

**ST NICHOLAS' HOSPITAL**

**REPORT OF THE TRUSTEES**  
**AND**  
**STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**FLETCHER & PARTNERS**  
**CHARTERED ACCOUNTANTS**  
**SALISBURY**

**ST NICHOLAS' HOSPITAL**  
**TRUSTEES' REPORT AND STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Page 1

The Trustees present their annual report and accounts for the charity for the year ended 31 December 2020. The accounts have been prepared in accordance with the accounting policies set out on pages 7 to 9 and comply with the Charity's schemes and applicable law.

<b>TRUSTEES:</b>	EX OFFICIO		
	By the Bishop	The Master: The Ven K P Mellor	(appointed 01.09.16) (resigned 31.01.21)
	NOMINATED		
	By the Bishop	Mr D A Bartlett	(re-appointed 08.05.19) Chairman from 28.01.16
	By the Master	Mrs R A P Stiven	(re-appointed 28.01.19)
	CO-OPTATIVE	Canon D K Callard	(re-appointed 25.06.19)
		Mr R D Trahair	(re-appointed 04.07.18)
		Mrs S J Beswick	(appointed 27.10.16)
		Mrs C E Romano	(appointed 27.10.16)

<b>PRINCIPAL OFFICER:</b>	Mr C B Dragonetti, Clerk to the Trustees	(appointed 01.02.16) (retired 29.02.20)
	Mr C L Gutteridge, Clerk to the Trustees	(appointed 01.03.20)

**CHARITY ADDRESS:** The Clerk's Office, St Nicholas' Hospital, St Nicholas Road, Salisbury, Wiltshire SP1 2SW

<b>ADVISERS:</b>	Bankers	- CAF Bank <a href="mailto:cafbank@cafonline.org">cafbank@cafonline.org</a>
		- National Westminster Bank Plc 48 Blue Boar Row, Salisbury SP1 1DF
		- CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET
	Solicitors	- Parker Bullen 45 Castle Street, Salisbury SP1 3SS
	Independent Examiners	- Mrs N A Halls FCA, Fletcher & Partners Crown Chambers, Bridge Street, Salisbury SP1 2LZ
	Surveyors	- Humberts 37 Castle Street, Salisbury SP1 1TT
		- The Diocesan Surveyor Church House, Salisbury SP1 2QB
	Investment Managers	- CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London EC4V 4ET

**REGISTERED CHARITY NUMBER:** 214916 in England and Wales

**TRUSTEES' REPORT AND STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**LEGAL STATUS**

The Hospital is a registered charity number 214916. It was refounded by letters patent of the 3 April 1608 James I, and its governing document is the Hospital of St Nicholas (Salisbury) Charity Scheme Confirmation Act 1959, the Charity Commission Scheme dated 7 March 1961 as amended on 15 January 2009 and the Charity Commission Scheme dated 26 April 2016 as amended on 31 January 2019 and 21 January 2021.

**OBJECTS**

The objects of the charity were updated in April 2016, and are now:

- (a) the relief of poverty by the provision of accommodation for persons of good character who are in need of assistance;
- (b) such charitable purposes for the benefit of residents and former residents as the trustees decide, including the provision of financial assistance to former residents who are in need.

**POLICIES**

During the year the Hospital provided units of accommodation to residents. The residents contribute a set monthly sum towards the maintenance of the Hospital. Other land and buildings are let to provide additional income for the Charity. Other endowments are invested to provide income to cover the running and management costs of the Charity. Surplus Income may be applied for the benefit of the residents.

In 1993 and 1994 the Trustees used part of the endowment capital to build a new annexe to the Hospital to provide 6 additional units of accommodation. The Trustees are bound by the Trustee Act 2000.

During the year the trustees reviewed their policies and procedures.

**RESERVES POLICY**

The Trustees of the Charity are able to use the surplus accumulated income over expenditure on future projects, to improve the facilities and the operation of the Hospital. The Trustees consider that a minimum of £150,000 should be kept in reserve to cover unforeseen repair costs and void periods.

**RISK MANAGEMENT**

The Trustees have reviewed the major risks to which the Charity is exposed and ensured that systems are in place to mitigate exposure to the risks identified. The principal risks lie in the performance of investments and operational risks from owning property. Variability of investment returns on the permanent endowment constitute the charity's major financial risk, and this is mitigated by retaining expert investment managers and having a diversified investment portfolio.

**ORGANISATION**

The Charity is managed by between five and seven Trustees who meet not less than four times a year. The Trustees appoint a Clerk to act on their behalf. The day to day administration of the Charity is dealt with by the Master and the Clerk, as appropriate, on behalf of the Trustees. The nominated Trustees were originally appointed for terms of three years and Co-optative Trustees appointed by resolution of the Trustees for terms of five years. To simplify the Charity's administration, the Charity Commission agreed during 2019 that all Trustees' terms of appointment could be five years. New trustees are inducted and trained by the Master, the Chairman and the Clerk. New trustees are recruited and appointed after receiving a personal recommendation from the existing trustee body.

**TRUSTEES' RESPONSIBILITIES FOR THE PREPARATION OF ACCOUNTS**

The Trustees are responsible for preparing the Annual Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards. Under the law applicable to charities, the trustees have elected to prepare accruals accounts which must show a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 assume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**TRUSTEES' REPORT AND STATEMENT OF ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****INVESTMENT POLICY**

In accordance with the Trustee Act 2000 which came into force on 1 February 2001, the Trustees have the power to invest any sums of cash not required for immediate working purposes. The investment objective of the Trustees is that the real value of their assets be maintained and enhanced over the long term by investment in a portfolio of charitable investment funds and freehold property. Investment income is required to help meet the costs of the Charity. The investments are reviewed regularly by the Trustees.

**PUBLIC BENEFIT**

The trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The charity meets its public benefit remit by providing subsidised housing for needy people.

**REVIEW OF ACTIVITIES AND ACHIEVEMENTS**

Like many Charities, the start of the year was very conventional with a Trustees' meeting in late January to set the Budget for 2020 and welcome the new Clerk.

The other major item was the commissioning of repairs to one of the let houses, 16-18 St Nicholas Road, arising from the 2019 Quinquennial review of part of the Fabric of the Hospital and its let houses. This was going to be a major expenditure for the Charity of £55k including fees and vat. This necessitated the movement of CCLA funds to enable cash to be made available to pay for the work.

With the coming of the Pandemic the Trustees' meetings have been either socially distanced or conducted remotely (earlier) or using Zoom (later). In the April 2020 meeting our CCLA Investment Manager attended and a number of decisions were taken about the Investment Policy and Portfolio for the future good of the Charity. Chapel services continued to be held during the various stages of government restrictions, by dividing the Community into two cohorts and alternating their services. Attendance at these services became voluntary because of the Pandemic.

The arrival of the Covid 19 Pandemic in March 2020 meant the main activity of the year switched to coping with the Covid 19 Pandemic in a very vulnerable community of 55-90 year olds. A Covid Policy was instigated with the help of Dr and Mrs Beswick, and pulse oximeters issued to all residents. We have had no Covid 19 cases during 2020 in the Hospital of St Nicholas and the two self-isolations (imposed because of contact with potentially infected persons) proved negative. We continue to be vigilant and careful in our Health and Safety routines and careful about outside contact with outsiders; family, friends and contractors.

At the start of the year we had 29 residents in our 24 flats but with the departure of Claire we have been 28. We have two vacant flats and one is due to be occupied in January 2021 (delayed to February due to Lockdown Rules in Kent). This will leave one vacancy with a number of applications pending which are also being processed in February.

In September the Trustees received the news that Fr Paul Mellor (Master) was resigning, and this meant that the Trustees had to plan and recruit a new Master; this was achieved by the Christmas 2020 end of year deadline. The Venerable Caroline Baston will take up the post of Master in May 2021.

**COVID-19**

The global pandemic of COVID-19 had a limited financial impact on the Charity in the year to 31 December 2020. The residents contributions were still paid but two vacant flats were unable to be occupied during the year due to the 'lockdown' so the Charity missed out on approximately £7,962 of contributions during the year. There were some delays to the start/completion of major works due to the 'Lockdown' but all are still expected to be completed in due course. The Charity held sufficient funds at the year end to meet the reserves policy and the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern. There are no material judgements that affect the accounts.

**REVIEW OF TRANSACTIONS AND FINANCIAL POSITION**

The Charity's total income for the year was £217,489 including investment income of £110,733 plus £19,006 from let properties. The expenditure for the year was £233,819 of which £195,706 was on direct charitable activities. The net outgoing resources for the year were £16,330 before revaluation of investments.

The value of investments increased by £190,825 (6.8%) compared to a decrease in the FTSE All-Share index of 12.4% during the year. A sum of £50,889 was withdrawn from the Extraordinary Repair Fund to help finance major repairs, following a quinquennial inspection of the properties. Over the year, therefore, the Charity's resources increased by a total of £223,620.

Depreciation of £14,782 was charged on the almshouse properties as required by the accounting policy, and allocated to the fund which provided the finance for the relevant property.

The twenty-second recoupment payment of £10,000 under the 1993 recoupment scheme was set aside and invested in COIF Property Units.

The Charity had net assets of £5,025,553 at the end of the year, including investments worth £3,659,912 and investment properties worth £875,000 but excluding the original cost of the Hospital. The buildings used by the charity are insured for approximately £8.5 million. The Charity's unrestricted reserves at the year end were a total of £240,476 of which £24,671 is represented by land and buildings and fixed assets, leaving free reserves of £215,805.

The format of the accounts complies with the charity's governing documents, the Charities Act 2011 and the Charities SORP (FRS 102). Following the Charity's deregistration from the Housing Corporation in November 1998 the accounts no longer have to comply with the Housing Act 1996.

The Trustees consider the financial position of the Charity to be satisfactory, and the assets of each fund to be adequate to fulfil the obligations of the Charity.

Approved by the Trustees on

29<sup>th</sup> April 2021 and signed on their behalf by:

Mr D A Bartlett, Trustee and Chairman

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**  
**ST NICHOLAS' HOSPITAL**

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I report to the trustees on my examination of the accounts of St Nicholas' Hospital (the charity) for the year ended 31 December 2020, which are set out on pages 5 to 14.

**Responsibilities and basis of the report**

As the charity's trustees of the Hospital you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act).

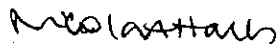
I report in respect of my examination of the Trustees' accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent Examiner's Statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- (1) accounting records were not kept in respect of the charity as required by section 130 of the Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the applicable requirements concerning the form and content of the accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mrs N A Halls FCA  
Chartered Accountant  
Fletcher & Partners  
Crown Chambers  
Bridge Street  
Salisbury  
SP1 2LZ

Date: 1 June 2021

**ST NICHOLAS' HOSPITAL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Recoupment &amp; Endowment Funds</u>	<u>Total 2020</u>	<u>Total 2019</u>
<b>INCOME FROM:</b>						
Donations and legacies	2	90	5,503	-	5,593	30,695
Investments	3	129,867	-	-	129,867	129,300
Charitable activities						
Provision of accommodation		81,631	-	-	81,631	78,250
Other	4	398	-	-	398	449
<b>TOTAL INCOME</b>		<b>211,986</b>	<b>5,503</b>	<b>-</b>	<b>217,489</b>	<b>238,694</b>
<b>EXPENDITURE ON:</b>						
Raising funds						
Repairs and maintenance of let properties	7	38,113	-	-	38,113	24,719
Charitable activities						
Donations to charities	8	-	5,960	-	5,960	4,570
Provision of accommodation	8	176,344	-	13,402	189,746	212,012
<b>TOTAL EXPENDITURE</b>		<b>214,457</b>	<b>5,960</b>	<b>13,402</b>	<b>233,819</b>	<b>241,301</b>
<b>NET GAINS/(LOSSES) ON INVESTMENTS</b>						
Realised gains/(losses) on investment assets		15,874	-	33,251	49,125	-
Unrealised gains on investment property	10a	-	-	-	-	-
Unrealised gains/(losses) on investment assets	10b	6,648	-	184,177	190,825	504,333
<b>NET INCOME/(EXPENDITURE) BEFORE TRANSFERS</b>		<b>20,051</b>	<b>(457)</b>	<b>204,026</b>	<b>223,620</b>	<b>501,726</b>
<b>TRANSFERS BETWEEN FUNDS</b>	16	<b>(10,000)</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>NET INCOME/(EXPENDITURE) BEFORE RECOGNISED GAINS AND LOSSES</b>		<b>10,051</b>	<b>(457)</b>	<b>214,026</b>	<b>223,620</b>	<b>501,726</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>10,051</b>	<b>(457)</b>	<b>214,026</b>	<b>223,620</b>	<b>501,726</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>230,425</b>	<b>78,287</b>	<b>4,493,221</b>	<b>4,801,933</b>	<b>4,300,207</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	17	<b>£240,476</b>	<b>£77,830</b>	<b>£4,707,247</b>	<b>£5,025,553</b>	<b>£4,801,933</b>

The notes on pages 7 to 14 form part of these accounts

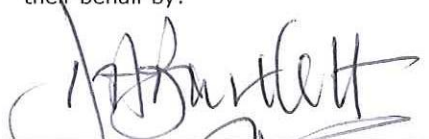


**BALANCE SHEET AS AT 31 DECEMBER 2020**

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<b>FIXED ASSETS</b>			
Tangible Assets			
Housing land and buildings	9a	405,127	419,909
Other tangible assets	9b	<u>4,499</u>	<u>467</u>
		409,626	420,376
Investments			
Investment properties	10a	875,000	875,000
Common Investment Funds	10b	<u>3,659,912</u>	<u>3,460,851</u>
		<u>4,534,912</u>	<u>4,335,851</u>
TOTAL FIXED ASSETS		<u>4,944,538</u>	<u>4,756,227</u>
<b>CURRENT ASSETS</b>			
Debtors	11	12,852	8,776
Cash at bank and in hand	12	<u>79,643</u>	<u>49,600</u>
TOTAL CURRENT ASSETS		92,495	58,376
<b>LIABILITIES</b>			
Creditors - Amounts falling due within one year			
	13	<u>(11,480)</u>	<u>(12,670)</u>
NET CURRENT ASSETS		81,015	45,706
<b>TOTAL NET ASSETS</b>	17	<u><u>£5,025,553</u></u>	<u><u>£4,801,933</u></u>
<b>FUNDS OF THE CHARITY</b>			
CAPITAL AND RESERVES			
ENDOWMENT FUNDS	14	4,707,247	4,493,221
RESTRICTED INCOME FUNDS	15	77,830	78,287
UNRESTRICTED INCOME FUNDS	16	<u>240,476</u>	<u>230,425</u>
		<u><u>£5,025,553</u></u>	<u><u>£4,801,933</u></u>

These financial statements were approved by the Trustees on their behalf by:

29<sup>th</sup> April 2021 and signed on

  
Mr D A Bartlett, Trustee and Chairman

  
Trustee

The notes on pages 7 to 14 form part of these accounts

## **1. PRINCIPAL ACCOUNTING POLICIES**

The financial statements of the Charity are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value. The charity constitutes a public benefit entity as defined by FRS 102. A summary of the more important accounting policies is set out below.

### **Preparation of the accounts on a going concern basis**

The trustees have reviewed the anticipated performance for a period of at least twelve months from the date of approval of the financial statements which demonstrate that there is no material uncertainty regarding the charity's ability to meet its liabilities as they fall due, and continue as a going concern. On this basis, the trustees consider it appropriate to prepare the financial statements on a going concern basis. The income of the charity has not been adversely affected by Covid-19 issues in 2020.

### **Key judgements and uncertainties**

The most significant areas of judgement and key assumptions that affect items in the accounts are to do with rates of depreciation and a decision not to apply component accounting for replacement of fixed assets in housing properties. With respect to the next reporting period, the year ended 31 December 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Charity are the level of investment return and the performance of investment markets.

#### **a) Basis of Accounting**

The Financial Statements are prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

#### **b) Fund accounting**

General Funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the objects of the Charity and which have not been designated for other purposes.

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

Restricted Funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

Transfers between funds are made in accordance with the requirements of the Charity Commission Schemes.

#### **c) Income**

All income is recognised when the Charity has entitlement to the income, it is probable that the income will be received and the amount receivable can be measured reliably. Where income has related expenditure these items are reported gross in the SOFA. Legacies are recognised as income when they are notified to the Charity and can be quantified with reasonable accuracy.

Income from the provision of accommodation represents the residents' maintenance contributions receivable for the year, less voids.

Investment income is included in the accounts when it becomes due and payable. Rental income for let properties represents the rentals receivable for the year from land and investment properties.

Income from endowed investments is unrestricted. Interest on the Chapel Fund bank accounts is restricted.



**d) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. 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 settlement will be required and the amount of the obligation can be measured reliably.

Expenditure on raising funds includes those costs associated with the generation of income from the Charity's various investments. Expenditure on charitable activities are those costs associated with the objects of the Charity and therefore include the costs necessary to maintain the Hospital for the residents as well as support costs and governance costs.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include some office costs and a proportion of salaries. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements. They include costs of preparation and examination of statutory accounts, the costs of trustee meetings and any legal advice to trustees on governance matters.

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. Salaries of the Master and the Clerk are apportioned 50:50 between support costs and governance costs.

**e) Cyclical Repairs and Maintenance**

St Nicholas' Hospital has a regular programme of cyclical repairs and maintenance. Costs are charged to the SOFA in the year in which they are incurred.

**f) Extraordinary Repairs**

Costs of Extraordinary Repairs, unless representing improvements to the properties, are charged to the SOFA in the year in which they are incurred.

**g) Housing Properties and Depreciation**

St Nicholas' Hospital was constructed in the 13th century. There is no record of the original cost or development before 1964 so a nil value has been capitalised. The original buildings are historic and form part of the endowment which means that they cannot be sold. The users of the accounts are principally the Trustees who consider the cost of carrying out a professional valuation to include these assets at a value in the accounts to be considerable compared to the limited additional benefit derived by the users of the accounts. The cost of the developments since 1964 have been capitalised and depreciated since 2000 on a straight line basis over their remaining useful economic lives (assumed to be 50 years) as follows:

Pelly House (1966)	16 years
McInnes House (1979)	29 years
Flat conversion (1983)	33 years
Garden House (1994)	44 years

The developments have been funded partly by Housing Corporation Grants and partly from the Charity's own resources.

**h) Housing Association Grant**

Housing Association Grant (HAG) was paid by the Housing Corporation to reduce the cost of a development and is no longer set off against the cost of the asset. Instead such grants are recognised as income when receivable and credited to restricted reserves. HAG is repayable under certain circumstances, primarily following the sale of the relevant almshouse property but will normally be restricted to net proceeds of sale.

**i) Investment Properties and Investments**

Land and buildings (other than housing properties) are stated at market value. The valuation is formally reviewed every 5 years by external valuers and annually assessed by the trustees. There is no record of the original cost of these properties which form part of the Endowment Fund. Any disposal proceeds will be reinvested in endowment funds upon disposal of any of the assets. Stock market investments are stated at fair value at the Balance Sheet date using bid prices of common investment funds. The Statement of Financial Activities includes the net realised and unrealised gains and losses arising on revaluations and disposals throughout the year.

**j) Other Tangible Assets**

Office, housing and garden equipment are capitalised and depreciated to write off the cost evenly over 3 years. Stairlift is being written off over 10 years. Assets costing less than £500 are written off immediately.

**k) Impairment Reviews**

The Trustees consider that the value in use of Tangible Fixed Assets exceeds the net book value disclosed in the accounts so an impairment review is not necessary.

**ST NICHOLAS' HOSPITAL**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**l) Value Added Tax**

In these accounts, where applicable, expenditure is shown inclusive of VAT.

**m) Cash Flow Statement**

Under the Financial Reporting Standard FRS102 the Charity is not required to produce a Cash Flow Statement as it is a small entity.

**n) Taxation**

St Nicholas' Hospital is a registered Charity, and is therefore exempt from liability to taxation on its Income and Capital Gains.

**o) Debtors**

Debtors are measured at the amounts the charity anticipates it will receive from a debt or the amount it has paid in advance for goods or services.

**p) Cash at bank and in hand**

Cash at bank and in hand includes cash and cash on deposit.

**q) Liabilities**

Liabilities are measured at the amounts the charity anticipates it will pay to settle a debt or the amount it has received as an advance payment for goods or services it must provide.

**r) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value, except for Investments, see note (l).

**2. INCOME FROM DONATIONS AND LEGACIES**

	<u>2020</u>	<u>2019</u>
Unrestricted Funds		
Donations	90	26,125
Restricted Funds		
Chapel and other collections	<u>5,503</u>	<u>4,570</u>
Total	<u><u>£5,593</u></u>	<u><u>£30,695</u></u>

**3. INCOME FROM INVESTMENTS**

	<u>2020</u>	<u>2019</u>
Unrestricted Funds		
<b>Rental Income</b>		
Rents from let agricultural land	2,146	2,146
Rents from let properties	<u>16,860</u>	<u>16,860</u>
	<u>19,006</u>	<u>19,006</u>
<b>Way leaves</b>	<u>128</u>	<u>127</u>
<b>Investment Income</b>		
UK Bank Deposit Interest	47	202
UK Dividends	<u>110,686</u>	<u>109,965</u>
	<u>110,733</u>	<u>110,167</u>
Total Unrestricted funds	<u><u>129,867</u></u>	<u><u>129,300</u></u>
Restricted Funds		
UK Bank Interest	<u>-</u>	<u>-</u>
Total income from investments	<u><u>£129,867</u></u>	<u><u>£129,300</u></u>

**4. OTHER INCOME**

	<u>2020</u>	<u>2019</u>
Unrestricted Funds		
Guest room income	<u>398</u>	<u>449</u>
	<u><u>£398</u></u>	<u><u>£449</u></u>

**5. TRUSTEES' EMOLUMENTS AND RELATED PARTIES**

None of the Trustees received any emoluments or benefits or reimbursement for expenses for acting as Trustees in 2020 or 2019, except for the Master of the Hospital, the Very Rev K P Mellor, who is entitled to receive a salary under the Charity Commission Schemes. The emoluments of the Master were £13,622 (2019: £13,552). In addition, under the terms of his appointment under the charity's governing document, the Master occupies 'The Master's House' within the Hospital's grounds, free of rent and council tax.

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**6. EMPLOYEE INFORMATION**

The average headcount of persons (including the Clerk to the Trustees) employed during the year was 2 (2019: 2). No employee received emoluments in excess of £60,000 p.a. in 2020 or 2019. The Charity considers key management personnel comprise the trustees and the Clerk. The total employment benefits of the key management personnel were £28,485 (2019: £26,102).

	<u>2020</u>	<u>2019</u>
Staff Costs		
Wages and salaries	28,185	26,102
Social Security costs	-	-
Pension costs	300	-
	<u>£28,485</u>	<u>£26,102</u>

**7. EXPENDITURE ON RAISING FUNDS**

Unrestricted Funds		
Repairs and Management of Let Properties	<u>2020</u>	<u>2019</u>
Surveyor's fees	2,069	750
General maintenance and major works	35,295	23,252
Insurance	749	717
	<u>£38,113</u>	<u>£24,719</u>

**8. EXPENDITURE ON CHARITABLE ACTIVITIES**

<b>2020</b>	Unrestricted <u>Funds</u>	Restricted <u>Funds</u>	Recoupment & Endowment <u>Funds</u>	Total <u>2020</u>
Housing and community services	74,188	-	-	74,188
Charitable donations	-	5,960	-	5,960
Support costs	16,238	-	-	16,238
Repairs, maintenance and Improvements	58,866	-	-	58,866
Governance costs	24,706	-	-	24,706
Depreciation	2,346	-	13,402	15,748
	<u>£176,344</u>	<u>£5,960</u>	<u>£13,402</u>	<u>£195,706</u>

<b>2019</b>	Unrestricted <u>Funds</u>	Restricted <u>Funds</u>	Recoupment & Endowment <u>Funds</u>	Total <u>2019</u>
Housing and community services	72,783	-	-	72,783
Charitable donations	-	4,570	-	4,570
Support costs	14,687	-	-	14,687
Repairs, maintenance and improvements	88,316	-	-	88,316
Governance costs	20,978	-	-	20,978
Depreciation	1,846	-	13,402	15,248
	<u>£198,610</u>	<u>£4,570</u>	<u>£13,402</u>	<u>£216,582</u>

Support costs comprise:	<u>2020</u>	<u>2019</u>
Master's salary (½)	6,811	6,776
Clerk's salary (½)	7,432	6,275
Telephone and internet	1,714	1,369
Subscriptions and courses	281	267
	<u>£16,238</u>	<u>£14,687</u>

Governance costs comprise:	<u>2020</u>	<u>2019</u>
Accountants' remuneration		
For Accountancy services	2,560	700
For Independent Examination	2,000	2,000
Master's salary (½)	6,811	6,776
Clerk's salary (½)	7,432	6,275
Bank charges	68	60
General insurance	1,861	1,781
Stationery, copier, IT and postage	3,068	2,702
Telephone and internet	906	684
	<u>£24,706</u>	<u>£20,978</u>

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**9. TANGIBLE FIXED ASSETS**

(a) Housing Land and Buildings (Freehold)

	Pelly House	McInnes House	Flat Conversion	Garden House	Total
<b>COST</b>					
As at 1 January 2020 and at 31 December 2020	20,288	75,572	34,185	605,781	735,826
<b>DEPRECIATION</b>					
As at 1 January 2020	20,288	7,729	12,550	275,350	315,917
Charge for the year	-	387	628	13,767	14,782
As at 31 December 2020	20,288	8,116	13,178	289,117	330,699
<b>NET BOOK VALUE</b>					
As at 1 January 2020	-	67,843	21,635	330,431	419,909
As at 31 December 2020	-	67,456	21,007	316,664	405,127

Freehold land and buildings represent the cost of developments since 1964 part funded by Housing Association Grants (HAG) of £77,832. There is no record of the original cost of the Hospital and developments before 1964, so a nil value has been used in these accounts. The original almshouse is a 13th Century, Grade II listed building and this, together with the more modern buildings on the Hospital's site are insured for approximately £8.5 million. Of the net book value of £405,127, £20,172 was provided from the Hospital's General Fund, £307,123 from its endowment capital and the rest by HAG. The £585,176 spent on the Garden House from Endowment funds is to be recouped over 59 years from 1999 to the year 2057. The twenty- second instalment is shown within these accounts at Note 16.

(b) Other Tangible Assets

	Stairlift	Office Equipment	Garden Shed	Lawn Mower	Total
<b>COST</b>					
As at 1 January 2020	-	1,423	4,432	5,193	11,048
Additions	4,999	-	-	-	4,999
Disposals	-	-	-	-	-
As at 31 December 2020	4,999	1,423	4,432	5,193	16,047
<b>DEPRECIATION</b>					
As at 1 January 2020	-	1,207	4,432	4,942	10,581
Charge for the year	500	216	-	251	967
As at 31 December 2020	500	1,423	4,432	5,193	11,548
<b>NET BOOK VALUE</b>					
As at 1 January 2020	£ -	£216	£ -	£251	£467
As at 31 December 2020	£4,499	£ -	£ -	£ -	£4,499

**10. FIXED ASSET INVESTMENTS**

(a) Investment Properties

	2020	2019
Valuation at 1 January 2020	875,000	875,000
Unrealised gains / (losses) on revaluation	-	-
Valuation at 31 December 2020	£875,000	£875,000

There is no record of the original cost of the investment properties.

Properties were revalued at 31 December 2017 by external valuers, Messrs Humberts, Chartered Surveyors, taking into account the tenancy agreements in force at that date. All investment properties are permanent endowments of the Charity.

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**10. FIXED ASSET INVESTMENTS (continued)**

**(b) Common Investment funds**

	Endowment funds		Unrestricted funds		
	Endowment Fund	Recoupment Fund	Extraordinary Repair Fund	General Fund	Total
Market value at 1 January 2020	3,087,310	210,385	139,186	23,970	3,460,851
Additions at cost	343,808	10,000	86,702	26,536	467,046
Disposals in the year at opening value	(310,557)	-	(124,284)	(23,969)	(458,810)
Unrealised investment gains/(losses)	195,666	(11,489)	5,315	1,333	190,825
Market value at 31 December 2020	<u>£3,316,227</u>	<u>£208,896</u>	<u>£106,919</u>	<u>£27,870</u>	<u>£3,659,912</u>
Historical Cost at 31 December 2020	<u>£1,924,115</u>	<u>£227,425</u>	<u>£96,702</u>	<u>£26,536</u>	<u>£2,274,778</u>

All investments are in common investment funds and valued by reference to bid prices at the date of valuation. All investments are carried at fair value. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

**11. DEBTORS**

	2020	2019
Other debtors	4,690	1,396
Prepayments	6,419	6,590
Accrued income	1,743	790
	<u>£12,852</u>	<u>£8,776</u>

**12. CASH AT BANK AND IN HAND**

	2020	2019
Restricted Funds		
Chapel Fund	(2)	455
Unrestricted Funds		
COIF Deposit Fund - income account	-	35,601
Other bank accounts	79,645	13,544
	<u>79,645</u>	<u>49,145</u>
Total cash at bank and in hand	<u>£79,643</u>	<u>£49,600</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
Building works	2,991	1,116
Accrued accountancy and independent examination	4,560	2,700
Other accruals	3,463	7,542
Deferred income	373	-
Other creditors	93	1,312
	<u>£11,480</u>	<u>£12,670</u>

**14. ENDOWMENT FUNDS**

**At 31 December 2020**

	Endowment Fund	Recoupment Fund	Total
Balance at 1 January 2020	4,287,138	206,083	4,493,221
Expenditure - depreciation on buildings	(13,402)	-	(13,402)
Transfers - capital recouped	-	10,000	10,000
Unrealised investment property gains	-	-	-
Unrealised investment gains/(losses)	195,666	(11,489)	184,177
Realised investment gains/(losses)	33,251	-	33,251
Balance at 31 December 2020	<u>£4,502,653</u>	<u>£204,594</u>	<u>£4,707,247</u>

**At 31 December 2019**

	Endowment Fund	Recoupment Fund	Total
Balance at 1 January 2019	3,820,423	206,377	4,026,800
Expenditure - depreciation on buildings	(13,402)	-	(13,402)
Transfers - capital recouped	-	5,698	5,698
Transfer - endowment fund	-	-	-
Unrealised investment gains/(losses)	480,117	(5,992)	474,125
Realised investment gains/(losses)	-	-	-
Balance at 31 December 2019	<u>£4,287,138</u>	<u>£206,083</u>	<u>£4,493,221</u>

The Endowment Fund is reduced by the depreciation charges on buildings which have been allocated to each fund in proportion to how the buildings were funded. Investment gains and losses are charged against the funds in which they occur.

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**14. ENDOWMENT FUNDS (continued)**

Recoupment Fund:

By an Order of the Charity Commission dated 10 June 1993 the Trustees of St Nicholas' Hospital are to recoup capital of up to £585,176 spent on the new annexe (Garden House) in 1993 and 1994. Recoupment payments are to be made out of the Charity's income for 64 years from 1994 as follows:

1994 - 1998	Nil
1999 - 2056	£10,000 per year
2057	5176

The income from these sums may be used as unrestricted income of the Charity.

**15. RESTRICTED FUNDS**

**At 31 December 2020**

	Social Housing Grant	Chapel Fund
Balance at 1 January 2020	77,832	455
Income	-	5,503
Expenditure	-	(5,960)
Balance at 31 December 2020	<u>£77,832</u>	<u>(2)</u>

**At 31 December 2019**

	Social Housing Grant	Chapel Fund
Balance at 1 January 2019	77,832	455
Income	-	4,356
Expenditure	-	(4,356)
Balance at 31 December 2019	<u>£77,832</u>	<u>£455</u>

The Chapel Fund represents amounts set aside for specific costs associated with St Nicholas' Hospital's chapel. It also receives and disburses the chapel's offertory collections.

**16. UNRESTRICTED FUNDS**

**At 31 December 2020**

	Extraordinary Repair Fund	General Fund	Total
Balance at 1 January 2020	139,187	91,238	230,425
Income	-	211,986	211,986
Expenditure	-	(214,457)	(214,457)
Transfer from Extraordinary Repair Fund	(50,890)	50,890	-
Transfer to Recoupment Fund	-	(10,000)	(10,000)
Realised gains/(losses) on Investments	13,307	2,566	15,873
Unrealised gains/(losses) on Investments	5,315	1,334	6,649
Balance at 31 December 2020	<u>£106,919</u>	<u>£133,557</u>	<u>£240,476</u>

**At 31 December 2019**

	Extraordinary Repair Fund	General Fund	Total
Balance at 1 January 2019	113,497	81,623	195,120
Income	-	234,124	234,124
Expenditure	-	(223,329)	(223,329)
Transfer from Extraordinary Repair Fund	-	-	-
Transfer to Recoupment Fund	-	(5,698)	-
Transfer to recoup Endowment Capital	-	-	-
Realised gains/(losses) on Investments	-	-	-
Unrealised gains/(losses) on Investments	25,690	4,518	30,208
Balance at 31 December 2019	<u>£139,187</u>	<u>£91,238</u>	<u>£230,425</u>

The Extraordinary Repairs Fund represents amounts set aside to carry out major repairs, improvements or rebuilding of the Hospital buildings and other property belonging to the Charity. Investment gains and losses are charged against the funds in which they occur.

The General Fund represents the free funds of the Charity which are not designated for particular purposes.



**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**At 31 December 2020**

	Restricted funds			Unrestricted funds		
	Recoupment & Endowment Capital Fund	Social Housing Grant	Chapel Fund	Extraordinary Repair Fund	General Fund	Total
Housing Land and Buildings						
1964-66 Pelly House	-	-	-	-	-	-
Garages	-	-	-	-	-	-
1978-79 McInnes House	-	64,360	-	-	3,096	67,456
1981-83 Flat Conversion & Extension	1,235	13,472	-	-	6,300	21,007
1993-94 Garden House	305,888	-	-	-	10,776	316,664
	<u>307,123</u>	<u>77,832</u>	<u>-</u>	<u>-</u>	<u>20,172</u>	<u>405,127</u>
Other Tangible Assets	-	-	-	-	4,499	4,499
Investment Properties	875,000	-	-	-	-	875,000
Common Investment Funds	3,525,124	-	-	106,919	27,869	3,659,912
Debtors	-	-	-	-	12,852	12,852
Cash at bank and in hand	-	-	(2)	-	79,645	79,643
Creditors	-	-	-	-	(11,480)	(11,480)
	<u>£4,707,247</u>	<u>£77,832</u>	<u>(2)</u>	<u>£106,919</u>	<u>£133,557</u>	<u>£5,025,553</u>

In the Trustees' opinion sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with the restrictions imposed. The General Fund has available reserves of £108,886 and the Extraordinary Repair Fund will be used to fund another year of quinquennial repairs and improvements.

**At 31 December 2019**

	Restricted funds			Unrestricted funds		
	Recoupment & Endowment Capital Fund	Social Housing Grant	Chapel Fund	Extraordinary Repair Fund	General Fund	Total
Housing Land and Buildings						
1964-66 Pelly House	-	-	-	-	-	-
Garages	-	-	-	-	-	-
1978-79 McInnes House	-	64,360	-	-	3,483	67,843
1981-83 Flat Conversion & Extension	1,338	13,472	-	-	6,825	21,635
1993-94 Garden House	319,189	-	-	-	11,242	330,431
	<u>320,527</u>	<u>77,832</u>	<u>-</u>	<u>-</u>	<u>21,550</u>	<u>419,909</u>
Other Tangible Assets	-	-	-	-	467	467
Investment Properties	875,000	-	-	-	-	875,000
Common Investment Funds	3,297,694	-	-	139,187	23,970	3,460,851
Debtors	-	-	-	-	8,776	8,776
Cash at bank and in hand	-	-	455	-	49,145	49,600
Creditors	-	-	-	-	(12,670)	(12,670)
	<u>£4,493,221</u>	<u>£77,832</u>	<u>£455</u>	<u>£139,187</u>	<u>£91,238</u>	<u>£4,801,933</u>

**18. CAPITAL COMMITMENTS**

Capital Expenditure that has been authorised but has not been provided for in the Financial Statements

2020	2019
<u>£ -</u>	<u>£ -</u>

**Operating Leases**

The total of future minimum lease payments under non- cancellable operating leases is as follows:

	2020	2019
Less than one year	<u>£241</u>	<u>£542</u>
Between one to five years	<u>£ -</u>	<u>£137</u>

The lease payments treated as expenditure in these accounts was £1,011 (2019: £590).

**19. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year.