

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

LEGAL AND ADMINISTRATIVE INFORMATION

Corporate Trustee Abbot's Hospital Trustee Company Ltd

The following were Governors during the year to 31 December 2020:

| | | |
|------------------|------------------------|------------------------------|
| Governors | Rev R Cotton | |
| | J Cox | |
| | A Gunning | |
| | D McCann | |
| | C Mullis | |
| | S Mundy | |
| | L Spencer | |
| | Rev M Woodward | |
| | The Mayor of Guildford | |
| | R Bruce | |
| | S Shaw | |
| | P O'Dwyer | (Appointed 5 February 2020) |
| | M Peters | (Appointed 6 November 2020) |
| | P Smith | (Resigned 10 January 2020) |
| | P Souster | (Resigned 5 November 2020) |
| | V Payne | (Resigned 17 September 2020) |

The Governors are all members and Directors of Abbot's Hospital Trustee Company Ltd (Limited by guarantee and registered in England No 05814686)

Master I Bowler

Charity number 201631

Registered office High Street
Guildford
GU1 3AJ

Auditor Allotts LLP
13-21 High Street
Guildford
Surrey
GU1 3DL

Bankers Lloyds Bank plc
PO Box 3, 147 High Street
Guildford

Solicitors Moore Barlow LLP
The Oriel
Sydenham Road
Guildford

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

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HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Governors, acting on behalf of the corporate trustee, Abbots' Hospital Trustee Company Ltd, present their report and financial statements for the year ended 31 December 2020.

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

Objectives and activities

The Hospital of the Blessed Trinity, Guildford (generally known as Abbot's Hospital) is a registered charity. As an Almshouse and a member of the Almshouse Association, its object is to provide sheltered accommodation for elderly people of limited means.

To this end it holds endowment property and applies the income from this and from other sources to the management, maintenance, improvement or rebuilding of the buildings and, subject to meeting these costs, otherwise applies the income for the benefit of the residents of the Almshouse.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

In meeting this object, the Board considers that Abbot's Hospital provides public benefit in line with the guidance issued by the Charity Commission.

Achievements and performance

Abbots Hospital was founded in 1619 to provide homes for elderly people in need who have a close connection with the borough of Guildford. This core mission has been delivered continuously over the past four hundred years and is still the first of two responsibilities of the Master and his staff under the oversight of a board of volunteer Governors.

The Year in Review

The Governors are pleased to announce the appointment of a new Master, Ian Bowler, with effect from 4 January 2021.

The Governors would like to thank the outgoing Master, Michael McKechnie for his many contributions, and wish him well in his retirement.

The past year has inevitably been completely overshadowed by the impact of Covid 19. The Governors' primary concern is the welfare of the residents, and stringent measures have been taken to ensure, as far as possible, that the virus has been, and is, kept from entering the Hospital. While this has essentially been successful, it has inevitably meant that the activities of the residents have been severely curtailed. The Governors are very grateful for their forbearance in this difficult time. It has also meant that organised activities such as coffee mornings, musical evenings and the Gaudy lunch have been abandoned. It is hoped to restart social events, initially outside and then indoors subject to the rules for ending lockdown.

The second most important duty of the Governors and staff remains the upkeep and maintenance of the historic buildings and their contents. There is Planned Maintenance particularly in respect of the fabric of the buildings which is the outcome of a Quinquennial report. No work could be carried out as part of this plan in 2020. A revised programme going forward has been agreed.

Governance generally continued to be exercised by meetings of the Finance, House and Nominations Committees, all of whom reported into the regular meetings of the main Board. In addition there are subcommittees for Heritage and for Property which report to the House and Finance Committees respectively. The Board currently comprises thirteen governors. All Governors gratefully acknowledge the contribution made throughout the year by the Master and his team, professional advisers, contractors, volunteers, the wider community of Guildford and the residents themselves to the life of the Hospital.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Fundraising Activities

In normal circumstances the charity's main fundraising activity has been guided tours hosted by volunteers during the summer months. No tours took place during 2020. In anticipation of a possible campaign to raise money to refurbish the Old Cloth Hall to create further residential accommodation, the charity is taking advice from a professional fundraising organisation.

Financial review

The charity's net expenditure for the year, before investment losses, was £68,726 (2019: £87,201).

There were investment losses from listed investments of £72,304 (2019:£144,802 gains) and a reduction in the valuation of investment properties of £400,000 (2019:£310,000).

Net movement in funds for the year was a negative £541,030 (2019:£252,399 negative).

Net funds at 31 December 2020 stood at £8,910,637 (2019:£9,451,667) represented by unrestricted funds of £1,121,211 (2019:£1,201,241) and endowed funds of £7,789,426 (2019:£8,250,426).

There was an increase in rents from residents mainly because the two vacant flats were refurbished and re-let during the year.

The impact of Covid 19 on the commercial retail sector has been very severe. This has had a direct impact on investment property income. The tenants of the property in Guildford High Street have gone into liquidation. The property is being refurbished and is on the market to be re-let. The tenants of Old Cloth Hall which became vacant in 2019 have since gone into administration and any claim for dilapidations is likely to be largely irrecoverable.

Other than reduced planned maintenance because of access issues, expenditure was broadly in line with expectations.

The Governors consider that 2021 will remain challenging for commercial letting although the charity's reserves remain strong.

Reserves Policy

The majority of the Charity's reserves are represented by buildings. Free reserves are represented by unrestricted funds totalling £1,121,211 from which should be deducted those tied up in fixtures and fittings and in designated funds. This equates to £904,517, which the Governors consider to be adequate in light of the substantial property repairs and maintenance commitments including the balance of the Planned Maintenance Programme and possible future capital expenditure on the Old Cloth Hall.

Investment Policy

The charity is required to invest monies not needed for immediate working purposes. The Governors determine from time to time whether this should be in bank deposits or longer term investments and when and whether they should seek outside advice. The Governors are currently reviewing the Hospital's investment portfolio.

Risk Management Arrangements

Each year a health and safety risk assessment is carried out by two Governors, in association with the Master. Contingency planning is ongoing, in line with the guidance issued by HM Government's Civil Contingencies Secretariat. The House and the Finance & Property groups review at each meeting the relevant risks facing the Hospital, in the light of the procedures designed to minimise them. The Board of Governors also review risks on a regular basis.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

Abbot's Hospital Trustee Company administers the Charity in accordance with the Hospital of the Blessed Trinity (Guildford) Charity Scheme Confirmation Act, 1953 and Schemes of 18 February 1965 and 20 December 1985, as amended by Schemes of 29 May 1991 and 1 February 2007 and 22 April 2010.

The Governors of the Hospital are directors of the Trustee Company. Five of them are appointed ex officio, the Mayor of Guildford, the Rectors of each of the ecclesiastic parishes of Holy Trinity with St Mary Guildford, St Nicolas and St John's Stoke Church, Guildford, and the Headmaster of the Royal Grammar School, Guildford, all for the time being. The remainder, who must be persons residing or carrying on business in or near the Borough of Guildford are co-opted by the Board, subject to the approval of the Archbishop of Canterbury.

The full Board meets at least three times each year, and sub-groups of Governors, in particular the House Group and the Finance & Property Group, meet regularly. Individually, Governors meet residents at weekly Coffee Mornings and at other times.

Day to day management and administration of the Charity is delegated by the Board to the Master, who is assisted by a Warden and two part-time staff; the Master reports to the Chairman of the Board.

Status

When the Hospital's application for removal from the Register of Social Landlords was granted in 2009 this was on the understanding that if the Hospital decides in the future to dispose of property, land or an interest in land (whether publicly funded or not) consent from the Tenants Services Authority, now Homes England, must be sought in accordance with Section 9(6) of the Housing Act 1996, and that residents would continue to have access to an approved Ombudsman Scheme in accordance with Section 51(d).

History

The Hospital was founded in 1619 by George Abbot, who was born in a cottage at the bottom of the High Street in 1562, and educated at the Royal Grammar School, Guildford. After a distinguished career as an Oxford academic, which included helping to prepare the great Authorised Version of the Bible in 1611, he was appointed Archbishop of Canterbury in that year.

He looked for ways to devote some of his wealth to some charitable purpose, or as he put it himself, "to leave behind me a posterity some monument of my thankfulness to my Creator". Wondering what to do, he found his "affection leading me to the Town of Guildford, where I was born, and where my aged Parents lived many years with good report", and in 1614 he declared his plan to build an almshouse in the town.


In 1618 he bought land between the High Street and what is now North Street and on 6 April 1619 he laid the first stone of his new Hospital. The first Brothers and Sisters (residents) arrived in 1622.

In 1984 new, self-contained flats in the Hospital gardens were opened, to give each resident separate kitchen, bathroom and sitting facilities. The original single rooms in the Upper Courtyard were turned into large Flats designed for married couples, the first of whom took up residence in 1989.

Since 2012, after the extensive building and conversion works of the 1980s and the inclusion in 2009 of the former Porter's Cottage as resident accommodation, the Hospital's maximum capacity is for a Master and twenty seven residents.

The Governors' report was approved by the Board of Governors.


S Mundy
Leader of the Finance & Property Group
Dated: 24 June 2021


C Mullis
Chairman of Governors
Dated: 24 June 2021

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Governors, acting on behalf of the corporate trustee, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

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 SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The Governors are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

Opinion

We have audited the financial statements of Hospital of the Blessed Trinity, Guildford (the 'Charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Governors' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors 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 Governors 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 Governors are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Governors and other management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, taxation, employment, housing, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting any legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Board of Governors;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing any correspondence with the Homes and Communities Agency, HMRC etc.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE GOVERNORS OF HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

Use of our report

This report is made solely to the charity's Governors, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Governors those matters we are required to state to them in an auditors' 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 charity and the charity's Governors as a body, for our audit work, for this report, or for the opinions we have formed.


Alliotts LLP

Chartered Accountants
Statutory Auditor

24 June '21

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total 2020 £ | Total 2019 £ |
|---|-------|---------------------------------|-------------------------------|------------------------------|--------------------|--------------------|
| Income from: | | | | | | |
| Donations and legacies | 3 | 2,489 | 10,619 | - | 13,108 | 39,052 |
| Charitable activities | 4 | 262,857 | - | - | 262,857 | 242,917 |
| Income from Investments | 5 | 47,402 | - | - | 47,402 | 140,654 |
| Total Income | | 312,748 | 10,619 | - | 323,367 | 422,623 |
| Expenditure on: | | | | | | |
| Charitable activities | 6 | 325,727 | - | 61,000 | 386,727 | 504,340 |
| Other expenditure | | 5,366 | - | - | 5,366 | 5,484 |
| Total resources expended | | 331,093 | - | 61,000 | 392,093 | 509,824 |
| Net expenditure for the year | | (18,345) | 10,619 | (61,000) | (68,726) | (87,201) |
| Net gains/(losses) on investments | 10 | (72,304) | - | (400,000) | (472,304) | (165,198) |
| Net (outgoing)/incoming resources before transfers | | (90,649) | 10,619 | (461,000) | (541,030) | (252,399) |
| Gross transfers between funds | | 10,619 | (10,619) | - | - | - |
| Net movement in funds | | (80,030) | - | (461,000) | (541,030) | (252,399) |
| Fund balances at 1 January 2020 | | 1,201,241 | - | 8,250,426 | 9,451,667 | 9,704,066 |
| Fund balances at 31 December 2020 | | 1,121,211 | - | 7,789,426 | 8,910,637 | 9,451,667 |

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

All income and expenditure derive from continuing activities.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

BALANCE SHEET

AS AT 31 DECEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Tangible assets | 12 | 6,341,665 | | 6,403,226 | |
| Investment properties | 13 | 1,450,000 | | 1,850,000 | |
| Investments | 14 | 937,578 | | 1,004,832 | |
| | | <u>8,729,243</u> | | <u>9,258,058</u> | |
| Current assets | | | | | |
| Debtors | 16 | 10,123 | | 60,905 | |
| Cash at bank and in hand | | 334,443 | | 298,356 | |
| | | <u>344,566</u> | | <u>359,261</u> | |
| Creditors: amounts falling due within one year | 17 | <u>(26,820)</u> | | <u>(26,211)</u> | |
| Net current assets | | | 317,746 | | 333,050 |
| Total assets less current liabilities | | | <u>9,046,989</u> | | <u>9,591,108</u> |
| Creditors: amounts falling due after more than one year | | | (136,352) | | (139,441) |
| Net assets | | | <u><u>8,910,637</u></u> | | <u><u>9,451,667</u></u> |
| Capital funds | | | | | |
| <u>Endowment funds - general</u> | | | | | |
| General endowment funds | 19 | 7,789,426 | | 8,250,426 | |
| Income funds | | | | | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 21 | 214,455 | | 218,048 | |
| General unrestricted funds | | <u>906,756</u> | | <u>983,193</u> | |
| | | | <u>1,121,211</u> | | <u>1,201,241</u> |
| | | | <u><u>8,910,637</u></u> | | <u><u>9,451,667</u></u> |

The financial statements were approved by the Governors on 24 June 2021



C Mullis

On behalf of the Trustee

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Hospital of the Blessed Trinity, Guildford is a charity registered in England and Wales , number 201631. The registered and operating address is Abbots Hospital, High Street, Guildford, Surrey GU1 3AJ.

1.1 Accounting convention

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

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

1.4 Incoming resources

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

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

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

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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

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

| | |
|-----------------------------|-----------------------------|
| Freehold land and buildings | Straight line over 50 years |
| Fixtures and fittings | Straight line over 10 years |
| Historic chattels | No depreciation charged |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.7 Fixed asset investments

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

1.8 Impairment of fixed assets

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

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total | Unrestricted funds | Restricted funds | Total |
|---------------------|-----------------------|---------------------|-----------|-----------------------|---------------------|-----------|
| | 2020 £ | 2020 £ | 2020 £ | 2019 £ | 2019 £ | 2019 £ |
| Donations and gifts | 2,489 | 10,619 | 13,108 | 4,960 | 34,092 | 39,052 |

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Charitable rental income from residents | 262,857 | 242,917 |

5 Income from Investments

| | Unrestricted funds | Total |
|-----------------------------------|-----------------------|-----------|
| | 2020 £ | 2019 £ |
| Rental income | 30,608 | 126,250 |
| Interest receivable and dividends | 16,794 | 14,404 |
| | 47,402 | 140,654 |

6 Charitable activities

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Staff costs | 115,090 | 86,799 |
| Depreciation and impairment | 61,561 | 61,561 |
| Charitable expenditure | 133,958 | 298,897 |
| | 310,609 | 447,257 |
| Share of support costs (see note 7) | 40,851 | 45,681 |
| Share of governance costs (see note 7) | 35,267 | 11,402 |
| | 386,727 | 504,340 |

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support costs

| | Support costs | Governance costs | 2020 | Support costs | Governance costs | 2019 |
|-----------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Professional fees | 4,297 | - | 4,297 | 13,666 | - | 13,666 |
| Printing and stationery | 346 | - | 346 | 398 | - | 398 |
| Insurance | 23,398 | - | 23,398 | 20,258 | - | 20,258 |
| Sundry | 730 | - | 730 | 488 | - | 488 |
| Travelling | - | - | - | 72 | - | 72 |
| Telephone and IT costs | 12,080 | - | 12,080 | 10,799 | - | 10,799 |
| Audit and accountancy | - | 10,925 | 10,925 | - | 10,895 | 10,895 |
| Governors' expenses | - | 580 | 580 | - | 507 | 507 |
| Legal and professional fees | - | 23,762 | 23,762 | - | - | - |
| | <u>40,851</u> | <u>35,267</u> | <u>76,118</u> | <u>45,681</u> | <u>11,402</u> | <u>57,083</u> |
| Analysed between | | | | | | |
| Charitable activities | <u>40,851</u> | <u>35,267</u> | <u>76,118</u> | <u>45,681</u> | <u>11,402</u> | <u>57,083</u> |

Governance costs includes payments to the auditors of £6,126 (2019- £6,123) for accounts preparation and audit fees.

8 Governors

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

Expenses totalling £330 (2019 - £507) were reimbursed to Governors for travel, Insurance and sundries.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

Number of employees

The average monthly number of employees during the year was:

| | 2020 Number | 2019 Number |
|----------------------------------|----------------|----------------|
| Office Staff | 1 | 1 |
| Wardens, caretakers and cleaners | 3 | 3 |
| | <u>4</u> | <u>4</u> |

Employment costs

| | 2020 £ | 2019 £ |
|-----------------------|----------------|---------------|
| Wages and salaries | 106,438 | 80,506 |
| Social security costs | 7,253 | 5,044 |
| Other pension costs | 1,399 | 1,249 |
| | <u>115,090</u> | <u>86,799</u> |

There were no employees whose annual remuneration was £60,000 or more.

10 Net gains/(losses) on investments

| | Unrestricted funds 2020 £ | Endowment funds general 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Endowment funds general 2019 £ | Total 2019 £ |
|--------------------------------------|---------------------------------|---|--------------------|---------------------------------|---|--------------------|
| Revaluation of investments | (72,304) | - | (72,304) | 144,802 | - | 144,802 |
| Revaluation of investment properties | - | (400,000) | (400,000) | - | (310,000) | (310,000) |
| | <u>(72,304)</u> | <u>(400,000)</u> | <u>(472,304)</u> | <u>144,802</u> | <u>(310,000)</u> | <u>(165,198)</u> |

11 Taxation

The Hospital of the Blessed Trinity, Guildford, is a registered charity and is therefore exempt from liability to taxation on its charitable activities.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

| | Freehold land and buildings £ | Fixtures and fittings £ | Historic chattels £ | Total £ |
|------------------------------------|-------------------------------------|-------------------------------|---------------------------|------------|
| Cost | | | | |
| At 1 January 2020 | 6,100,000 | 5,605 | 666,426 | 6,772,031 |
| At 31 December 2020 | 6,100,000 | 5,605 | 666,426 | 6,772,031 |
| Depreciation and impairment | | | | |
| At 1 January 2020 | 366,000 | 2,805 | - | 368,805 |
| Depreciation charged in the year | 61,000 | 561 | - | 61,561 |
| At 31 December 2020 | 427,000 | 3,366 | - | 430,366 |
| Carrying amount | | | | |
| At 31 December 2020 | 5,673,000 | 2,239 | 666,426 | 6,341,665 |
| At 31 December 2019 | 5,734,000 | 2,800 | 666,426 | 6,403,226 |

The freehold property represents the current value of the buildings on the land given to the Hospital on its foundation.

The historic chattels represent the current insured value of the Hospital's historic artefacts.

The investment properties represent freehold properties within the historic curtilage of the Hospital, which are not used for residents but are let commercially.

13 Investment property

| | 2020 £ |
|--|-----------|
| Fair value | |
| At 1 January 2020 | 1,850,000 |
| Net gains or losses through fair value adjustments | (400,000) |
| At 31 December 2020 | 1,450,000 |

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Investment property

(Continued)

Placing fair values on the investment properties as at 31st December 2020 has been even more challenging for the charity than usual, because of the extreme economic conditions, retail market conditions and two of the three units, comprising most of the value, were vacant.

The position was reviewed with commercial property advisers, Wadham & Isherwood, in relation the rental values, yields, void periods, tenant incentives and costs of refurbishment. The experienced surveyors involved on the charity's Board interpreted the information received and the Board made an estimate of each property's value, concluding that fair value as at 31 December 2020 was in the region of £1,450,000, a reduction of £400,000 over 12 months.

The Governors are of the view that to commission a formal valuation certificate in 2020, in the extant circumstances would not be good use of the charity's funds as the accuracy would not be materially better than the above fair value estimate. It is intended to obtain a formal external valuation at the end of 2021, when the future and value of each property may be better defined.

| | 2020 £ | 2019 £ |
|----------|-----------|-----------|
| Freehold | 1,450,000 | 1,850,000 |

14 Fixed asset investments

| | Listed Investments £ |
|--------------------------|----------------------------|
| Cost or valuation | |
| At 1 January 2020 | 1,004,832 |
| Valuation changes | (67,254) |
| At 31 December 2020 | 937,578 |
| Carrying amount | |
| At 31 December 2020 | 937,578 |
| At 31 December 2019 | 1,004,832 |

15 Financial Instruments

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | 937,578 | 1,004,832 |

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

| | | |
|--|----------------|----------------|
| 16 Debtors | 2020 | 2019 |
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 5,132 | 20,202 |
| Prepayments and accrued income | 4,991 | 40,703 |
| | <u>10,123</u> | <u>60,905</u> |
| 17 Creditors: amounts falling due within one year | 2020 | 2019 |
| | £ | £ |
| Other taxation and social security | 1,333 | 790 |
| Other creditors | 748 | 682 |
| Accruals and deferred income | 24,739 | 24,739 |
| | <u>26,820</u> | <u>26,211</u> |
| 18 Loans and overdrafts | 2020 | 2019 |
| | £ | £ |
| Other loans | <u>136,352</u> | <u>139,441</u> |
| Payable after one year | <u>136,352</u> | <u>139,441</u> |

The long-term loans are secured by a legal charge over the properties.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Endowment funds

Endowment funds represent assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

| | Balance at 1 January 2019 | Movement in funds | | | | Movement in funds | | | | Balance at 31 December 2020 | |
|-----------------------------|------------------------------|-----------------------|-----------------------|-----------|-------------------------------------|------------------------------|-----------------------|-----------------------|-----------|-----------------------------------|-------------------------------------|
| | | Incoming resources | Resources expended | Transfers | Revaluations gains and losses | Balance at 1 January 2020 | Incoming resources | Resources expended | Transfers | | Revaluations gains and losses |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Permanent endowments | | | | | | | | | | | |
| Property | 8,621,426 | - | (61,000) | - | (310,000) | 8,250,426 | - | (61,000) | - | (400,000) | 7,789,426 |
| | <u>8,621,426</u> | <u>-</u> | <u>(61,000)</u> | <u>-</u> | <u>(310,000)</u> | <u>8,250,426</u> | <u>-</u> | <u>(61,000)</u> | <u>-</u> | <u>(400,000)</u> | <u>7,789,426</u> |

20 Restricted funds

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

| | Movement in funds | | | | Movement in funds | | | | Balance at 31 December 2020 £ |
|--------------------------------|-----------------------------------|----------------------------|----------------------------|----------------|-----------------------------------|----------------------------|----------------|---|--|
| | Balance at 1 January 2019 £ | Incoming resources £ | Resources expended £ | Transfers £ | Balance at 1 January 2020 £ | Incoming resources £ | Transfers £ | | |
| National Heritage Lottery Fund | 46,000 | 34,092 | (121,178) | 41,086 | - | 10,619 | (10,619) | - | |

The restricted fund was set up for the 400th anniversary celebrations in 2019 and associated projects in the year.

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Designated funds

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

| | Balance at 1 January 2019 | Resources expended | Balance at 1 January 2020 | Resources expended | Balance at 31 December 2020 |
|---|------------------------------|-----------------------|------------------------------|-----------------------|-----------------------------------|
| | £ | £ | £ | £ | £ |
| Extraordinary property and maintenance repairs reserve | 194,535 | (16,487) | 178,048 | (3,593) | 174,455 |
| Day to day property and maintenance reserve | 40,000 | - | 40,000 | - | 40,000 |
| | <u>234,535</u> | <u>(16,487)</u> | <u>218,048</u> | <u>(3,593)</u> | <u>214,455</u> |

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Analysis of net assets between funds

Fund balances at 31 December 2020 are

represented by:

Tangible assets

Investment properties

Investments

Current assets/(liabilities)

Long term liabilities

| | Unrestricted funds 2020 £ | Restricted funds 2020 £ | Endowment funds 2020 £ | Total 2020 £ | Unrestricted funds 2019 £ | Restricted funds 2019 £ | Endowment funds 2019 £ | Total 2019 £ |
|--|------------------------------------|----------------------------------|---------------------------------|--------------------|------------------------------------|----------------------------------|---------------------------------|--------------------|
| | 2,239 | - | 6,339,426 | 6,341,665 | 2,800 | - | 6,400,426 | 6,403,226 |
| | - | - | 1,450,000 | 1,450,000 | - | - | 1,850,000 | 1,850,000 |
| | 937,578 | - | - | 937,578 | 1,004,832 | - | - | 1,004,832 |
| | 317,746 | - | - | 317,746 | 333,050 | - | - | 333,050 |
| | (136,352) | - | - | (136,352) | (139,441) | - | - | (139,441) |
| | 1,121,211 | - | 7,789,426 | 8,910,637 | 1,201,241 | - | 8,250,426 | 9,451,667 |

HOSPITAL OF THE BLESSED TRINITY, GUILDFORD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Financial commitments, guarantees and contingent liabilities

As at 31 December 2020 the charity had no commitments for capital expenditure in 2021. (2019: nil).

The cost of building an annex onto the original building in 1984 was partly financed by a Housing Association grant. Should the annex ever be sold, any amount received up to the level of the original grant would have to be repaid. The trustee has no intention of selling the building and therefore this contingency is unlikely to happen.

24 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

Remuneration of key management personnel in the year was £55,557 (2019: £46,635).