

The Benenden Hospital Trust
(A Company Limited by Guarantee)

Registered Number: 3454120
Charity Number: 1065995

THE BENENDEN HOSPITAL TRUST

(A Company Limited by Guarantee)

GOVERNORS' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Registered Number: 3454120

Charity Number: 1065995



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GOVERNORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Governors (who are Directors of the Charitable Company for the purposes of the Companies Act, and are also Trustees of the Charitable Company) present their Annual Report together with the audited Financial Statements of The Benenden Hospital Trust for the year ended 31 December 2018.

This Annual Report includes the Strategic Report, as required by the Companies Act and also meets the requirements for the Trustees report as set out in the Charities SORP.

The Governors confirm that the Annual Report and Financial Statements of the Charitable Company comply with the Charities Act 2011, the Companies Act 2006, the Memorandum & Articles of Association, and Accounting & 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 2015).

Statement of Governors' Responsibilities in respect of the Trustees' Annual Report & the Financial Statements

The Governors are responsible for preparing the Governors' Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare Financial Statements for each financial year. Under that law they are required to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 102. The Financial Reporting Standards are applicable in the UK and Republic of Ireland.

Under company law the Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of the excess of expenditure over income for that period. In preparing these Financial Statements, the Governors are required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgements and 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 a going concern basis unless it is inappropriate to presume that the Charitable Company will continue its activities

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charitable Company and to prevent and detect fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

1. AIMS & ACTIVITIES

The principal Aims and Activities of The Benenden Hospital Trust are governed by its Articles of Association.

The principal objective of The Benenden Hospital Trust is 'the relief of hardship caused by sickness, infirmity, disability or any medical condition by the provision of surgical and medical treatment and nursing care'.

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Benenden Hospital Trust is the main provider of surgical and medical treatment to members and nominees of Benenden Healthcare Society Limited. The Society, which is a mutual Society, provides low cost health care to its members with membership open to all.

The Benenden Hospital Trust, having achieved accreditation through the 'NHS Any Qualified Provider' process, accepts NHS patient referrals in a range of specialties and undertakes NHS contracts in services including Orthopaedics and Ophthalmology.

The Governors will, if deemed fit, treat others, if in need, wherever they live in the UK. The Hospital Trust also continues to be proactive in the field of promotion and communication within the local community, the Society, the Department of Health and Social Care, local NHS Clinical Commissioning Groups (CCGs) and Trusts.

The Benenden Hospital Trust's philosophy is to provide its patients with a professional, patient focused, and caring service within the available resources.

The Hospital Trust places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various matters affecting the performance of the Charitable Company. This is achieved through formal and informal meetings, the Hospital Trust's newsletter and a special edition for employees of the Annual Business Plan. The Staff Contribution Group brings together the Hospital Trust's Senior Management and staff representatives and is chaired by the Head of Learning & Development.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Charitable Company continues and that appropriate training is arranged. It is the policy of the Charitable Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

2. STRATEGIC REPORT

Overall

The Governors are satisfied with the progress that continues to be made towards achieving the goals in the Hospital Trust's rolling three year plan and in particular would note the following achievements and progress in 2018.

2018 Highlights

- Official Hospital opening on 26th April 2018 following the Hospital redevelopment works
- Managed £2.7m of additional capital investment to time and budget
- Nearly 2,000 visitors attended our two open days
- Quinlan Centre (learning and development centre) completed and opened
- The Hospital's main atrium won the Patient Experience Class at the 2018 Building Better Healthcare Awards

Operational performance for Admissions and Outpatient Consultations are shown in the table below:

Table 1: Admissions & Outpatient Performance	2018	2017	Variance No.	Variance %
Admissions	8,074	7,812	262	3.4%
Outpatient Consultations	52,407	45,093	7,314	16.2%

Strategic Goal – Develop our Capability & Increase our Efficiency

- Refreshed and delivered the Hospital Trust's Business Continuity plans
- Completed reviews of Ward areas and Medicines Management
- Progressed the Productive Houses (part of the continuous improvement programme)
- Progressed the work force plan
- Completed an IT systems review
- Achieved GDPR compliance by the deadline of May 2018

Strategic Goal – Deliver Excellence in everything we do

- Consistently good clinical quality throughout the year with a continuous record of no Hospital acquired infection since 2002
- First Private Hospital to achieve Anaesthesia Clinical Services Accreditation (ACSA) from the Royal College of Anaesthetists
- Retained our Investors in People Health and Wellbeing award
- The Benenden Hospital Trust was shortlisted as a finalist in the Excellence in Training category of the Laing Buisson Awards.
- Patient Led Assessments (PLACE) gave excellent feedback from patients
- Benenden Audit Presentations (BAPs) – a programme of multidisciplinary learning events has been put in place to strengthen shared learning across the organisation

Strategic Goal – Grow Income from Self Pay & PMI Activity

- Year on year growth in private self-pay, insured customers and income
- Introduction of new services as follows:
 - Urolift – procedure for prostate enlargement (Benign Prostatic Hyperplasia)
 - Bariatrics – continued to further develop Bariatrics services
 - Podiatry – new Podiatry service, offering an outpatient service aimed at a full range of diagnoses and treatments
- Further enhanced relationships with Bupa and AXA to ensure contracts in place for all major Private Medical Insurers (PMIs)

The Care Quality Commission (CQC)

In April 2018, in their 'State of Care in Independent Sector Acute Hospitals' report, CQC published their inspection findings. As at 2 January 2018, of the 206 provider locations inspected, 128 (62%) were rated as 'good' and 16 (8%), were rated as 'outstanding', the remaining 62 (30%) were rated as 'requires improvement'. This confirms what a great achievement it was for The Benenden Hospital Trust to be awarded an 'Outstanding' rating during 2017.

Going forward the CQC will undertake two types of inspections:

1. **Comprehensive Inspections** – Hospital wide inspections where the CQC inspect all of a provider's services, which will normally be unannounced and will usually take place within a three month timeframe
2. **Focussed Inspections** – These will follow the same process as a comprehensive inspection but will be smaller in scale and will normally be unannounced

The Benenden Hospital Trust continues to work towards maintaining its 'Outstanding' rating with a programme of continuous improvement and quality related activities including work on relevant accreditations and external reviews.

Accreditations

The Hospital has been working on five programmes of Accreditation as follows:

1. **Comparative Health Knowledge System (CHKS) Accreditation / ISO 9001** – This relates to quality across all departments within the Hospital. Throughout 2018 the Hospital have been working on self-assessment and evidence gathering in preparation for the CHKS survey which takes place in March 2019
2. **ACSA** – Was achieved in November 2018
3. **Joint Advisory Group (JAG) Accreditation** – Relates to our Endoscopy Unit and the accreditation visit took place on 13th December 2018. The Hospital was notified in February 2019 that this accreditation has been achieved
4. **Imaging Services Accreditation** – Work has commenced on self-assessment and will continue throughout 2019 with a view to achieving accreditation at the end of 2020 / beginning of 2021
5. **Decontamination Certification** – Work has progressed throughout 2018 and it is expected that certification will be achieved at the end of 2019

Infection Prevention & Control

Governance and quality measures have been monitored closely and demonstrated excellent performance throughout 2018 with no incidents of Hospital acquired infections. Below is a summary of key infection prevention and control achievements and activities during the year:

- Infection rate overall for Q1 to Q3 2018 = 1%, compared to the National average, according to Public Health England of 6.4%
- Cannulation packs introduced in Theatres, Ambulatory Care Unit (ACU) and Wards. Cannulation packs recommended in Epic 3 (national guidelines for the prevention of healthcare-associated infections in NHS Hospitals and other acute care settings) as best practice
- One Together Assessment Tool – completed with Theatres, ACU and Wards and actions identified to ensure best practice in minimising the risk of surgical site infection (One Together is a partnership between leading professional organisations with an interest in the prevention of surgical site infections)
- Introduction of a new patient information leaflet 'Caring for Surgical Wounds at Home' also containing general Infection Prevention and Control (IPC) advice, complying with the National Institute for Health and Care Excellence (NICE) guidance and One Together Assessment recommendations
- Annual Report to Hospital Executive from the External Infection Control Nurse Consultant; The Benenden Hospital Trust praised for high standards of cleanliness and infection prevention practice
- Biosystems Sharps Management – introduced in all clinical areas. This is a fully sustainable system with sharps bins being able to be re-used up to 600 times rather than being incinerated after each use. Cost reductions of between 15 to 20% and which accords with the Hospital's Green Agenda
- Antimicrobial Resistance Week 12-18 November – the team provided practical, educational activities for patients, visitors and staff, reinforcing the message of not expecting to be prescribed antibiotics for certain illnesses

FINANCIAL REVIEW

In the opinion of the Board of Governors the overall level of activity and financial position of the Charitable Company remains satisfactory.

Financial Performance

The Charitable Company's income for the year from all sources was £34,799,908 (2017: £36,552,574) and within this total income is legacies received during the year amounting to £42,461 (2017: £188,182). This along with £988,182 from a designated fund, which was generated in previous years, was used during the year to fund improvement initiatives to further enhance the patient experience.

The Charitable Company's total expenditure for the year was £36,112,902 (2017: £32,097,387).

For the year, there was a deficit of (£1,312,994) (2017: surplus £4,455,187).

The Charitable Company has a continuing programme of purchasing modern medical equipment, maintaining the site facilities and investing in information technology designed to meet the increasing need of the Charitable Company's beneficiaries. During 2018 the Charitable Company invested a total of £2,670,471 on Capital items (2017: £5,723,916).

The Charitable Company's principal source of Income is voluntary Income from its controlling body, Benenden Healthcare Society Limited.

The Charitable Company's Statement of Financial Activities for the year is set out on page 19.

Managing Risks

All identified risks were managed during 2018 with the top risks being as follows:

Brexit

It is possible that The Benenden Hospital Trust may experience constraints with the availability of pharmaceuticals and other materials due to the impact of Brexit. The Benenden Hospital Trust is therefore taking steps to mitigate its supply chain risk. It is also possible that, if Brexit results in deterioration in the service provided by the NHS, The Benenden Hospital Trust may experience a higher demand for services.

Any Potentially Adverse Patient Outcome

A governance framework is in place to ensure that all infections and poor patient outcomes are reported. The process is managed by the Hospital's Governance team, who in turn report into the Clinical Governance Committee. Reports are submitted to the Hospital Executive and formally reviewed by the Board of Governors on an annual basis.

Significant Unforeseen Reduction in Income from Activities for Generating Funds

Referral tracking is used as a lead indicator with Income & Expenditure statements prepared on a monthly basis for review by the Hospital Executive to ensure any shortfall is picked up immediately. Each quarter, performance is reported to the Board of Governors. Income is split across four major sources: Voluntary including the donation from the Society, NHS e-referrals, Private Patient and Site generated Income. If income could not be re-balanced in the short term then the Society would provide financial support until the situation was rectified.

Uncontrolled Expenditure

The Hospital Trust operates budgetary control under a set of Standing Financial Instructions set by the Board of Governors. The annual budget is approved by the Board of Governors with quarterly variance reporting prepared by the Hospital Executive and presented to the Board of Governors.

Reserves Policy & Going Concern

The Charitable Company does hold £3.9m in free reserves, although it is not required to by the Charities Commission. Any additional funds required are provided by the Charitable Company's controlling body, Benenden Healthcare Society Limited.

The Governors are satisfied that The Benenden Hospital Trust is a going concern and will continue to be supported by Benenden Healthcare Society Limited. Benenden Healthcare Society Limited has recently invested £55m in redeveloping the Hospital site and in granting a new 25 year lease. In addition it has approved 3 year business plan setting out continued funding of the Hospital.

STRATEGY FOR THE FUTURE

Vision

The vision of The Benenden Hospital Trust is 'To be the patients' choice, providing high quality, caring and responsive health and wellbeing services'. The Key Aims and Management Focus for 2019 to 2021 and beyond following the completion of the Hospital redevelopment are to maximize the benefits available from the new facility. This can be broken down into the following key strategic goals:

Deliver Excellence in everything we do

- Delivering and Supporting Excellence for Our Staff
- Demonstrate continuous improvement and the highest standards of care through accreditations and awards, with work on achieving accreditations for the following:
 - CHKS / ISO 9001
 - Anaesthetic Accreditation
 - JAG Accreditation
 - Imaging Accreditation
 - Decontamination Services Certification
- Improvements in the patient experience across all patient touch points in-line with the Patient Experience Strategy and Plan
- Supporting the future through our People

Grow Income from Self Pay & PMI Activity

- Achieve the private patient growth targets for Self Pay income achieved from Society Members
- Achieve the private patient growth targets for Self Pay income achieved from the local area
- Achieve the private patient growth targets for PMIs
- Develop and introduce new services

Develop our Capability & Increase our Efficiency

- Ensure the new Hospital estate is 'fit-for-purpose' and the benefits in the original Site Development Business Case are realised
- Ensure effective IT and Information Governance Services that are fully aligned with the business and support the strategic goals
- Introduce performance reporting and profitability analysis to support HE decision making on delivery of the business plan
- Develop the service portfolio to optimise financial, clinical and operational performance
- Ensure our communication and collaborative working relationship with the Society is effective at all levels with the aim of being recognised as the destination Hospital for members in the South-East

3. REFERENCE & ADMINISTRATIVE DETAILS

GOVERNORS, OFFICERS' & ADVISERS

Nominated Governors (Trustees)

- Mrs G Binks MBE (appointed 6th July 2017)
- Mr R Andrews (appointed from 1st January 2018)
- Ms L Fowler (appointed from 1st January 2018)
- Mr D Lewis (appointed from 9th July 2015)

Appointed Governors (Trustees)

- Mr J Jackson (appointed 6th July 2016)
- Mr R Mawford (appointed 1st September 2012)
- Mr A Pilgrim (appointed 20th April 2017)

Hospital Executive

- Mrs J Abbott, MSc, BA (Hons), RGN – Hospital Director & Company Secretary
- Ms M Anderson, MCIPD – Director of Human Resources & Organisational Development
- Mr G Boyd, FCMA, MCMI – Finance Director
- Dr J Giles MB, BS, FRCP, FRCR – Medical Director
- Mr G Goddard, MCIOB – Hospital Redevelopment Director
- Mrs C Harley, MA, MSc – Director of Patient Services

Statutory Auditor

Deloitte LLP, 3 Victoria Square, Victoria St, St Albans, AL1 3TF

Internal Auditors

Price Waterhouse Coopers LLP, 1 Embankment Place, London, WC2N 6RH

Please note: RSM replaced PwC from February 2019

Solicitors

Brachers LLP, Somerfield House, 59 London Road, Maidstone, Kent, ME16 8JH

Bankers

National Westminster Bank PLC, South Essex Commercial Office, 3rd Floor, Phoenix Place, Christopher Martin Road, Basildon, Essex, SS14 3GQ

Registered Office, Hospital, and address for enquiries

Goddards Green Road, Benenden, Cranbrook, Kent, TN17 4AX

4. STRUCTURE / GOVERNANCE & MANAGEMENT

Structure

The company was incorporated in the United Kingdom on 23 October 1997, company number 3454120 and was registered as a Charitable Company by the Charity Commissioners on 20 November 1997, registered number 1065995. The Articles of Association, as amended by a special resolution dated 27th February 2014, govern the Charitable Company.

On the 1 July 2003 The Benenden Hospital Trust became a controlled body of The Benenden Healthcare Society Limited which is an incorporated friendly Society, registered under the Friendly Societies Act 1992, and registered number 480F. Transactions with related parties are set out in note 20 to the financial statements.

Benenden Healthcare Society Limited was incorporated in the United Kingdom and owns the estate at Benenden in Kent and leases the Hospital and associated properties to the Hospital Trust on a long term lease. In addition Benenden Healthcare Society Limited makes donations each year to fund the running of the Hospital. Around 70% of the patients treated at the Hospital are Benenden Healthcare Society limited members.

Appointment of Governors

The Governors are appointed in accordance with the Charitable Company's Articles of Association. The number of the Governors should not be less than three, but is not subject to any maximum. Appointments are normally reviewed every two years and Governors are either re-appointed or replaced with new appointments.

The Benenden Healthcare Society Limited (the controlling body) shall appoint the majority of the Governors and may remove or replace any person it appoints.

The Benenden Hospital Trust may also, by ordinary resolution, appoint a person(s) who is willing to act to be a Governor either to fill a vacancy or as an additional Governor providing that there is always a majority of Nominated Governors on the Board. No person shall be appointed or re-appointed a Governor at any general meeting unless they are recommended by the Governors.

New appointees undergo an induction programme to the Trust and together with existing Governors periodically undertake a training course to understand the duties and responsibilities of Governors.

Governance

The Governance of The Benenden Hospital Trust is the responsibility of the Board of Governors with day to day management of the hospital being delegated to the Hospital Director.

The Governors are responsible for preparing the Governors' Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). Company law requires the Governors to prepare Financial Statements for each financial year.

Under company law the Governors must not approve the Financial Statements unless they are satisfied that they 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 Governors are required to:

- select suitable Accounting Policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgments and 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions, 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 and the provisions of the Charitable Company's constitution.

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.

Audit Committee

The Board of Governors has an established Audit Committee. This is a sub-committee of the Board and is responsible for ensuring effective systems of internal control; inspection and reporting are maintained, including compliance testing to safeguard the assets of the Charitable Company. Additionally, the Audit Committee is responsible for ensuring that the Charitable Company's affairs comply with the Companies Act 2006 and the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in March 2005.

The Audit Committee receives reports from an independent internal auditor who reviews key systems and potential risks based on a programme of need determined by the Audit Committee in conjunction with the auditor. Minutes of the Audit Committee are submitted to the Board of Governors and the Group Audit Committee. The Audit Committee also meets with the external auditor and receives a management report following their audit.

The current members of the Audit Committee are: Governors, Mr A Pilgrim (Chair), and Mr J. Jackson.

Remuneration & Nominations Committees

The Board of Governors has an established Remuneration Committee and a Nominations Committee. The Remuneration Committee reviews the annual pay award to staff with a recommendation made to the Board of Governors, who approves the pay award. The salary of the Hospital Director is proposed by the Group Chief Executive, reviewed by the Remuneration Committee and approved by the Board of Governors.

Clinical Governance

The Charitable Company has effective governance systems in place which oversee all components of risk management, including patient safety, infection control, complaints, claims, patient information and internal and external regulation.

On a quarterly basis, a multi-disciplinary Integrated Governance Committee, with responsibility for all risk components, reviews all governance issues including reports on Occupational Health, Health and Safety, Patient Safety, Infection Control, Resuscitation and Clinical Audit.

Complaints

A complaints policy based upon the Independent Healthcare Advisory Service 'Code of Practice for Handling Patients' Complaints' is in place. The policy sets out a clear framework within which complaints are managed. A full copy of the Charitable Company's Complaints Policy is available on application.

Healthcare Regulation & Accreditations

The Hospital is regulated by the Care Quality Commission who, from time to time make unannounced inspections. However the Hospital feels it is desirable to undertake its own self-assessment each year to provide evidence of compliance with the essential standards for quality and health.

Following significant preparation work in 2016 to ensure that Hospital staff could demonstrate and provide evidence from their working practises across all five CQC domains (safe, effective, caring, responsive and well-led), in January 2017, the CQC carried out its latest inspection using the newly established criteria and the Hospital received a rating of 'Outstanding'.

The Hospital has maintained its accreditation of ISO27001 which defines the requirements for an information security management system.

In October 2014 the Hospital achieved an increase in its 'Investors in People' accreditation from a Bronze to a Silver Award and this was retained during 2017.

Insurance of Officers

Officers' liability insurance is maintained for the Board of Governors and the Hospital Executive in respect of their duties in their respective capacities. Premiums are paid by Benenden Healthcare Society Limited.

Auditor

Deloitte have been appointed in 2018 as auditors and have confirmed their willingness to continue in office.

Risk Management

The Board of Governors has an established Risk Management Strategy which, supported by a High Level Risk Register, aims to enhance the quality of service for patients by ensuring that a structured approach to the identification and management of risk is adopted across all the activities of the Charitable Company and which complements quality and audit programme's.

This is achieved by devolving authority and responsibility to manage risk at all levels of the organisation; ensuring staff with direct responsibility for the management of risk within their sphere of authority are adequately trained and are competent in those skills; identification, analysis and control of risks by conducting risk assessments and taking appropriate action to minimise or eliminate those risks; and developing communication lines with all groups that impact upon or influence risk management throughout the Charitable Company.

The High Level Risk Register is reviewed and updated quarterly by the Hospital Executive, the Audit Committee, Executive Risk Committee and Group Audit Committee, before presentation at each Board of Governors meeting.

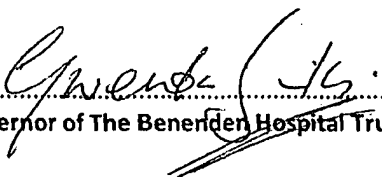
Management

The strategy of the Charitable Company is set by the Board of Governors and implemented by the Hospital Executive. The Strategic Report, as required by the Companies Act is included in this Governor's Report.

The Board of Governors met on five occasions during the year. The Board approved the strategies and major policies related to the running of the Charitable Company, including the Standing Financial Instructions and the 2019 to 2021 Business Plan and Annual Budget.

The Board monitors performance in all key areas and receives regular reports on activity, Finance, Complaints, Risk Management, Governance, and Health & Safety from the Hospital Executive.

So far as each Governor is aware, there is no relevant audit information of which the Charitable Companies auditor is unaware. Each Governor has taken all the steps that he / she ought to have taken as a Governor in order to make himself / herself aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.


Governor of The Benenden Hospital Trust

17th April 2019

Independent Auditor's Report to the Members of Benenden Hospital Trust

Opinion

In our opinion the financial statements of The Benenden Hospital Trust (the 'charitable company'):

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements which comprise:

- the statement of financial activities;
- the balance sheet;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 2 to 20

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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 charitable company'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.

We have nothing to report in respect of these matters.

Other information

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose of company law) 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 charitable company'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 charitable company 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on Other Legal & Regulatory Requirements

Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:


- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of these matters.

Use of Our Report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Ben Sheriff FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Deloitte LLP, 3 Victoria Square, Victoria St, St Albans, AL1 3TF

17th April 2019

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Restricted Funds 2018 £000s	Unrestricted Funds 2018 £000s	Total Funds 2018 £000s	Total Funds 2017 £000s
INCOME & ENDOWMENTS FROM					
Donations & Legacies		0	24,232	24,232	24,927
Other Trading Activities		0	10,561	10,561	11,623
Income from Investments		0	7	7	2
TOTAL INCOME		0	34,800	34,800	36,552
EXPENDITURE ON CHARITABLE ACTIVITIES					
Expenditure on Charitable Activities	2, 3, 4, 5	0	36,113	36,113	32,097
TOTAL EXPENDITURE		0	36,113	36,113	32,097
Net Income / (Expenditure) & Net Movement in Funds for the year		0	(1,313)	(1,313)	4,455
Reconciliation of Funds					
Total Funds Brought Forward		59	17,242	17,301	12,846
Total Funds Carried Forward		59	15,929	15,988	17,301

All activities relate to continuing operations

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

Total funds for 2017 includes £59k of restricted funds under Reconciliation of Funds

The notes on pages 22 to 32 form part of these Financial Statements

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Note	£000s	2018 £000s	£000s	2017 £000s
FIXED ASSETS					
Tangible Assets	7		12,061		11,376
CURRENT ASSETS					
Stock	8	37		38	
Debtors	9	1,349		2,849	
Current Asset Investments	10	0		0	
Cash at Bank & in Hand		5,779		5,245	
Total Current Assets		7,165		8,132	
CREDITORS					
Amounts Falling Due Within One Year	11	(3,238)		(2,207)	
NET CURRENT ASSETS			3,927		5,925
NET ASSETS			15,988		17,301
THE FUNDS OF THE CHARITY					
Restricted Funds			59		59
Unrestricted Funds			15,929		17,242
TOTAL CHARITY FUNDS			15,988		17,301

The Financial Statements were approved by the Governors on the 17th April 2019 and signed on their behalf


Governor of The Benenden Hospital Trust

17th April 19.

The notes on pages 22 to 32 form part of these Financial Statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000s	2017 £000s
Cash Used in Operating Activities	14	<u>3,185</u>	<u>7,654</u>
Cash Flows from Investing Activities			
Returns on Investments & Servicing of Finance	15	7	3
Capital Expenditure & Financial Investment		<u>(2,658)</u>	<u>(5,721)</u>
Cash provided by / (used in) Investing Activities		<u>(2,651)</u>	<u>(5,718)</u>
Increase / (decrease) in Cash & Cash Equivalents in the Year		534	1,936
Cash & Cash Equivalents at the start of the Year		5,245	3,309
Total Cash & Cash Equivalents at the end of the Year	16	<u>5,779</u>	<u>5,245</u>

The notes on pages 22 to 32 form part of these Financial Statements

1. Accounting Policies

a. Basis of Preparation of Financial Statements

The Financial Statements have been prepared in accordance with the 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 2015) and the Companies Act 2006.

The Benenden Hospital Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b. Preparation of the Accounts on a Going Concern basis

Having reviewed the financial position the governors have a reasonable expectation that the Charitable Company has adequate resources to continue its activities for the foreseeable future. There are no material uncertainties about the Charitable Company's ability to continue. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

c. Fund Accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d. Income

The income from activities for generating funds, which excludes value added tax, represents the invoiced value of goods and services supplied.

e. Donations & Legacies

Donations are included in the statement of financial activities once commitment to pay them has been received from the donor. Donations received from Benenden Healthcare Society Limited each year are used to fund Hospital activity without restriction and are used for both revenue and capital expenditure.

Other donations and legacies are included in the statement of financial activities once entitlement, probability and the amount can be reliably measured, subject to any restrictions specified.

f. Interest Received

Interest on funds held on deposit is accrued as earned and added to the source fund to ensure appropriate use.

g. Income from Trading Activities

Income from trading activities comprises revenue recognised by the Charitable Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

h. Expenditure on Charitable Activities

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. Governance costs are those incurred in connection with administration of the Charitable Company and compliance with constitutional and statutory requirements.

i. Pensions

Benenden Healthcare Society Limited operates a combined defined benefit and a defined contribution pension scheme that is contracted out of the State Scheme. This scheme is also available to employees of The Benenden Hospital Trust. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable then being determined by Pension Trustees on advice of the actuary. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme that are attributable to the Hospital Trust. All assets and liabilities relating to the pension scheme are held by Benenden Healthcare Society Limited. The Charitable Company provides no other post-retirement benefits to its employees.

j. Operating Leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

k. Tangible Fixed Assets & Depreciation

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

The Capitalisation Policy capitalises individual equipment purchases or groups of like purchases with a value of £5,000 or greater.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

- Leasehold property and improvements – 4%
- Furniture, fixtures, fittings and equipment – 10% - 33%
- Motor vehicles – 20%

l. Stocks

Stocks are stated at lower of cost and net realisable value. In general cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks. Consumable items are excluded from stocks and charged directly to the statement of financial activities when purchased.

m. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n. Current Asset Investments

Deposits held by the bank for longer than three months but maturing in less than twelve months will be shown as current asset investments in line with the requirements set out in the Charities SORP FRS102 2015.

o. Cash at Bank & in Hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p. Creditors & Provisions

Creditors and provisions are recognised where the Charitable Company 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.

q. Provision for Outstanding Benefits

Provision in respect of all outstanding benefits for members of The Benenden Healthcare Society Limited is made by the Society and not included in The Benenden Hospital Trust financial statements.

r. Holiday Pay Provision

Holiday pay provisions in respect of any days accrued but not taken in 2018 and therefore carried forward into 2019 have been provided for.

s. Financial Instruments

The Hospital Trust does not hold any non-basic financial instruments. The primary financial instruments are cash, receivables from trade debtors and payables to creditors and suppliers. The recognition of trade debtors and trade creditors is at fair value. Deferred Income, accruals and prepayments are recognised at the amortised cost.

Financial assets and financial liabilities are recognised when the Hospital becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss.

Critical Judgements & Estimates

The following are the critical judgements that have been made in the process of applying the Hospital Trust's accounting policies.

t. Provision

Holiday pay and insurance claims provisions, which involve judgements, are reviewed annually to ensure reliable estimates of the liabilities for year-end accounting.

u. Estimates

The key assumptions concerning the future and other key estimation uncertainty at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year are highlighted as follows.

v. Tangible Fixed Assets

As stated in the accounting policy for Tangible Fixed Assets, the Hospital's assets are depreciated over their useful, economic lives taking into account residual values, where appropriate. The actual lives of the assets and the residual values are assessed annually and may vary depending on a number of factors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Total Costs 2018 £000s	Total Costs 2017 £000s
Staff Costs	11,171	10,765
Depreciation	1,963	1,475
Consultants Fees	8,171	7,386
Medical Consumables	5,178	5,761
Hospital Services	9,630	6,710
Total	36,113	32,097

All expenditure incurred above are unrestricted. Costs incurred in raising charitable funds are immaterial. Increase in Hospital Services is mainly the result of higher rent payable to Benenden Healthcare Society

3. GOVERNORS' EMOLUMENTS

During the year, no Governors received any remuneration (2017: zero); 7 Governors received reimbursement of expenses amounting to £3,167 in the year (2017: 7 Governors - £2,802)

These expenses related to attendance at Board of Governors' meetings and sub Committees (Audit, Remuneration & Nomination Committees) during 2018 and are for the reimbursement of travel, accommodation and out of pocket expenses

4. NET EXPENDITURE

	2018 £000s	2017 £000s
This is stated after charging;		
Depreciation of Tangible Fixed Assets; Owned by the Charity	1,963	1,475
Governance Internal Audit Costs	30	25
Operating Lease Rentals; Plant & Machinery	60	175
Property	3,103	1,070

Operating lease rentals for 2018 includes £46,030 of photocopier lease charges

5. AUDITOR'S REMUNERATION

	2018 £000s	2017 £000s
Fees payable to the company's auditor for the audit of the company's annual accounts	50	41

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

6. EMPLOYEES, STAFF & AGENCY COSTS

	2018 Number	2017 Number
Average Monthly Number of People Employed	<u>422</u>	<u>417</u>
Average Monthly Full Time Equivalent Number of People Employed	<u>294</u>	<u>288</u>
Staff & Agency Costs were as follows;	2018 £000s	2017 £000s
Staff & Agency Costs	9,140	8,787
Social Security Costs	775	745
Pension Costs	1,102	1,094
Redundancy Costs	<u>154</u>	<u>139</u>
Total	<u>11,171</u>	<u>10,765</u>

Redundancy payments related to restructure reviews and were fully recognised in the accounts in 2018 and fully paid in 2018 (2017 redundancy payments relate to restructure reviews in 2017)

Number of employees who received emoluments above £60,000 per annum were as follows;	2018 Number	2017 Number
60,000 to 70,000	2	2
70,001 to 80,000	2	3
80,001 to 90,000	0	0
90,001 to 100,000	0	1
100,001 to 110,000	0	1
110,001 to 120,000	1	1
120,001 to 130,000	1	0
130,001 to 140,000	0	0
140,001 to 150,000	0	0
150,001 to 160,000	0	0
160,001 to 170,000	1	0
170,001 to 180,000	0	1
180,001 to 190,000	0	0
190,001 to 200,000	0	0
200,001 to 210,000	1	0

The number of staff who received emoluments above £60,000 during the year to whom retirement benefits are accruing under the defined benefit scheme is 5 (2017: 5)

The key management personnel of the Trust are the trustees and the Hospital Executive as set out on page 11. The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in 2018 (2017: £0)

The Hospital Executive received total employee benefits of £892,817 in 2018 (£774,391 in 2017) of which the Hospital Director was the highest paid employee received total employee benefits of £202,697 (including £19,425 in employer's pension contributions) in 2018. The Hospital Director received £197,132 in 2017 (including £18,082 in employers pension contributions)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

7. TANGIBLE FIXED ASSETS

	Leasehold Property & Improvements £000s	Fixtures, Fittings & Equipment £000s	Motor Vehicles £000s	Total £000s
Cost				
At 1 January 2018	9,512	20,554	142	30,208
Additions	1,376	1,243	52	2,671
Reclassifications	0	0	0	0
Disposals	0	(2,488)	(56)	(2,544)
At 31 December 2018	10,888	19,309	138	30,335
Depreciation				
At 1 January 2018	3,222	15,541	69	18,832
Charge for the Year	400	1,527	36	1,963
Reclassifications	0	0	0	0
Disposals	0	(2,488)	(33)	(2,521)
At 31 December 2018	3,622	14,580	72	18,274
Net Book Value				
At 31 December 2018	7,266	4,729	66	12,061
At 31 December 2017	6,290	5,013	73	11,376

8. STOCKS

	2018 £000s	2017 £000s
Hospital Stock	37	38

9. DEBTORS

	2018 £000s	2017 £000s
Trade Debtors	650	1,160
Amounts Due from Related Parties	0	1,109
Prepayments	699	580
Total Debtors	1,349	2,849

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10. CURRENT ASSET INVESTMENTS

Amounts Maturing within One Year

	2018 £000s	2017 £000s
Zero money held in deposit accounts in 2018 and 2017	0	0

11. CREDITORS

Amounts Falling due within One Year

	2018 £000s	2017 £000s
Trade Creditors	1,315	884
Social Security & Other Taxes	220	231
Other Creditors	209	223
Deferred Income	431	122
Accruals	1,063	747
Total Creditors	3,238	2,207

12. STATEMENT OF FUNDS

	Brought Forward £000s	Incoming Resources £000s	Resources Expended £000s	Transfers In / Out £000s	Carried Forward £000s
Designated Funds	988	0	0	(988)	0
General Funds	16,254	34,800	(36,113)	988	15,929
Unrestricted Funds	17,242	34,800	(36,113)	0	15,929
Restricted Funds	59	0	0	0	59
Total Funds	17,301	34,800	(36,113)	0	15,988

Restricted funds represent donations which the donors have requested should be used for specific types of purchases of equipment or assets

Free Reserves are Unrestricted funds less Tangible Fixed Assets, for the year these are: £15,988k - £12,061k = £3,927k (2017: £17,301k - £11,376k = £5,925k). Designated funds are legacies and other third party donations that are earmarked to fund improvement initiatives to further enhance the patient experience. In 2018 £988k was used to enhance the site development for the benefit of patients

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2018 £000s	Unrestricted Funds 2018 £000s	Total Funds 2018 £000s	Total Funds 2017 £000s
Tangible Fixed Assets	0	12,061	12,061	11,376
Current Assets	59	7,106	7,165	8,129
Creditors Due within One Year	0	(3,238)	(3,238)	(2,204)
Total of Net Assets	59	15,929	15,988	17,301

14. NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000s	2017 £000s
Net (Outgoing) / Incoming Resources before Revaluations	(1,313)	4,455
Returns on Investments & Servicing of Finance	(7)	(3)
Depreciation of Tangible Fixed Assets	1,963	1,475
Surplus on Disposal of Tangible Fixed Assets	10	0
Increase / (Decrease) in Stocks	1	(4)
Decrease in Trade Debtors	948	365
Decrease in Amounts Owed by Related Parties	1,109	1,685
Decrease in Other Debtors	0	3
(Increase) in Prepayments	(119)	(81)
Increase / (Decrease) in Trade Creditors	212	(153)
Increase in Provision for Outstanding Benefits	0	0
(Decrease) / Increase in Social Security & Other Taxes	(11)	45
Increase in Other Creditors	76	22
Increase / (Decrease) in Accruals	316	(155)
Net Cash Inflow from Operations	3,185	7,654

15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2018 £000s	2017 £000s
Returns on Investments & Servicing of Finance		
Interest Received	7	3
Capital Expenditure & Financial Investment		
Purchase of Tangible Fixed Asset	(2,671)	(5,721)
Sale of Tangible Fixed Asset	13	0
Net Cash (Outflow) Capital Expenditure	(2,658)	(5,721)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

16. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2018 £000s	Cash Flow £000s	31 December 2018 £000s
Cash at Bank & in Hand	5,245	534	5,779
Net Funds	5,245	534	5,779

17. PROVISION

	Holiday Pay Provision	Claims Provision
Provision at the Start of the Year	58	100
Additions in Year	0	14
Released / Utilised	(2)	0
Provision at the End of Year	56	114

18. FINANCIAL COMMITMENTS

At 31 December 2018 the company had annual commitments under non-cancellable operating leases as follows;

	Land & Buildings		Other	
	2018 £000s	2017 £000s	2018 £000s	2017 £000s
Expiry Date;				
Within 1 year	0	0	3	13
Between 2 & 5 Years	0	0	65	83
After More than 5 Years	75,664	77,578	0	0

19. PENSION OBLIGATIONS

The company operates a combined defined benefit and defined contribution scheme (please note that the defined benefit scheme closed for future accruals at 31st December 2018 with no more contributions to it from 1st January 2019). Total net cost for the charity for the year was £1,102,289 (2017: £1,093,795). Assets of the pension scheme ("The Scheme") are held in The Benenden Healthcare Pension Plan. The Scheme also administers the pension arrangements of The Benenden Healthcare Society Limited. The actuaries have confirmed that it is not possible to separately determine the hospital's assets and liabilities in the Scheme and as such disclosure in these accounts is made on the basis that it is a multi employer scheme and all assets and liabilities are held by Benenden Healthcare Society.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

20. RELATED PARTY TRANSACTIONS

The Benenden Hospital Trust is a controlled body of The Benenden Healthcare Society Ltd who are an incorporated friendly society, registered under the Friendly Societies Act 1992, registered number 480F

The Benenden Healthcare Society Limited had the following transactions with the company during the year ended 31 December 2018;

- a) donated cash to the company with a value of £24,190,031 (2017: £24,738,463)
- b) leased the property at Benenden Hospital to The Benenden Hospital Trust under a 25 year lease starting on 1st January 2018, which expires in July 2042, with annual rent starting at of £3,103,100 and subject to annual increases inline with RPI

Rent paid in 2018: £3,103,025 and 2017: £1,069,500

At 31 December 2018 the total of all amounts due to The Benenden Healthcare Society Limited from The Benenden Hospital Trust was £385 (in 2017 there was £1,105,710 due to The Benenden Hospital Trust from The Benenden Healthcare Society)