

**Charity Registration No. 1078271**

**Company Registration No. 03761954 (England and Wales)**

**LEICESTER CHARITY ORGANISATION SOCIETY TRUSTEES REPORT  
AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**SOMERBYS LIMITED  
CHARTERED ACCOUNTANTS  
30 NELSON STREET  
LEICESTER  
LE1 7BA**

## LEICESTER CHARITY ORGANISATION SOCIETY

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## LEGAL AND ADMINISTRATIVE DETAILS

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<b>Trustees</b>	A H Jarvis ( <i>Treasurer</i> ) G Oliver C A Pharoah C E Smith ( <i>Chairman</i> ) Prof S M Sharma C T Saul C E Shevas H Sahota (appointed 9 February 2021)
<b>Secretary and Director of Operations</b>	J A Munton
<b>Director of Marketing and Fundraising</b>	Mrs S McEniff
<b>Charity number</b>	1078271
<b>Company number</b>	03761954
<b>Registered office and principal address</b>	20a Millstone Lane Leicester LE1 5JN
<b>Auditor</b>	Somerbys Limited Chartered Accountants Statutory Auditor 30 Nelson Street Leicester LE1 7BA
<b>Bankers</b>	Lloyds Bank PLC 7 High Street Leicester LE1 9FS
<b>Investment Advisors</b>	Rowley-Turton (IFA) Limited Charnwood House Harcourt Way Meridian Business Park Leicester LE19 1WP
<b>Subsidiary Undertaking</b>	The Goods Depot Limited Sandown Court Station Road Glenfield Leicester LE3 8BT

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The trustees present their report and financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing documents, the Charities Act 2011 and Accounting and Reporting by Charities. Statements of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

### Administration Details

Leicester Charity Organisation Society, known as Charity Link, is a registered Charity and a Company limited by guarantee. The liability of members is limited to £1 per member in the event of winding up. Its registered office is as shown on Page 1.

The Directors, who act as Trustees, are shown on Page 1 together with the names of the principal external advisors.

### Structure, Governance and Management

The governing document of the Charity is the Memorandum and Articles of Association incorporated on 28 April 1999 and amended by a special resolution on 30 October 2006.

#### *Organisation*

A board of Trustees, who meet quarterly, administer the Charity. A Director of Operations and a Director of Marketing and Fundraising are appointed by the Trustees to manage the day-to-day operations of the Charity.

#### *Policies and procedures for induction and training of Trustees*

New Trustees are appointed in accordance with the organisation's Articles of Association. They are also encouraged to meet with the Chairman, Director of Operations and Director of Marketing and Fundraising at the Charity's offices where they are provided with background information about the work carried out and introduced to the staff and volunteers. New Trustees are also offered training through local agencies in the role and responsibility of Trustees and good governance. An induction pack is given to each new Trustee containing the organisation's Memorandum and Articles of Association, together with information on the duties of Trustees and the latest published accounts and annual report.

#### *Related parties*

The Charity has common key personnel with R Daphne Plunket Charitable Trust, Leicester Indigent Old Age Society and the Mansion Trust (UK). Charity Link administers these charities. All other related parties and transactions can be found in note 19 of the Financial Statements.

#### *Risk factors*

The Trustees have continued to assess the major risks to which the Charity and group is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The Covid 19 global pandemic has continued to impact the charity and group, causing ongoing disruption to normal patterns of business and delivery of services. Effective contingency planning enabled the organisation to make a swift transition to the remote provision of services at the start of the pandemic; a phased return to the office is now being implemented in line with government lifting of restrictions. Some ongoing safety measures will remain in place in order to provide continued protection to staff and clients.



## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### *Remuneration*

The Finance and Remuneration Sub-Committee recommend to the Board of Trustees the annual pay awards for staff, including any performance-related enhancements in pay. The Board of Trustees is responsible for agreeing those recommendations.

### **Objectives and Activities**

The Charity's objects are to relieve poverty and the distress arising therefrom, in particular, but not exclusively by:

- the provision of charitable and other grants;
- the provision of welfare benefits and budgeting advice;
- the provision of information and training for other agencies regarding welfare benefit claims;
- the provision of services (including trust administration) to assist charities in conducting their affairs;
- to facilitate co-operation between charities and other welfare agencies;
- to influence social policy makers and service providers.

### *Charity's aims*

Charity Link's aim is to help ameliorate the lives of those people that are disadvantaged by financial hardship through the distribution of charitable grants and other services. The Charity provides an expert gateway to enable these people to access grants from the vast array of occupational, illness related and benevolent funds across the UK that are available to help people in need.

### *Strategies to achieve main objectives for the year*

The strategies employed to assist the Charity to meet these objectives included the following:

- providing charitable grants to individuals in need
- providing charitable grants to projects working with disadvantaged people
- working in partnership with other agencies to maximise financial help available to beneficiaries

### *Criteria by which Charity measures its success*

The Charity measures its success in the reporting period by reference to the achievement of grant income, expenditure control, the number of referrals and the social impact its work has on beneficiaries.

### *Grant making policy*

The Charity receives referrals from health, social care and educational agencies, charities and individuals. It raises grants to meet the needs of the most needy and vulnerable people in the community by raising funding from local and national charities and benevolent funds.

### *Significance of volunteer staff*

Normally, volunteers make a significant contribution to the Charity's activities, assisting with home visiting, promotion and the financial and general administration of the charity. However, throughout the year and beyond, volunteer activity was substantially curtailed by the regulations brought in to combat the Covid-19 outbreak and the need for ongoing safety measures to protect volunteers. The Charity intends to re-establish volunteering within the organisation as government restrictions are further lifted.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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*Public benefit*

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. They have referred to that guidance when reviewing aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees ensure that these activities are carried out for the public benefit by delivering services that are valued by the people we support and enable those with responsibility in the sector to develop and adopt best practice, thereby promoting a transparent and efficiently managed charity that engenders public confidence and trust.

**Achievements and Performance***Achievement of objectives*

The principal focus of the Trustees over the last year was to deliver the Charity's objectives as the Covid pandemic created considerable need among service users. In order to do so, the Charity had to remain financially stable while, simultaneously, meeting increased demand from service users. This was achieved with an effective team response from trustees, staff and volunteers to what was an unprecedented external situation. Grants to individuals and institutions in need rose to £1,099,274 in the year, compared to £612,338 in the prior year, an 80% increase. The total number of grants made rose to 5,926 from 3,153 in the year to March 2020. These grants helped disadvantaged individuals and families, as well as institutions working with such people. A number of Covid-specific support funds were managed by the Charity during the year. These helped to reduce the impact of the various lockdowns on vulnerable people in the communities we serve and formed part of an agile response by the Charity to an unprecedented set of external circumstances.

The Charity improved its financial strength, and its ability to meet the increased demand, through successful applications to various one-off and nonrecurring funding streams. Significant funding was issued nationally by the Government, the National Lottery and National Emergencies Trust in order to support the sector through the pandemic. Management of these funds will help the Charity to maintain services through any downturn in charitable income in the short-term. It also helped to contribute to the surplus on the unrestricted fund for the year.

The largest of the Covid-specific funds was the 'There With You Fund', funded by the Randall Charitable Foundation and through public appeal. A grant program was funded by Octopus Energy as part of the Warm Homes Initiative. These new funding streams helped the Charity to increase the number and total value of grants made.

The Charity also assisted Leicester City Council deliver its Covid Winter Support grants scheme. This also helped substantially increased the number and value of grants it distributed in the year. Our thanks go to all those charities, local authorities, companies and individuals which helped us support the most vulnerable members of our community through some of the most challenging periods of the pandemic.

The improvement in the value of investment assets reflected the general upturn in the stock market values following the adverse market conditions in March 2020.

In achieving our objectives, the factors inside the control of the Charity are performances against targets for funding received under service agreements with the local authorities and Clinical Commissioning Groups; maintaining service standards for trusts under our administration; and the continued development of our IT systems, in order to reduce core costs and assist with proactive fundraising. The factors outside of our control are continued insecurity over funding from the local authorities and the Clinical Commissioning Groups, reduced income from donations and Trusts as a result of the impact on the fundraising climate as the country emerges from Covid restrictions as well as fluctuations in the stock market. The trading arm, The Goods Depot Limited, which, opened in 2019 to supply low-cost domestic appliances to the Charity's beneficiaries, remained operational throughout

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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the year. The objectives of the Good Depot Limited are to assist a greater number of service users and improve the Charity's environmental impact. Any profits from the subsidiary company will be gifted to the Charity to contribute to long-term sustainability.

*Fundraising activities*

The Covid-19 pandemic had a significant impact on fundraising activities during the year. The Charity's fundraising strategy was changed promptly in response to the pandemic curtailing key income generating activities. For example, the flagship Leicestershire 3 Peaks Challenge, and almost all other planned fundraising events, were prevented by lockdown restrictions imposed by the Government. In addition, community giving was much reduced in the early part of the year as a consequence of the economic downturn.

The challenging fundraising environment was forecast to have a very significant impact on charitable income at the beginning of the year. Therefore, the Charity continued to engage in fundraising activities, where safe and legal to do so, and grasped other situational opportunities as they arose. These generated incoming resources to continue the funding of its charitable activities and meet its objects.

For example, the Government, the National Lottery and National Emergencies Trust released significant funds to support charities through the pandemic. These funds were specifically to help charities with their core costs, adapt to new working methods and develop their services to address the challenges of Covid restrictions. The Charity successfully applied for grants from a number of these pandemic-related funding streams. This allowed its charitable activities to continue uninterrupted throughout the year and resulted in an improved financial position at the year end.

A fundraising target of £190,000 for the general administration of the Charity was set for the year. This was exceeded following an upturn in the fundraising environment as the year progressed. Expenditure for future income generation included the printing of publicity material for fundraising purposes and various promotional activities.

*Investment policy*

The Trustees have the power to invest in such assets as they see fit.

As permitted by the Charity's Memorandum and Articles of Association, the Trustees have given the investment managers discretion to manage the portfolio within an agreed risk profile.

*Investment income*

The income from the Leicester Children's Aid Association investments is distributed by the Charity to assist children in need in the area of benefit of the Association, thus meeting its charitable objects. Those funds contribute to the relief of poverty objective of the Charity through the provision of grants to assist poor children and young people in Leicester through educational and other awards.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 MARCH 2021****Financial Review***Accounting Year*

The accounts are prepared to 31 March 2021 and are consolidated to include the results of the subsidiary company, The Goods Depot Limited.

*Review of activities*

During the year the group had total incoming resources of £1,577,844 (2020: £910,846) and there was a net increase in funds of £246,468 (2020: £29,060 increase). The total restricted funds at the end of the period amounted to £254,917 (2020: £199,367), endowment funds amounted to £73,336 (2020: £59,525) and unrestricted funds (designated for specific purposes) amounted to £125,000 (2020: £100,000). Note 16 to the accounts shows unrestricted fixed assets of £166,771 (2020: £184,763); free reserves, as defined by SORP 2015, were therefore in surplus by £29,836 after taking account of the pension deficit liability of £178,000 (2020: £211,000 deficit after pension deficit liability of £140,263).

*Reserves policy*

It is the policy of the Charity that free reserves should be maintained at a level equivalent to six months unrestricted expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. The FRS102 requirement to show the long-term pension deficit as a creditor in the accounts has had a detrimental effect on the charity's reserves reducing them below the level set in the reserves policy. However, the charity does have adequate cash to achieve the policy aim and it should be noted that the pension deficit poses no threat to the long-term concern of the Charity as it is covered by a long-term repayment plan and does not affect short-term cash flow.

It is the aim of the Charity that a sum be added to a designated property fund in each year provided that a sufficient operating surplus or free reserves warrant this. This fund is to be used for the purpose of purchasing freehold office accommodation for the Charity when the lease on its current premises comes to an end in 2034. The Trustees consider that, in this financial year, unrestricted funds are sufficient to allow an amount of £25,000 to be transferred.

*Principal funding sources*

Aside from funds secured on behalf of service users, the principal sources in the year were income from fundraising and grant aided arrangements with Leicester City Council, Leicestershire County Council and the Clinical Commissioning Groups. Grants were also received from a number of local and national charities to assist with the running costs of the Charity. In meeting the key objectives of the Charity some £903,139 was paid by way of grants to service users and a further 157 grants totalling £196,135 were remitted directly by the donor charity to individual service users following referral by ourselves.

**Plans for Future Years**

The Trustees are committed to continuing to seek out and give grants to individuals and institutions, in a similar way to the recent past in order to relieve poverty and distress in Leicestershire, Northamptonshire and Rutland. They will endeavour to ensure that help is provided across all areas and that no one area will have priority for funding. The Trustees are, however, aware that some groups of beneficiaries remain under-represented in their grant giving and efforts will be made to address this in the coming year. During the year the Charity continued work in Northamptonshire and it is the intention of the Trustees to undertake similar initiatives in other areas of the East Midlands should the opportunity arise. An important part of expanding the geographical reach of the Charity is its trading arm, The Goods Depot Limited. The Trustees intend to continue to scale up the trading of The Goods Depot Limited over the coming year in order that it achieves sustained profitability and becomes a net contributor to the Charity's operating income.

**TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021****Statement of Trustees' Responsibilities**

The Trustees (who are also directors of Leicester Charity Organisation Society for the purposes of company law) are responsible for preparing the Trustees' 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for the year. 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 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and the group will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

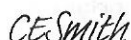
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditor**

A resolution proposing that Somerbys Limited be re-appointed as auditor of the charitable company and the group will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

On behalf of the board of Trustees.



CESmith (Dec 22, 2021 15:44 GMT)

**CE Smith**  
**Chairman/Trustee**  
22 December 2021



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LEICESTER CHARITY ORGANISATION SOCIETY**

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**Opinion**

We have audited the financial statements of Leicester Charity Organisation Society (the parent company and its subsidiary) for the year ended 31 March 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Parent Charitable Company Balance Sheet, Consolidated Statement of Cash Flows and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2021, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LEICESTER CHARITY ORGANISATION SOCIETY (CONTINUED)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company or the group, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's and group's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the trustees' report.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LEICESTER CHARITY ORGANISATION SOCIETY (CONTINUED)****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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of not detecting a material misstatement resulting from error is considered to be low. The risk of not detecting a material misstatement resulting from fraud is higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

In the context of Leicester Charity Organisation Society, we have not identified any specific laws and regulations other than general commercial laws and regulations, such as: Companies Act 2006; Charities Act 2011; Charity Commission guidance; Health and Safety legislation; GDPR and employment law.

Our understanding of the legal and regulatory framework applicable to Leicester Charity Organisation Society and how the charitable company has complied with its obligations has been obtained by enquiry of management and those charged with governance.

As part of our enquiries, we have discussed policies and procedures on compliance with laws and regulations and whether any instances of non-compliance have occurred.

Our understanding of the charitable company's policies and procedures on fraud risk has been obtained through enquiry with management as to the control activities, operational systems in place and whether there is knowledge of any actual, suspected or alleged fraud.

We consider that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. During our audit work there were no significant instances of non-compliance identified.

In response to the audit risks identified in respect of irregularity and fraud, we have undertaken the following procedures:

- Enquiry of management, and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management to identify any subsequent events that have occurred after the year end relating to this financial year.
- Reviewing legal expenses during and after the year end for evidence of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LEICESTER CHARITY ORGANISATION SOCIETY (CONTINUED)**  
-----**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.

**Marcus Dockerty FCA FCCA (Senior Statutory Auditor)**  
**For and on behalf of Somerbys Limited**

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Chartered Accountants  
Statutory Auditor

30 Nelson Street  
Leicester  
LE1 7BA

**LEICESTER CHARITY ORGANISATION SOCIETY**  
**GROUP STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 MARCH 2021**

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	Notes	Unrestricted Funds	Restricted Funds	Designated Funds	Endowment Funds	Total 2021
<b><u>Income from:</u></b>						
Voluntary Income	2	306,720	956,949	-	-	1,263,669
Administration fees		72,192	-	-	-	72,192
Investment income	3	15,604	2,118	-	-	17,722
<b>Incoming resources from charitable activities</b>						
	4	81,669	130,949	-	-	212,618
<b>Other trading income</b>		11,643	-	-	-	11,643
<b>Total income</b>		487,828	1,090,016	-	-	1,577,844
<b><u>Expenditure on:</u></b>						
Raising funds	5	70,831	379	-	-	71,210
<b>Charitable Activity</b>						
Relief of poverty	5	228,890	1,034,087	-	-	1,262,977
<b>Total expenditure</b>		299,721	1,034,466	-	-	1,334,187
Realised gain/(loss) on investment assets		-	-	-	92	92
Unrealised gain/(loss) on investment assets	16	-	-	-	13,719	13,719
<b>Net income/(expenditure)</b>		188,107	55,550	-	13,811	257,468
Transfers between funds	20	(25,000)	-	25,000	-	-
		163,107	55,550	25,000	13,811	257,468
<b>Other recognised gains and losses</b>						
Pension deficit adjustment	14	(11,000)	-	-	-	(11,000)
<b>Net movement in funds</b>		152,107	55,550	25,000	13,811	246,468
Fund balances at 31 March 2020		44,500	199,367	100,000	59,525	403,392
<b>Fund balances at 31 March 2021</b>		<b>£196,607</b>	<b>£254,917</b>	<b>£125,000</b>	<b>£73,336</b>	<b>£649,860</b>

All income and expenditure is derived from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

See page 13 for corresponding figures for 2020.

**LEICESTER CHARITY ORGANISATION SOCIETY**  
**GROUP STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 MARCH 2020**

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	Notes	Unrestricted Funds	Restricted Funds	Designated Funds	Endowment Funds	Total 2020
<b><u>Income from:</u></b>						
Voluntary Income	2	355,581	401,936	-	-	757,517
Administration fees		52,247	-	-	-	52,247
Investment income	3	18,409	2,864	-	-	21,273
Incoming resources from charitable activities	4	51,123	21,273	-	-	72,396
Other trading income		7,413	-	-	-	7,413
<b>Total income</b>		<b>484,773</b>	<b>426,073</b>	<b>-</b>	<b>-</b>	<b>910,846</b>
<b><u>Expenditure on:</u></b>						
Raising funds	5	71,572	573	-	-	72,145
Charitable Activity						
Relief of poverty	5	348,891	451,459	-	-	800,350
<b>Total expenditure</b>		<b>420,463</b>	<b>452,032</b>	<b>-</b>	<b>-</b>	<b>872,495</b>
Realised gain/(loss) on Investment assets		-	-	-	47	47
Unrealised gain/(loss) on investment assets	16	-	-	-	(12,338)	(12,338)
<b>Net income/(expenditure)</b>		<b>64,310</b>	<b>(25,959)</b>	<b>-</b>	<b>(12,291)</b>	<b>26,060</b>
Transfers between funds	19	(54,761)	(5,239)	60,000	-	-
		9,549	(31,198)	60,000	(12,291)	26,060
Pension deficit adjustment	14	3,000	-	-	-	3,000
<b>Net movement in funds</b>		<b>12,549</b>	<b>(31,198)</b>	<b>60,000</b>	<b>(12,291)</b>	<b>29,060</b>
Fund balances at 1 April 2019		31,951	230,565	40,000	71,816	374,332
<b>Fund balances at 31 March 2020</b>		<b>£44,500</b>	<b>£199,367</b>	<b>£100,000</b>	<b>£59,525</b>	<b>£403,392</b>

All income and expenditure is derived from continuing activities. The statement of financial activities includes all gains and losses recognised during the year.

**LEICESTER CHARITY ORGANISATION SOCIETY**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 MARCH 2021**

**14**

<b>Group</b>	<b>Notes</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b>Fixed assets</b>			
Tangible assets	<b>9</b>	166,771	184,763
Investments	<b>10</b>	69,365	56,501
		<hr/>	<hr/>
		236,136	241,264
<b>Current assets</b>			
Stock	<b>11</b>	16,741	17,847
Debtors	<b>12</b>	311,014	92,108
Cash at bank and in hand		390,990	325,432
		<hr/>	<hr/>
		718,745	435,387
<b>Creditors: amounts falling due within one year</b>	<b>13</b>	<u>(172,021)</u>	<u>(106,259)</u>
<b>Net current assets</b>		546,724	329,128
<b>Creditors: amounts falling due after one year</b>	<b>14</b>	<u>(133,000)</u>	<u>(167,000)</u>
<b>Total assets</b>		<hr/> <b>£649,860</b> <hr/>	<hr/> <b>£403,392</b> <hr/>
<b>Capital fund</b>			
Endowment	<b>17</b>	73,336	59,525
Designated funds	<b>18</b>	125,000	100,000
<b>Income funds</b>			
Restricted funds	<b>15</b>	254,917	199,367
Unrestricted funds		196,607	44,500
		<hr/>	<hr/>
		<b>£649,860</b>	<b>£403,392</b>

These financial statements have been prepared in accordance with the provisions to companies subject to the small companies regime.

These accounts were approved by the Trustees on 22 December 2021.

Signed on behalf of the Trustees,

*CE Smith*

CESmith (Dec 22, 2021 15:44 GMT)

**CE Smith**  
**Chairman**  
**Company Registration No. 03761954**

**BALANCE SHEET  
AT 31 MARCH 2021**

Company	Notes	2021	2020
<b>Fixed assets</b>			
Tangible assets	9	162,500	175,000
Investments	10	69,365	56,501
Investment in subsidiary	10	100	100
		<u>231,965</u>	<u>231,601</u>
<b>Current assets</b>			
Debtors	12	412,484	187,572
Cash at bank and in hand		350,488	322,489
		<u>762,972</u>	<u>510,061</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(153,745)</u>	<u>(99,649)</u>
<b>Net current assets</b>		609,227	410,412
<b>Creditors: amounts falling due after one year</b>	14	<u>(133,000)</u>	<u>(167,000)</u>
<b>Total assets</b>		<u>£708,192</u>	<u>£475,013</u>
<b>Capital fund</b>			
Endowment	17	73,336	59,525
Designated funds	18	125,000	100,000
<b>Income funds</b>			
Restricted funds	15	254,917	199,367
Unrestricted funds		254,939	116,121
		<u>£708,192</u>	<u>£475,013</u>

These financial statements have been prepared in accordance with the provisions to companies subject to the small companies regime.

These accounts were approved by the Trustees on 22 December 2021.

Signed on behalf of the Trustees,

*CE Smith*

CESmith (Dec 22, 2021 15:44 GMT)

**CE Smith**  
**Chairman**  
**Company Registration No. 03761954**

**STATEMENT OF CONSOLIDATED CASHFLOWS**  
**YEAR ENDED 31 MARCH 2021**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>Cash flow from operating activities</b>			
Cash generated/(used) in operations	<b>23</b>	46,889	(7,648)
<b>Net cash flow from operating activities</b>		46,889	(7,648)
<b>Cash flow from investing activities</b>			
Payments to acquire investments		-	(7,359)
Receipts from sales of investments		947	7,570
Investment income received		17,722	21,273
<b>Net cash flow from investing activities</b>		18,669	21,484
<b>Net increase in cash and cash equivalents</b>		65,558	13,836
Cash and cash equivalents at 31 March 2020		325,432	311,596
Cash and cash equivalents at 31 March 2021		<u>£390,990</u>	<u>£325,432</u>
<b>Cash and cash equivalents consists of:</b>			
Cash at bank and in hand		390,990	325,432
<b>Cash and cash equivalents at 31 March 2021</b>		<u>£390,990</u>	<u>£325,432</u>

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

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**1.1 Accounting convention**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Account 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements of the group are prepared under the historical cost convention, modified to include listed investments at fair value. The financial statements are presented in sterling which is the functional currency of the charity and the group.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. There have been no changes to accounting estimates during the reporting year.

The Charity has taken advantage of the small company provisions of the Companies Act 2006.

**1.2 Going concern**

The financial statements of the charity have been prepared on a going concern basis. The trustees have considered the expected level of income and expenditure for 12 months from authorising these financial statements. The trustees consider that the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

*Subsidiary*

The financial statements of the Goods Depot Limited have been prepared on the going concern basis. The financial statements have been prepared on this basis on the assumption of continued support of the Charity.

**1.3 Recognition of income**

Incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised, the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and is probable that they will be fulfilled.

Grants and voluntary income are recognised as incoming resources when receivable. Deferred income represents amounts received for future periods and is released to incoming resources in the year for which it has been received.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from local government grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised.

Investment income is recognised when the amount can be measured reliably.

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

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**Income of subsidiary**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into accounts trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.4 Expenditure recognition**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognized where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorized under the following headings:

- Costs of raising funds; which are the costs of generating incoming resources from all sources other than from charitable activities.
- Charitable activities; which are all the costs applied by the charity in undertaking its work to meet its charitable objectives.

Grants payable to third parties are within the charities objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled are outside of the control of the charity.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold property	-	straight line over the period of the lease
Fixtures, fittings & equipment	-	33% per annum of cost
Motor vehicles	-	33% per annum of cost

**1.6 Impairment of fixed assets**

At each reporting period end date, the charitable company reviews the carrying amounts of tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

**1.7 Fixed asset Investments**

Investments are stated at fair value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

**1.8 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.



**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

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**1.9 Cash and cash equivalents**

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

**1.10 Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**1.11 Pensions**

The Charity partakes in a multi-employer pension scheme for the benefit of its employees which is independently administered by The Pensions Trust. The assets and liabilities of the fund are detailed at note 14.

In addition, the Group also operates a defined contribution pension scheme for the benefit of its employees which is independently administered. The expenses of the scheme are charged to the SOFA as and when they fall due.

**1.12 Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purpose.

**1.13 Funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the Charity for specific purposes. The costs of 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.

Endowment funds are retained for the benefit of the charity as a capital fund. The fund consists of investments that are used for the purpose of the charity.

Designated funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the accounts.

**1.14 Employee Benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the discounted amount expected to be paid in exchange for that service.

**1.15 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

**1.16 Government grants**

Government grants are recognized at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

## NOTES TO THE ACCOUNTS (CONTINUED)

### YEAR ENDED 31 MARCH 2021

A grant that specifies performance conditions is recognized in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognized in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognized as a liability.

#### 1.17 Critical accounting estimates and judgements

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

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

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See accounting policy note (above) for the useful economic lives for each class of assets

#### Support cost allocations:

Support costs are apportioned as they relate to more than one cost category (see note 5).

2	Voluntary income	Unrestricted funds	Restricted funds	2021	2020
	Core grants	-	956,449	956,449	401,436
	Donations, subscriptions and discounts received	91,787	500	92,287	56,338
	Income from fundraising	214,933	-	214,933	274,743
	Legacies	-	-	-	25,000
		<u>£306,720</u>	<u>£956,949</u>	<u>£1,263,669</u>	<u>£757,517</u>
3	Investment income	Unrestricted funds	Restricted funds	2021	2020
	Rental income	14,800	-	14,800	16,645
	Income from listed investments	620	2,118	2,738	3,739
	Interest receivable	184	-	184	889
		<u>£15,604</u>	<u>£2,118</u>	<u>£17,722</u>	<u>£21,273</u>

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

**4 Incoming resources from charitable activities**

<b>Grants receivable for charitable activities</b>	<b>2021</b>	<b>2020</b>
<b>Unrestricted funds:</b>		
Leicester City Council	66,498	35,821
Leicestershire County Council	15,171	15,302
	<u>81,669</u>	<u>51,123</u>
<b>Restricted funds:</b>		
Leicester City Council	11,304	10,997
Leicestershire County Council	4,829	4,698
Leicestershire County Council - Communities Fund	11,000	-
Leicestershire and Rutland Community Foundation - Coronavirus Support Fund	12,500	-
Leicestershire and Rutland Community Foundation - DCMS New Normal Grants	5,000	-
The National Lottery Community Fund	82,352	-
Leicester / Leicestershire Primary Care Trusts	3,964	5,578
	<u>130,949</u>	<u>21,273</u>
<b>Total</b>	<u>£212,618</u>	<u>£72,396</u>

The Charity receives income from local government to assist individuals in identifying support funding to which they may be entitled.

**5 Total resources expended**

The trust allocates its support costs as shown in the table below. Support costs are allocated on a basis of staff time.

	<b>Staff Costs (note 7)</b>	<b>Depreciation (note 9)</b>	<b>Other Costs (note 8)</b>	<b>Total 2021</b>	<b>Total 2020</b>
<b>Costs of generating funds:</b>					
Fundraising and publicity	66,679	-	4,531	71,210	72,145
<b>Charitable Activity – Relief of Poverty:</b>					
Donations in kind	-	-	219,091	219,091	86,593
Inter-group transactions	-	-	(306,736)	(306,736)	(120,113)
Grants payable (note 6)	-	-	903,139	903,139	430,186
Employment costs	338,320	-	-	338,320	290,394
Administration costs	-	17,992	91,171	109,163	113,290
	<u>338,320</u>	<u>17,992</u>	<u>906,665</u>	<u>1,262,977</u>	<u>800,350</u>
	<u>£404,999</u>	<u>£17,992</u>	<u>£911,196</u>	<u>£1,334,187</u>	<u>£872,495</u>

Donations in kind represent purchases of white goods from the subsidiary company the Goods Depot Limited which are donated as grants to individuals

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

Included in the above administration costs is:	2021	2020
Auditor's remuneration	<u>£15,914</u>	<u>£9,272</u>
<b>6 Grants payable</b>		
Grants to institutions - 6 (2020 - 0 grants)	17,814	-
Grants to individuals - 5,763 (2020 - 2,969 grants)	885,325	430,186
	<u>£903,139</u>	<u>£430,186</u>

In addition to the above grants administered through the Society, a further 157 awards totalling £196,135 were secured on behalf of individuals and institutions. These grants were remitted directly by the donors to the beneficiaries.

Grants to institutions	2021	2020
Leicester Hospitals Charity - Covid 19 Appeal	2,500	-
Age UK Leicestershire and Rutland	10,000	-
Charity Link	2,500	-
Rainbows Children's Hospice	2,500	-
Parkinsons Disease Society	100	-
Women V Cancer	214	-
	<u>17,814</u>	<u>-</u>

	2021	2020
<b>7 Employees</b>		
<b>Number of employees</b>		
The average monthly number of employees during the year was:	18	17
The number of part time employees was	<u>13</u>	<u>12</u>
<b>Employment costs</b>		
Wages and salaries	363,006	309,193
Social security costs	18,849	20,532
Other pension costs	23,144	22,233
	<u>£404,999</u>	<u>£351,958</u>

No employee earned £60,000 per annum or more. The Charity considers its key management personnel to consist of the Directors of Operations and Marketing & Fundraising. The remuneration and benefits paid to these personnel totalled £117,810 (2020 - £113,787).

None of the Trustees (or any person connected with them) received any remuneration during this year. No Trustee was reimbursed for travel expenses during the year (2020 - no trustee).

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

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**8 Other costs**

<b>Fundraising and publicity</b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Promotion expenses	4,152	9,924
Investment management fees	379	573
	<hr/>	<hr/>
	<b>£4,531</b>	<b>£10,497</b>
	<hr/>	<hr/>
<b>Charitable activity administration costs</b>		
Rent and rates	14,098	13,500
Insurance	3,618	3,436
Light and heat	2,611	7,123
Repairs and maintenance	226	7,892
Stationery	7,400	6,838
Telephone and fax	4,775	4,293
Travelling expenses	7,002	6,394
Legal and professional	6,304	5,823
Sundry expenses	3,006	2,008
Recruitment expenses	400	650
Subscriptions	890	1,441
Bank charges	1,038	1,142
Cleaning	5,017	4,758
Computer expenses	11,907	13,915
Health and safety	1,198	914
Staff training	35	971
Postage	4,102	4,928
Auditor's remuneration	17,544	9,272
	<hr/>	<hr/>
	<b>£91,171</b>	<b>£95,298</b>
	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

**9 Group**  
**Tangible fixed assets**

	Leasehold property	Fixtures Fittings & equipment	Motor Vehicle	Total
<b>Cost/Valuation</b>				
At 31 March 2020	237,500	38,633	16,640	292,773
Additions	-	-	-	-
Disposal	-	-	-	-
<b>At 31 March 2020</b>	<b>£237,500</b>	<b>£38,633</b>	<b>£16,640</b>	<b>£292,773</b>
<b>Depreciation</b>				
At 31 March 2020	62,500	38,633	5,877	107,010
Charge for the year	12,500	-	5,492	17,992
Eliminated on disposal	-	-	-	-
<b>At 31 March 2020</b>	<b>£75,000</b>	<b>£38,633</b>	<b>£11,369</b>	<b>£125,002</b>
<b>Net book value</b>				
At 31 March 2021	£162,500	£Nil	£5,271	£167,771
<b>At 31 March 2020</b>	<b>£175,000</b>	<b>£Nil</b>	<b>£10,763</b>	<b>£185,763</b>

**Company**  
**Tangible fixed assets**

	Leasehold property	Fixtures Fittings & equipment	Total
<b>Cost/Valuation</b>			
At 31 March 2020	237,500	38,633	276,133
Additions	-	-	-
Disposal	-	-	-
<b>At 31 March 2020</b>	<b>£237,500</b>	<b>£38,633</b>	<b>£276,133</b>
<b>Depreciation</b>			
At 31 March 2020	62,500	38,633	101,133
Charge for the year	12,500	-	12,500
Eliminated on disposal	-	-	-
<b>At 31 March 2020</b>	<b>£75,000</b>	<b>£38,633</b>	<b>£113,633</b>
<b>Net book value</b>			
At 31 March 2021	£162,500	£Nil	£162,500
<b>At 31 March 2020</b>	<b>£175,000</b>	<b>£Nil</b>	<b>£175,000</b>

10 Fixed asset investments

**Charity**

**Listed investments**

Market value at 31 March 2020	56,501
Acquisitions at cost	(855)
Disposals at opening book value	-
Net unrealised gain on revaluation	13,719
<b>Market value at 31 March 2021</b>	<b>£69,365</b>
Historical cost:	
<b>At 31 March 2021</b>	<b>£62,506</b>
Historical cost:	
<b>At 31 March 2020</b>	<b>£63,504</b>

All investments were held in the United Kingdom. The Trustees consider that there were no individual material investments held at the end of the year. Listed investments are valued at market value at the year end.

**Subsidiaries**

Details of the company's subsidiary at 31 March 2021 are as follows:

Name of undertaking	Registered office	Company No	Class of shares held	% Held
The Goods Depot Limited Acquired on 21 September 2018	UK	11581108	Ordinary	100
<b>Results for the year</b>				£
Income				308,379
Expenditure				(295,090)
Profit before taxation				£13,289
Total Assets				£74,770
Total Liabilities				£133,002

11 Stocks

	Group		Charity	
	2021	2020	2021	2020
Goods for resale	<u>£16,741</u>	<u>£17,847</u>	<u>£-</u>	<u>£-</u>

12 Debtors

	Group		Charity	
	2021	2020	2021	2020
Trade debtors	274,470	55,610	270,162	49,178
Income recoverable	23,490	19,895	23,490	19,895
Amount owed by subsidiary undertaking	-	-	114,726	110,958
Prepayments	13,054	16,603	4,106	7,541
	<u>£311,014</u>	<u>£92,108</u>	<u>£412,484</u>	<u>£187,572</u>

13 Creditors: amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
Trade creditors	86,874	47,297	81,852	42,544
Taxes and social security costs	14,947	257	6,586	-
Other creditors	13,176	5,889	8,283	4,289
Accruals and deferred income	12,024	8,816	12,024	8,816
Pension deficit	45,000	44,000	45,000	44,000
	<u>£172,021</u>	<u>£106,259</u>	<u>£153,745</u>	<u>£99,649</u>



#### 14 Pension costs

##### The Charity

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the schemes are held separately from those of the charity in independently administered funds.

The charity participates in a multi – employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The scheme is classified as a 'last man standing arrangement'. Therefore, the charity is potentially liable for other participating employer's obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme.

The last full actuarial valuation for the scheme was carried out 30 September 2020 showing a deficit and the trustees asked the participating employers to pay additional contributions.

Section 28.11A of FRS 102 requires deficit recovery payments to be recognised as a liability. The movement in the provision is set out below.

	<u>2021</u>	<u>2020</u>
Liability at 1 April 2020	211,000	256,000
Unwinding of the discount factor (interest expense)	5,000	3,000
Deficit contributions paid	(44,000)	(42,000)
Re-measurements – impact of any change in assumptions	6,000	(6,000)
Re-measurements – amendment to the contributions schedule	-	-
Balance sheet liability at 31 March 2021	<u>£178,000</u>	<u>£211,000</u>
Due within 1 year	<u>£45,000</u>	<u>£44,000</u>
Due after 1 year	<u>£133,000</u>	<u>£167,000</u>
Amounts payable by instalments after 5 years	<u>-</u>	<u>-</u>

This liability represents the net present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions, set by reference to the duration of the deficit recovery payments:

	<u>March 2021</u>	<u>March 2020</u>	<u>March 2019</u>
Discount rate applied to future recovery plan contributions due	0.66%	2.53%	1.39%

On the basis that it would not be practical to split the cost of the deficit reduction payments between current and historical restricted and unrestricted funds, all of the costs have been charged to unrestricted funds for this year and for previous years.

##### The subsidiary

The Goods Depot Limited operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# 15 Restricted funds

The income funds of the Charity include restricted funds comprising the following unexpended balances to be applied for specific purposes:

	Balance 1 April 2020	Incoming Resource	Movement in funds		Balance 31 March 2021
			Resources Expended	Transfer	
Carlton Hayes Mental Health Charity	3,085	63,000	28,015	-	38,070
Funds held for other charitable institutions	26,234	-	17,814	-	8,420
Leicester Children's Aid Association	6,039	2,618	942	-	7,715
Other funds held for distribution to the needy	164,009	893,449	856,746	-	200,712
Local authorities and CCG	-	130,949	130,949	-	-
	<u>£199,367</u>	<u>£1,090,016</u>	<u>£1,034,466</u>	<u>-</u>	<u>£254,917</u>

	Balance 1 April 2019	Incoming Resource	Movement in funds		Balance 30 March 2020
			Resources Expended	Transfer	
Carlton Hayes Mental Health Charity	-	27,000	18,676	(5,239)	3,085
Funds held for other charitable institutions	26,234	-	-	-	26,234
Leicester Children's Aid Association	3,681	3,364	1,006	-	6,039
Other funds held for distribution to the needy	200,650	374,436	411,077	-	164,009
Local Authorities and CCGs	-	21,273	21,273	-	-
	<u>£230,565</u>	<u>£426,073</u>	<u>£452,032</u>	<u>£(5,239)</u>	<u>£199,367</u>

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

**15 Restricted funds (continued)**

- The Carlton Hayes Mental Health Charity makes grants for people in need living in Leicestershire and Rutland who are experiencing mental health problems
- The funds held for other charitable institutions are block grant arrangements with companies and individual donors which help institutions engaged in charitable activities
- Leicester Children's Aid Association assists children and young people resident in the city of Leicester under the age of 18 with grants to promote their education and welfare.
- Leicester City Council and Leicestershire County Council support the activities of the charity in order to reduce poverty and distress in the city of Leicester and county of Leicestershire respectively. The three Clinical Commissioning Groups operating in Leicestershire and Rutland support the activities of the charity in seeking out funding for equipment, aids and adaptations that help disabled people to retain their independence.

**16 Analysis of net assets between funds**

Group	Unrestricted fund	Restricted Fund	Designated Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
<b>Fund balances at 31 March 2021 are represented by:</b>						
Tangible fixed assets	166,771	-	-	-	166,771	184,763
Investments	-	-	-	69,365	69,365	56,501
Current assets	265,671	324,103	125,000	3,971	718,745	435,387
Creditors: amounts falling due within one year	(102,835)	(69,186)	-	-	(172,021)	(106,259)
Creditors: amounts falling due after one year	(133,000)	-	-	-	(133,000)	(167,000)
	<u>£196,607</u>	<u>£254,917</u>	<u>£125,000</u>	<u>£73,336</u>	<u>£649,860</u>	<u>£403,392</u>
<b>Company Fund balances at 31 March 2021 are represented by:</b>						
Tangible fixed assets	162,500	-	-	-	162,500	175,000
Investments	100	-	-	69,365	69,465	56,601
Current assets	309,799	324,103	125,000	3,971	762,873	510,061
Creditors: amounts falling due within one year	(84,460)	(69,186)	-	-	(153,646)	(99,649)
Creditors: amounts falling due after one year	(133,000)	-	-	-	(133,000)	(167,000)
	<u>£254,939</u>	<u>£254,917</u>	<u>£125,000</u>	<u>£73,336</u>	<u>£708,192</u>	<u>£475,013</u>

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

				<b>Endowment Funds</b>	<b>Total Funds 2021</b>	<b>Total Funds 2020</b>
<b>Unrealised gains/(losses) included above:</b>						
On investments (see below)				£6,859	£6,859	£6,859
<b>Reconciliation of movements in unrealised Gains/(losses) on investment assets</b>						
Unrealised gains at 1 April 2020	-	-	-	(7,004)	(7,004)	5,891
Deduct in respect of disposals in year	-	-	-	144	144	(557)
	-	-	-	(6,860)	(6,860)	5,334
Net reduction arising in year	-	-	-	13,719	13,719	(12,338)
Unrealised deficit at 31 March 2021	£-	£-	£-	£6,859	£6,859	£(7,004)

**17 Endowment funds**

The Endowment Funds relate to Leicester Children's Aid Association which was transferred into the Charity on 29 October 2007 together with the net funds of Connection, another locally based Charity which merged with Leicester Children's Aid Association in 2008.

**18 Designated funds**

The designated property fund is to be used for the purpose of purchasing freehold office accommodation for the Charity when the lease on its current premises comes to an end in 2034. During the year £25,000 was transferred to the fund.

**19 Related Party Transactions**

During the year, administration fees and grants were received from the following charities in which some or all of the Trustees of Leicester Charity Organisation Society are also Trustees:-

	<b>2021 £</b>	<b>2020 £</b>
Leicester Indigent Old Age Society	4,014	3,752
The Mansion Trust (UK)	3,214	2,222
The Nicholson Memorial Fund (Rosehill Trust)	14,509	17,489
R Daphne Plunket Charitable Trust	14,020	12,430
Edward Wood Poor Widows	1,421	1,138
Alderman Newton's Educational Foundation	13,112	13,138

The trustee, A H Jarvis is also a director of the charity's investment advisors Rowley Turton (IFA) Limited. During the year the charitable company paid £379 in respect of investment management charges to Rowley Turton (IFA) Limited. A H Jarvis retired as a director of the investment advisors on 30 June 2020.

During the year the Charitable Company traded with its subsidiary, The Goods Depot Limited. The Charitable Company met certain costs of The Goods Depot Limited totalling £3,768. At 31 March 2021 the total amount owed to the Charitable Company was £114,726 (2020 - £110,958). There is no formal agreement in place and the total amount due is repayable on demand.

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2021**

The Secretary and Director of Operations of the Charitable Company is also a director of The Goods Depot Limited.

There was no trustees remuneration paid.

**20 Transfer between funds**

During the year, Leicester Charity Organisation Society transferred £25,000 from the unrestricted fund to the designated property fund to be used for the purpose of purchasing freehold office accommodation for the Charity when the lease on its current premises comes to an end in 2034.

**21 Lease commitments**

**The Group**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
<u>£6,750</u>	<u>£20,250</u>

**The Charity**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£Nil	£Nil

**22 Contingent Liability**

The Charitable company has guaranteed the lease payments of The Goods Depot Limited on the leasehold premises from which that company operates. At 31 March 2021 the lease commitment amounted to £6,750.

**23 Reconciliation of net income to net cash flow from operations**

	2021	2020
Net movement in funds	246,468	29,060
Depreciation of tangible fixed assets	17,992	17,992
Gains on investments	(13,811)	12,291
Investment income	(17,722)	(21,273)
Decrease (Increase) in stock	1,106	(12,298)
(Increase) Decrease in debtors	(218,906)	28,963
Increase/(Decrease) in creditors	31,762	(62,383)
	<u>£46,889</u>	<u>£(7,648)</u>
Net cash inflow (outflow) from operations		

