

LINGFIELD GUEST HOUSE TRUST
Charity Number: 207424

Trustee Report and Financial Statements

Year Ended 31 March 2021

LINGFIELD GUEST HOUSE TRUST

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LINGFIELD GUEST HOUSE TRUST
Trustee Report for the year ended 31 March 2021

The trustee presents its report with the financial statements of the charity for the year ended 31 March 2021. The trustee has adopted the provision of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

LEGAL AND ADMINISTRATIVE DETAILS

Registered charity number: 207424

The principal address of the charity is:

The Guest House
Vicarage Road
Lingfield, Surrey
RH7 6HA

Other financial advisers are:

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Independent Examiner
Alexandra Durrant Chartered Accountants
10A/12A High Street
East Grinstead
West Sussex
RH19 3AW

TRUSTEE

On 31 May 2019 the Charity Commission altered the scheme for the charity to confirm Lingfield Guest House Trustee Limited as the new trustee and to confirm that Surrey County Council was discharged from its trusteeship of the charity.

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Trustee Report for the year ended 31 March 2021
(continued)

The directors of the trustee company holding office during the year were:

Ian Jones – Chairman
Joanna Unsworth
Martin Cundey
Rita Russell
Dawn Cook
Sally Martin
William Stevenson

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity is governed by the terms of the Will dated 11 June 1945 of Arthur Baldwin Hayward who died on 21 January 1954 and left the Guest House and residue, after legacies, of his real and personal estate to Surrey County Council upon trust.

The trustee, Lingfield Guest House Trustee Limited, is responsible for the management of the Guest House and trust assets. The trustee company's terms of reference are:

“To manage the Lingfield Guest House and the trust property generally, and more specifically the following issues:

- the maintenance and repair requirements of the Guest House and its gardens (especially if such repairs require alterations or additions to the estate) and how such works are to be financed;
- the sale of items of furniture and other contents of the house, included in the trust property, to increase revenue which will be credited to the trust fund; and
- the organisation of special functions in the local community and other fundraising schemes to raise additional monies to help fund the Lingfield Guest House Trust.”

Objectives, Organisation and Activity

The charity is established to maintain the Lingfield Guest House, which is used as a public library and museum. Mr Hayward endowed the building by directing that the income from his estate should be applied towards the maintenance and repair of the house and garden. The building, which dates from the 15th Century and is listed Grade II, is divided in two. The local public library is housed in part of the building and the remainder is a self-contained maisonette which is occupied by a tenant. The contribution made by both occupiers goes towards the running costs, general upkeep and maintenance of the building.

LINGFIELD GUEST HOUSE TRUST
Trustee Report for the year ended 31 March 2021
(continued)

Statement of Public Benefit

The trustee has paid due regard to the guidance on public benefit produced by the Charities Commission and is confident that the work of the charity meets all the criteria for public benefit.

Review of progress and achievements during the year

The directors of the trustee company meet during the year to consider various matters relating to the upkeep and restoration of the building, and the income and expenditure of the trust.

During the year cyclical maintenance and repair work was carried out at the Guest House and a detailed inventory of the physical assets held by the trust has been maintained. Contracts for security, maintenance of the gardens and cleaning the building continue in place. A survey of the fixed wiring (EICR) resulted in the updating of the control panels and external lighting. A contract is in place with Surrey County Council for the use of part of the building for the Lingfield Community Library. The management contract for the maisonette has also been reviewed.

The directors of the trustee company have agreed to a programme of work in the gardens, removing unsafe and overgrown trees and vegetation which is still in progress. New railings and balustrade have been erected from the front gate to the main door.

Investment Policy

The investment policy of the trustee has been to invest its funds to maintain their capital growth and to generate income to fund the running costs of the building. As a small charity the most cost-effective way of doing this is to invest in pooled funds as described in note 6 to the financial statements.

The majority of trust assets comprise investments with BlackRock Fund Managers and funds held in the bank. The directors of the trustee company have reviewed the investments and taken the view they remain appropriate for the trust as conservatively managed funds providing an income and capital growth. In the year £40,000 was transferred into the investment portfolio from cash reserves.

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Trustee Report for the year ended 31 March 2021
(continued)

Reserves Policy

The directors of the trustee company are working to ensure the bank account holds a balance of at least £50,000 to allow for the operation of the trust for at least six months in the event of the loss of income.

Risk Policy

The directors of the trustee company have reviewed the risks facing the trust. Those risks identified are: potential loss of income due to reliance on limited users and damage to the building by fire. They are content that the risks are well understood and that appropriate action to mitigate risks wherever possible has been taken. A fire risk assessment was commissioned and completed after the end of the year and appropriate insurance policies have been put in place and policies will be reviewed annually.

Finances

These financial statements show the current financial state of the trust which is considered to be sound.

Responsibilities of the Trustee

The Charities Act requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustee is required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustee must also prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charity will continue its activities.

The trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 2011. The trustee is 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.

This report was approved by the trustee on 22 November 2021 and signed on its behalf by:



Ian Jones
Chairman and director of Lingfield Guest House Trustee Limited

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LINGFIELD GUEST HOUSE TRUST

I report on the financial statements of the Lingfield Guest House Trust for the year ended 31 March 2021 set out on pages seven to thirteen.

Respective responsibilities of trustee and examiner

The charity's trustee (who is represented by the directors of Lingfield Guest House Trustee Limited) is responsible for the preparation of the financial statements. The charity's trustee considers that an audit is not required this year under section 144 of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility

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

Basis of independent examiner's report

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

Independent examiner's statement

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

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - To keep accounting records in accordance with section 130 of the Charities Act 2011; and
 - To prepare financial statements which accord with the accounting records and which comply with the accounting requirements of the Charities Act 2011 have not been met
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Alexandra Durrant
Alexandra Durrant Chartered Accountants
10A/12A High Street
East Grinstead
West Sussex, RH19 3AW
Date: 1 Dec 2021

LINGFIELD GUEST HOUSE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020/21 £	Total 2019/20 £
INCOME					
<u>Income from Investments</u>	4,206	3,037	12,698	19,941	20,402
<u>Other income</u>					
Rent – maisonette	15,600	-	-	15,600	14,663
Rent - room hire	0	-	-	0	10
Rent - library	13,775	-	-	13,775	13,535
Total income	33,581	3,037	12,698	49,316	48,610
EXPENDITURE:					
<u>Charitable Activities</u>					
Maintenance of building	20,852	-	-	20,852	13,466
Running costs (note 2)	5,549	-	-	5,549	5,622
Governance costs (note 3)	2,218	-	-	2,218	2,594
Total expenditure	28,619	-	-	28,619	21,682
Net surplus	4,962	3,037	12,698	20,697	26,928
Net gain/(loss) on investments					
Unrealised gains/(losses) on revaluation	18,806	30,947	76,770	126,523	(90,689)
Transfer between funds	14,039	40,000	(54,039)	-	-
Net movement in funds	37,807	73,984	35,429	147,220	(63,761)
Funds at 1 April 2020	128,798	131,514	388,228	648,540	712,301
Funds at 31 March 2021	166,605	205,498	423,657	795,760	648,540

LINGFIELD GUEST HOUSE TRUST
Balance Sheet at 31 March 2021

	2021	2020
	£	£
Fixed Assets		
Freehold property (note 5)	3,800	3,800
Investments (note 6)	750,754	581,194
Total fixed assets	754,554	584,994
Current Assets		
Debtors and prepayments:	5,180	4,727
Cash at bank and in hand	39,932	62,731
Accruals and deferred income	(3,906)	(3,912)
Total current assets	41,206	63,546
Total net assets	795,760	648,540
Funds of the Charity		
Endowment Funds	423,657	388,228
Restricted Funds	205,498	131,514
Unrestricted Funds	166,605	128,798
Total funds (note 7)	795,760	648,540

Signed on behalf of the trustee on 22 November 2021



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 Ian Jones - Chairman and director
 Lingfield Guest House Trustee Limited

LINGFIELD GUEST HOUSE TRUST
Notes to the Financial Statements for the year ended 31 March 2021

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

Income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefit will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

Charitable activities include direct costs of the activities.

Governance costs

Governance costs comprise all costs incurred in the governance of the charity. These costs include the costs relating to the independent examination together with overheads.

Taxation

The charity is exempt from tax on its charitable activities.

Fund accounting

Unrestricted and designated funds can be used in accordance with the charitable objectives at the discretion of the trustee.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise from the trust deed.

Further explanation of the nature and purpose of each fund is included in the note 6 to the financial statements.

LINGFIELD GUEST HOUSE TRUST
Notes to the Financial Statements for the year ended 31 March 2021
(continued)

Investments

Investments are included in the balance sheet at their market value at the balance sheet date. Any unrealised gains and losses arising from the revaluation of the investment portfolio in the year is credited or charged to the investment revaluation reserve within the general fund.

The interest from the maintenance and repair fund will go into the extraordinary repair fund, which allows the investment income to be used for repairs.

2. RUNNING COSTS

Running costs consist of the cost of the utilities, cleaning costs and the insurance of the property.

3. GOVERNANCE COSTS

These costs relate to expenses incurred for the general and financial administration of the charity, being independent examiners fee and legal fees relating the change of trustee.

4. TRUSTEE REMUNERATION

No remuneration was paid to the trustees.

5. FREEHOLD PROPERTY

The Guest House is an historic building and is held on the balance sheet at its original valuation. It was professionally valued by Bruton Knowles in January 1999, when the building was valued at £415,000 on the basis of reinstatement cost assessment. This allows for the extra construction costs that may be incurred in reproducing the original quality of materials and workmanship.

During 2007/08 an inventory was carried out and the revised valuation of the contents of the Guest House was £216,250, based on the probable cost of replacing the items in the normal retail market. These assets are not included in the balance sheet or the financial statements until such time as they are sold at which point any proceeds will be brought into the financial statements. The inventory is checked at least once a year by two directors of the trustee company. There is also photographic record of all valuable items, of which a duplicate is kept separately.

LINGFIELD GUEST HOUSE TRUST
Notes to the Financial Statements for the year ended 31 March 2021
(continued)

6. INVESTMENTS

Investment funds are invested by the fund managers, BlackRock, in two pooled investment funds, BLK Charities UK Equity Fund and BLK Charities UK Bond Fund (previously Charinco and Charishare), which are specifically tailored to meet the needs of the smaller charity.

The interest from the maintenance and repair fund will go into the extraordinary repair fund, which allows the investment income to be used for repairs.

The investments are allocated between three funds:

Unrestricted funds being:

Revenue;
 Surplus Income;
 Summers Bequest - a designated fund set up in April 1999;

Restricted funds being:

Extraordinary Repair Fund, revenue - held to meet any major repairs the building may require;

Restricted endowment funds being:

Capital Permanent Endowment Fund
 Freehold Property – comprising original capital invested;
 Maintenance and Repair Fund – whilst accounted for separately is part of the Permanent Endowment fund.

<u>Fixed Asset Investments</u>	2021	2020
Quoted investments	Total	Total
	£	£
Market value at 1 April 2020	581,194	668,165
Additions	43,037	3,718
Disposals	-	-
Net unrealised gains/(losses)	126,523	(90,689)
Market value at 31 March 2021	750,754	581,194
Original cost	288,827	248,827

LINGFIELD GUEST HOUSE TRUST
Notes to the Financial Statements for the year ended 31 March 2021
(continued)

7. FUNDS

<u>Unrestricted Funds</u>	Balance 01.04.20	Surplus for the year	Gain on revaluation or transfer	Balance 31.03.21
Revenue	22,205	4,962	14,039	41,206
Surplus Income	61,611		9,599	71,210
Summers Bequest	44,982		9,207	54,189
	128,798	4,962	32,845	166,605

<u>Restricted Funds</u>	Balance 01.04.20	Surplus for the year	Gain on revaluation or transfer	Balance 31.03.21
Extraordinary Repair Fund - Revenue	131,514	3,037	30,947 40,000	205,498
	131,514	3,037	70,947	205,498

<u>Endowment Funds</u>	Balance 01.04.20	Surplus for the year	Gain on revaluation or transfer	Balance 31.03.21
Capital Permanent Endowment Transfer	315,628	11,838	77,400 (11,838)	393,028
Freehold Property	3,800	-	-	3,800
Maintenance & Repair Fund Transfers	68,800	860	(630) (42,201)	26,829
	388,228	12,698	22,731	423,657

LINGFIELD GUEST HOUSE TRUST
Notes to the Financial Statements for the year ended 31 March 2021
(continued)

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Investments	Net Current Assets	Total
Unrestricted Funds				
Revenue Funds	-	-	41,206	41,206
Surplus Income	-	71,210	-	71,210
Summers Bequest	-	54,189	-	54,189
	-	125,399	41,206	166,605
Restricted Funds				
Revenue Extraordinary Repair	-	205,498	-	205,498
	-	205,498	-	205,498
Endowment Funds				
Capital Permanent Endowment	-	393,028	-	393,028
Maintenance & Repair	-	26,829	-	26,829
Freehold Property	3,800	-	-	3,800
	3,800	419,857	-	423,657
Total Funds	3,800	750,754	41,206	795,760

9. POST BALANCE SHEET

The trustee and its directors has given consideration to the Charities SORP ('Statement of Recommended Practice') Committee's advice in its publication 'Implications of COVID-19 Control Measures and Charity Financial Reporting' and to the risks arising as a result of the coronavirus pandemic. The trustee and its directors is actively monitoring and managing the situation as it develops and has adapted its operations where appropriate. It considers that the charity has adequate reserves and committed future grants from supportive and solvent funders.