Income is included in the period in which the company is entitled to receipt.

Donations and Legacies

Income from donations, legacies and grants, is included in incoming resources when the charity has entitlement to the funds any performance conditions attached to the item of income have been met and it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donated Services and Facilities

Donated services or facilities are included in incoming resources at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised when there is no financial cost borne by a third party.

Interest Receivable

Interest is included when receivable by the Charity and can be measured reliably.

Resources Expended and Irrecoverable VAT

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

Defined contribution pension costs are allocated to charitable costs.

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2016

Cost of raising funds includes shop expenditure and other fundraising appeal costs.

Charitable costs include the operating costs of running the Charity.

Support costs include the cost of directly administering and supporting the Charity's operations have all been allocated to Charitable activities

Irrecoverable VAT is charged against the activity for which the expenditure was incurred.

Tangible Fixed Assets

Individual fixed assets purchased costing £100 or more are capitalised at cost. Donated land is included at open market valuation.

Tangible fixed assets are depreciated on a reducing balance basis over their estimated useful lives as follows:

Fixtures, fittings and equipment	25%
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Depreciation has not been charged on assets under the course of construction which comprise land and costs attributable to the proposed construction of the new hospital. Depreciation will be charged once the construction is complete and a useful economic life can be determined.

Investments

The investment in the subsidiary undertaking CVHT Enterprises Limited is valued at cost.

Stock

Stock is included at the lower of cost or net realisable value.

Debtors

Debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund Accounting

Funds held by the Charity are all unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Cashflow Statement

The Charity has taken advantage of the exemption conferred by Financial Reporting Standards from presenting a cashflow as it qualifies as a small company.

2. LEGAL STATUS OF THE CHARITY

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2016

3. COMMERCIAL TRADING OPERATIONS AND INVESTMENT IN TRADING SUBSIDIARY

The Charity holds a 100% investment in the Ordinary Share capital of CVHT Enterprises Limited, which is incorporated in the United Kingdom. CVHT Enterprises Limited covenants all its profits to the Charity. The company was set up to run fundraising events. CVHT Enterprises Limited was not active during the year. Net assets at 31 March 2016 and 31 March 2015 were £1,000.

4. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	1,492	2,184
Legacies	<u>132,982</u>	<u>2,000</u>
	<u>134,474</u>	<u>4,184</u>

Income from donations and legacies in both years was unrestricted.

5. RAISING FUNDS

	2016	2015
	£	£
Costs of goods sold		
Purchases	11,971	9,406
Insurance	350	343
Rent	9,000	9,000
Bank charges	636	591
Maintenance	24	273
Utilities	<u>3,143</u>	<u>3,192</u>
	<u>25,124</u>	<u>22,805</u>

Rent of £9,000 (2015: £9,000) was paid to N Vrijland and his wife for the use of Oliver House from which the charity operates its shop and campaign activities (see note 15). All costs of goods sold were unrestricted in both years.

6. CHARITABLE ACTIVITIES

	2016	2015
	£	£
Staff costs	36,168	30,496
<i>Support costs for the Charity:</i>		
Telephone and internet	535	512
Computer and website	2,675	160
Stationery and office supplies	31	287
Depreciation	164	219
Travelling costs	353	-
Insurance	234	231
Sundry	288	231
Governance costs	<u>4,084</u>	<u>12,302</u>
Total Operational costs	<u>44,532</u>	<u>44,438</u>

All charitable activity costs were unrestricted in both years.

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2016

STAFF COSTS

	2016	2015
	£	£
Wages & salaries	35,000	29,250
Social Security costs	928	1,246
Pension contributions	<u>240</u>	<u>-</u>
	<u>36,168</u>	<u>30,496</u>

Staff costs were unrestricted in both years.

During the period the Trust employed one employee and reimbursed Cranleigh School who operate the payroll on its behalf. The Trustees were not paid during the year. John Bainbridge was reimbursed £149 for payments to PlusNet, the Trust's internet provider. Nigel Roberts was reimbursed £353 for travel expenses. No other expenses were reimbursed during the year.

7. GOVERNANCE COSTS

	2016	2015
	£	£
Professional fees	1,176	9,401
Independent Examination	2,500	2,500
Trustee Indemnity Insurance	<u>408</u>	<u>401</u>
	<u>4,084</u>	<u>12,302</u>

Governance costs were unrestricted in both years.

8. MOVEMENT IN FUNDS

	2016	2015
	£	£
This is stated after charging:		
Depreciation	164	219
Independent Examination	2,500	2,500

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2016

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings	Assets under the course of construction	Total
	£	£	£
Cost/Valuation			
At 1 September 2015	15,323	2,400,000	2,415,323
Additions	-	-	-
At 31 August 2016	<u>15,323</u>	<u>2,400,000</u>	<u>2,415,323</u>
Depreciation			
At 1 September 2015	14,669	-	14,669
Provided for the year	164	-	164
At 31 August 2016	<u>14,833</u>	<u>-</u>	<u>14,833</u>
Net book value			
At 31 August 2016	<u>490</u>	<u>2,400,000</u>	<u>2,400,490</u>
At 31 August 2015	<u>654</u>	<u>2,400,000</u>	<u>2,400,654</u>

All tangible fixed assets are held for direct Charitable purposes. Assets under the course of construction are land and costs for the proposed construction of the new Care Home and Outpatients Department. The Trustees do not consider the assets to be impaired. Included within assets under the course of construction is land at Knowle Lane which has been donated by Cranleigh Parish Council in exchange for land donated by Nick Vrijland, the president of Cranleigh Village Hospital Trust, under a land exchange agreement which was completed in December 2010.

The value of the site, including development costs to date, was independently valued at £2,400,000 by Fairweathers, Chartered Surveyors, at 31st March 2015. The Trustees have adopted that valuation for the 2014 and subsequent Financial Statements.

10. STOCK

	2016	2015
	£	£
Goods purchased for re-sale	<u>1,651</u>	<u>637</u>

CRANLEIGH VILLAGE HOSPITAL TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS – CONT'D
FOR THE YEAR ENDED 31 AUGUST 2016

11. DEBTORS

	2016	2015
	£	£
Gift Aid	14	18
Other debtors	<u>58,315</u>	<u>2,978</u>
	<u>58,329</u>	<u>2,996</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts due to Subsidiary	909	909
Trade creditors	823	1,066
Accruals and deferred income	3,222	3,150
Other Creditors	<u>602</u>	<u>830</u>
	<u>5,556</u>	<u>5,955</u>

13. UNRESTRICTED FUNDS

	General Fund	General Fund
	2016	2015
	£	£
Balance at 1 September	2,703,442	2,741,595
Movement in funds for the year	<u>91,822</u>	<u>(38,153)</u>
Balance at 31 August	<u>2,795,264</u>	<u>2,703,442</u>

14. ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party during the year.

15. RELATED PARTIES

Nick Vrijland and his wife own Oliver House, from which the Charity operates its retail and campaign activities. Rent for Oliver House of £9,000 was paid during the year (2015 - £9,000).

David Graham-Smith, a Trustee, is a consultant with Penningtons Solicitors LLP to whom legal fees of £780 were paid during the year (2015 - £4,218). There was no accrual at the year end (2015 - £650).

John Bainbridge, David Barry and Nick Vrijland are also directors of CVHT Enterprises Limited.

Brian Cheesman, Dianne Davies, and Robin Fawcner-Corbett are also Trustees of The League of Friends of Cranleigh Village Hospital, a Charity with which Cranleigh Village Hospital Trust co-operates in pursuit of the objective of providing a new hospital for the community.