

Charity Registration No. 216831

LORD LEYCESTER'S HOSPITAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

LORD LEYCESTER'S HOSPITAL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	The Rt Hon The Viscount De L'Isle C.V.O M.B.E - Patron Mr T Cox H.M Lord Lieutenant Mr J Chambers Mr M Sewell Dr The Hon P Sidney Mrs C Cross Cllr L Butler
Charity number	216831
Principal address	Lord Leycester's Hospital 60 High Street Warwick CV34 4BH
Bankers	Lloyds TSB Group PLC 12 Swan St Warwick CV34 4BJ
Solicitors	Blythe Liggins Edmund House Rugby Road Leamington Spa CV32 6EL Wright Hassall LLP Olympus Ave Royal Leamington Spa Warwick CV34 6BF
Investment managers	Smith & Williamson Investment Services Limited 25 Moorgate London EC2R 6AY
Accountants	Ellacotts LLP Countrywide House 23 West Bar Banbury OX16 9SA
The Master	Dr H Meyer
Clerk to the governors	Mr J. Wassall

LORD LEYCESTER'S HOSPITAL

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LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees 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 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)" (as amended for accounting periods commencing from 1 January 2019).

The Trustees of Lord Leicester's Hospital are also the Governors of the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Lord Leicester's Hospital's charity number, principal office, its list of Trustees and all its key advisors are set out on legal and administrative information page at the front of these Financial Statements.

The board of Trustees have delegated the day-to-day activities of the charity to the Master.

OBJECTIVES AND ACTIVITIES

The Charity provides almshouse accommodation at High Street, Warwick for poor and deserving ex-servicemen and their wives who have served in the armed forces of the crown being men of the particular classes hereinafter specified in order of preference, that is to say:-

FIRST those men who were disabled during their service and who have resided for at least four years preferably in the Borough of Warwick, the Parish of Kenilworth or the Borough of Stratford upon Avon, all in the County of Warwick, or in the Parish of Wootton under Edge or the Parish of Arlingham, both in the county of Gloucester, but subject thereto anywhere in the County of Warwick;

SECONDLY those men who were not disabled during their service but who have resided as above mentioned;

THIRDLY those men who were not disabled during their service but who have not resided as above mentioned.

To achieve these objectives the Charity has to maintain the historic medieval property. It generates income from the property to maintain the property and to provide the almshouse accommodation.

The Charity is required to provide accommodation for the Master who is responsible for the government of the Brethren.

The Charity derives income from the admission of the general public to the historic buildings – which include the Guildhall, the Great Hall, St James's Chapel and the Brethren's Kitchen – and lettings for events.

The Charity also derives rental income from dwellings within the Hospital's buildings.

In addition, the Charity seeks regular financial support from Service Charities, Charitable Trusts and other benefactors.

We aim to recruit volunteers from our local community as a way of augmenting costs and to involve the community in a meaningful way in our charity. We currently have an average of 6 volunteers on a monthly basis but this number will increase many fold post our Heritage Lottery project.

To protect the long-term security of the Hospital the Trustees have applied to the National Lottery Heritage Fund to support a major project to protect the buildings and to improve and expand the visitor experience, with the view to making the Hospital financially self-sustaining in future.

LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Public benefit

The Governors have had regard to guidance published by the Charity Commissioners on public benefit. Public benefit is achieved through the provision of homes for retired ex-servicemen and their wives, and the maintenance of the ancient buildings of the Hospital that form part of the nation's heritage, for educational, recreational, and other community activities.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

The Trustees have succeeded in providing homes for ex-servicemen and their wives in accordance with the Charity's objectives, plus a Helmand veteran who received life-changing injuries and now resides amongst the Brethren at the Lord Leicester Hospital.

National Lottery Heritage Fund (NLHF)

In a major effort to achieve financial self-sustainability through repair, conservation and improved visitor experience, a decision was taken by the Governors to apply for a national level NLHF grant and to launch a campaign to raise partner funds. In June 2019 a Round 1 NLHF grant was secured, which funded the majority of the development costs of a full proposal for a restoration and improvement project over five years. The work for this was completed during 2020 and early 2021 and submitted in June 2021. In September 2021 the Governors were notified by NLHF that the application had been successful.

The cost of the full project is budgeted to be close to £3.8 million. In addition to NLHF funding, the Hospital's own financial contribution from its reserves and volunteer support it is anticipated that the fundraising campaign will need to exceed £1.3m. By the end of 2020, in addition to the £350k of reserves set aside in the Extraordinary Reserve Fund there was £153k of Capital Campaign reserves already received.

By the end of September 2021, the Hospital's own reserves, the Capital Campaign fundraising received and commitments given totalled £1m. Fundraising will continue into 2022.

The next stage is for the project is to get the sign off from NLHF to proceed. Contracts will need to be placed and once finalised the Hospital will see a major development programme, during which it will close to the public. This will start in late 2021 or early 2022 and take around 15 months.

FINANCIAL REVIEW

Results for the year

During the year total income amounted to £541,202 (2019: £346,658). There were significant changes in the sources of income. Due to Covid lockdowns income from trading activities fell from £216,613 in 2019 to £48,322. Donations and grants increased from £104,442 in 2019 to £472,139. Of this £130,501 was Covid support from Government schemes and the National Lottery. The main element of £274,941 was the Capital Campaign, which included £155,441 Round 1 funding from NLHF and £119,500 from other grants and donations.

Expenditure on charitable activities of £403,492 (2019: 287,831) increased £115,661 year-on-year. £193,524 was spend on progressing the NLHF bid. 73% of this is funded by the NLHF Round 1 grant, with the remainder from the Hospital's own funds. Other expenditure fell £77,863 year-on-year in order to minimise expenditure during Covid lockdowns.

The Charity made a surplus of £129,313 (2019: £52,040). Revaluation losses on investments amounted to £66,434 (2019: gains on investments £52,295).

LORD LEYCESTER'S HOSPITAL
TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Reserves Policy

In addition to any specific Restricted Funds certain Funds are designated by the Governors to represent amounts set aside to specifically support the future activities of the Hospital. The Charity is also required by its Scheme to maintain an Extraordinary Repairs Reserve. Having had its quinquennial property review in 2015 the Governors have agreed to retain a balance of £350,000 to deal with priority repairs required. The amount in this designated reserve is to be used as the Charity's contribution to the NLHF project.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Trustees considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Operating Deficit Fund of £174,944 is funds set aside to cover the the loss of income whilst the NLHF project work is undertaken.

The General Reserve Fund represents any unrestricted funds that have not been designated and is readily available funds for the activities of the Charity. This currently stands at nil, as all funds are restricted or designated.

Investments and Investment policy

The funds held in investments at the start of the year were expected to be required to fund the Hospital's own contribution to the NLHF project and to support the Hospital during the period the works were to be done, when there will be minimal income. During the year, after the start of Covid, the Trustees decided to sell all investments to ensure that the funds were available. These are now held as cash deposits.

PLANS FOR THE FUTURE

Following the successful NLHF bid, it is expected that the project will commence in late December or early January. During the period of works, which is expected to take around 15 months, the Hospital will continue to provide a home for the Brethren, but it will close to Heritage visitors and for venue hire.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Charity is a company limited by guarantee and is constituted by a scheme dated 23 May 1972 laid down by An Act of Parliament and is registered with the Charity Commissioners (No. 216831).

The Viscount De L'Isle, as direct descendant of the Founder's Heir-at-Law, is Hereditary Patron of the Hospital and Chairman of Governors. Her Majesty's Lord Lieutenant for the County of Warwickshire is a Governor and will change as does the incumbent of that appointment. One Governor is appointed by the Warwick Town Council on the basis of a three year incumbency. Other Governors are recruited as necessary to ensure that a good range of experience, influence and expertise is brought to bear in furthering the aims and objectives of the Charity.

Induction and continuation training is undertaken as judged necessary by the Governors in accordance with Standards of Almshouse Management promulgated by the Almshouse Association.

The Trustees who served during the year and up to the date of signature of the financial statements were:

The Rt Hon The Viscount De L'Isle C.V.O M.B.E - Patron
Mr T Cox H.M Lord Lieutenant
Mr J Chambers
Mr M Sewell
Dr The Hon P Sidney
Mrs C Cross
Cllr L Butler

LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The charity's long term objectives are driven by the board of trustees who meet twice a year to discuss the matters of the charity, with additional meetings as required.

The board of trustees have delegated the day to day activities of the charity to the Master.

Risk management

The board of trustees have considered the risks to which the Charity is exposed, and have established systems for mitigating those risks. Strategic and shorter range plans are reviewed regularly. Internal risks are minimised by implementing procedures for authorising transactions and by ensuring consistent quality of delivery for all operational aspects of the Charity. The board of trustees review these procedures periodically.


Covid 19

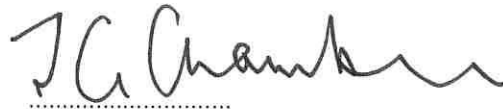
Covid 19, which resulted in the lockdown from 23rd March 2020, had a significant impact on the activity during the year. The Hospital was closed to visitors and for room hire for 20 weeks in 2020; from mid-March to mid-May and early November through to the end of the year. This reduced income, but at the same time expenditure was reduced to the bare minimum.

The first 20 weeks of 2021 were also closed, but visitor income has recovered and year-on-year is ahead of comparable periods in 2020.

The ongoing impact of Covid is declining due to the benefits of vaccination. As the Hospital is expected to be closed except for the project work for much of the foreseeable future the Trustees consider that Covid 19, as a Post Balance Sheet Event, will not impact on the Charity as a going concern.

The Trustees report was approved by the Board of Trustees.


The Rt Hon The Viscount De L'Isle C.V.O M.B.E - Patron
Trustee
Dated: 19 Oct 21


Mr J Chambers
Trustee
Dated: 19 October 21

LORD LEYCESTER'S HOSPITAL
STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are responsible for preparing the Trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 Trustees 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 Act of Parliament. 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.

LORD LEYCESTER'S HOSPITAL
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF LORD LEYCESTER'S HOSPITAL

I report to the Trustees on my examination of financial statements of Lord Leicester's Hospital (the Charity) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the Charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

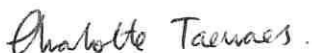
Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no 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 financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of 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 financial statements to be reached.



Charlotte Toemaes BSc FCA
for and on behalf of Ellacotts LLP
Chartered Accountants

Countrywide House
23 West Bar
Banbury
Oxfordshire
England
OX16 9SA

Dated: 26/10/21

LORD LEYCESTER'S HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

Current financial year						
		Unrestricted funds	Designated funds	Restricted funds	Total	Total
	Notes	2020 £	2020 £	2020 £	2020 £	2019 £
Income from:						
Donations and legacies	3	90,198	-	381,941	472,139	104,442
Charitable activities	2	14,051	-	-	14,051	8,807
Other trading activities	4	48,322	-	-	48,322	216,613
Investments	5	6,690	-	-	6,690	16,796
Total income		159,261	-	381,941	541,202	346,658
Expenditure on:						
Charitable activities	6	168,949	-	234,543	403,492	287,831
Governance costs	8	2,366	-	6,031	8,397	6,787
Total resources expended		171,315	-	240,574	411,889	294,618
Net (outgoing)/incoming resources before transfers		(12,054)	-	141,367	129,313	52,040
Gross transfers between funds		12,054	(12,054)	-	-	-
Net incoming resources		-	(12,054)	141,367	129,313	52,040
Other recognised gains and losses						
Revaluation of tangible fixed assets		-	(66,434)	-	(66,434)	52,295
Net movement in funds		-	(78,488)	141,367	62,879	104,335
Fund balances at 1 January 2020		-	737,086	74,122	811,208	706,873
Fund balances at 31 December 2020		-	658,598	215,489	874,087	811,208

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

All income and expenditure derive from continuing activities.

LORD LEYCESTER'S HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

Prior financial year		Unrestricted funds	Designated funds	Restricted funds	Total
	Notes	2019 £	2019 £	2019 £	2019 £
<u>Income from:</u>					
Donations and legacies	3	41,073	5,462	57,907	104,442
Charitable activities	2	8,807	-	-	8,807
Other trading activities	4	216,613	-	-	216,613
Investments	5	16,796	-	-	16,796
Total income		283,289	5,462	57,907	346,658
<u>Expenditure on:</u>					
Charitable activities	6	269,434	-	18,397	287,831
Governance costs	8	6,787	-	-	6,787
Total resources expended		276,221	-	18,397	294,618
Net (outgoing)/incoming resources before transfers		7,068	5,462	39,510	52,040
Gross transfers between funds		(7,068)	7,068	-	-
Net incoming resources		-	12,530	39,510	52,040
<u>Other recognised gains and losses</u>					
Revaluation of tangible fixed assets		-	52,295	-	52,295
Net movement in funds		-	64,825	39,510	104,335
Fund balances at 1 January 2019		-	672,261	34,612	706,873
Fund balances at 31 December 2019		-	737,086	74,122	811,208

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

All income and expenditure derive from continuing activities.

LORD LEYCESTER'S HOSPITAL

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		133,654		136,366
Investments	11		488,671		574,611
			<u>622,325</u>		<u>710,977</u>
Current assets					
Stocks	12	7,622		7,374	
Debtors	13	13,601		7,119	
Cash at bank and in hand		265,307		107,305	
		<u>286,530</u>		<u>121,798</u>	
Creditors: amounts falling due within one year	14	(34,768)		(21,567)	
Net current assets			251,762		100,231
Total assets less current liabilities			<u>874,087</u>		<u>811,208</u>
Income funds					
Restricted funds	15		215,489		74,122
<u>Endowment funds - Designated</u>					
General fund		725,032		684,791	
Revaluation reserve		(66,434)		52,295	
		<u>658,598</u>		<u>737,086</u>	
			<u>874,087</u>		<u>811,208</u>

The financial statements were approved by the Trustees on 19 Oct 21

De L'Isle

J G Chambers

The Rt Hon The Viscount De L'Isle C.V.O M.B.E - Mr J Chambers
Patron

Trustee

Trustee

LORD LEYCESTER'S HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Lord Leicester's Hospital is a charity registered with the Charity Commission (Charity No. 216831). The principal address is 60 High Street, Warwick, CV34 4BH.

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)" (as amended for accounting periods commencing from 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 Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees 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 Trustees 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 Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

The current designations are:

Tangible Fixed Asset Fund

This represents the net book value of improvements made to the Hospital since 1960 and other tangible assets.

Extraordinary Repairs Reserve

This represents funds set aside to cover major renovations or repair work on the Hospital's historic buildings and provide Almshouse accommodation in order to meet the main obligation of the Hospital, in accordance with the charity's scheme.

Operating Deficit Fund

This represents the reserves set aside to cover future estimated operating shortfalls in the short term.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Income

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.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

1.6 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	Not depreciated
Plant and equipment	10% on cost
Fixtures and fittings	10% on cost
Computers	25% on reducing balance

Freehold land and buildings are not depreciated due to the fact that they are maintained in such a manner that their residual value is at least equal to the current net book value as stated within the charity's accounts.

Lord Leicester's Hospital was constructed in the late fourteenth, early fifteenth century and there is no record of the original cost and no value is attributed thereto. A number of the Charity's assets would qualify as 'Heritage' assets in line with section 18 of the Charities 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) due to the fact that they are held primarily for their historical and artistic importance being contributory to knowledge and culture.

Heritage assets are recognised on the balance sheet at their cost or valuation, unless information on their cost or valuation is not available and such information cannot be obtained at a cost commensurate with the benefit to the users of the accounts and to the charity.

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.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 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.

1.11 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.

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.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

1.12 Taxation

The charity is exempt from tax on its charitable activities.

Lord Leycester's Hospital was not registered for Value Added Tax during the year. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

2 Charitable activities

	2020 £	2019 £
Maintenance contributions from residents	14,051	8,807

The income received from charitable activities was £14,051 (2019: £8,807) which was all unrestricted.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	31,697	381,941	413,638	104,442
Government grants	58,501	-	58,501	-
	90,198	381,941	472,139	104,442
For the year ended 31 December 2019	46,535	57,907		104,442

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Other trading activities

	2020 £	2019 £
Income from visitors	34,200	79,772
Hall and equipment hire	10,729	86,273
Commission	341	2,221
Functions income	2,302	18,011
Filming income	750	30,336
	<u>48,322</u>	<u>216,613</u>

The income from other trading activities was £48,322 (2019: £216,613) which was all unrestricted.

5 Investments

	2020 £	2019 £
Investment income	6,648	16,758
Interest receivable	42	38
	<u>6,690</u>	<u>16,796</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

	2020 £	2019 £
Staff costs	109,676	80,340
Services	36,300	38,948
Management	101,610	5,707
Light and heat	4,517	3,974
Rates and water	3,933	4,861
Repairs and maintenance	81,944	90,601
Administration	58,428	40,607
Functions expenditure	7,084	22,793
	<u>403,492</u>	<u>287,831</u>
	<u>403,492</u>	<u>287,831</u>
Analysis by fund		
Unrestricted funds	168,949	269,434
Restricted funds	234,543	18,397
	<u>403,492</u>	<u>287,831</u>

7 Trustees

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

8 Governance costs

	Unrestricted funds	Restricted funds	Total £	Total £
	2020	2020	2020	2019
Independent Examination fee	2,100	-	2,100	2,100
Accountancy fees	266	6,031	6,297	4,687
	<u>2,366</u>	<u>6,031</u>	<u>8,397</u>	<u>6,787</u>

The expenditure for governance costs was £2,366 (2019: £6,787) which was all unrestricted.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administration	3	2
Other	4	3
	<u>7</u>	<u>5</u>
Total	<u>7</u>	<u>5</u>

Employment costs	2020 £	2019 £
Wages and salaries	105,083	75,708
Social security costs	2,689	3,206
Other pension costs	1,904	1,426
	<u>109,676</u>	<u>80,340</u>

Government grants income of £58,501 (note 3) includes furlough income claimed of £33,501 through the Coronavirus Job Retention Scheme.

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

10 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2020	125,027	48,709	22,738	5,924	202,398
At 31 December 2020	<u>125,027</u>	<u>48,709</u>	<u>22,738</u>	<u>5,924</u>	<u>202,398</u>
Depreciation and impairment					
At 1 January 2020	-	48,709	13,151	4,172	66,032
Depreciation charged in the year	-	-	2,274	438	2,712
At 31 December 2020	<u>-</u>	<u>48,709</u>	<u>15,425</u>	<u>4,610</u>	<u>68,744</u>
Carrying amount					
At 31 December 2020	<u>125,027</u>	<u>-</u>	<u>7,313</u>	<u>1,314</u>	<u>133,654</u>
At 31 December 2019	<u>125,027</u>	<u>-</u>	<u>9,587</u>	<u>1,752</u>	<u>136,366</u>

11 Fixed asset investments

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11	Fixed asset investments	(Continued)	
			Listed investments £
	Cost or valuation		
	At 1 January 2020		574,611
	Additions		368,455
	Valuation changes		(66,434)
	Investment income		6,648
	Portfolio charges		(1,555)
	Disposals		(393,054)
	At 31 December 2020		488,671
	Carrying amount		
	At 31 December 2020		488,671
	At 31 December 2019		574,611
12	Stocks	2020	2019
		£	£
	Finished goods and goods for resale	7,622	7,374
13	Debtors	2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	-	1,719
	Other debtors	13,601	5,400
		13,601	7,119
14	Creditors: amounts falling due within one year	2020	2019
		£	£
	Other taxation and social security	1,725	-
	Trade creditors	24,691	19,657
	Other creditors	492	-
	Accruals and deferred income	7,860	1,910
		34,768	21,567

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 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			Balance at 31 December 2019 £
	Balance at 1 January 2019 £	Incoming resources £	Resources expended £	
Capital campaign	34,612	56,547	(18,397)	72,762
Garden	-	1,360	-	1,360
	<u>34,612</u>	<u>57,907</u>	<u>(18,397)</u>	<u>74,122</u>

	Movement in funds			Balance at 31 December 2020 £
	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	
Capital campaign	72,762	274,941	(194,568)	153,135
Garden	1,360	-	(1,360)	-
ABF	-	35,000	-	35,000
NLHF EF	-	36,000	(36,000)	-
NLHF CRF 2020	-	36,000	(8,646)	27,354
	<u>74,122</u>	<u>381,941</u>	<u>(240,574)</u>	<u>215,489</u>

Capital campaign - The charity is undertaking significant capital projects. Any restricted funds for capital projects are recorded within this category

Garden - Any funds received with a restriction relating to the ground's garden are included within this fund

ABF - The Army Benevolent Fund has provided a grant for use on specified capital projects of the charity

NLHF EF - The National Lottery Heritage Fund provided the charity with emergency resilience funds as a result of Covid 19

NLHF CRF 2020 - The National Lottery Heritage Fund provided the charity with further Covid resilience funds as a result of Covid 19

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16 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:

	Movement in funds			
	Balance at 1 January 2019	Incoming resources	Transfers	Revaluations, gains and losses
	£	£	£	£
Extraordinary repairs reserves	350,000	-	-	-
Tangible fixed asset fund	135,853	-	513	-
Operating deficit fund	186,408	-	(4,310)	52,295
Capital campaign	-	5,462	10,865	-
	<u>672,261</u>	<u>5,462</u>	<u>7,068</u>	<u>52,295</u>
				<u>737,086</u>

	Movement in funds			
	Balance at 1 January 2020	Incoming resources	Transfers	Revaluations, gains and losses
	£	£	£	£
Extraordinary repairs reserves	350,000	-	-	-
Tangible fixed asset fund	136,366	-	(2,712)	-
Operating deficit fund	234,393	-	6,985	(66,434)
Capital campaign	16,327	-	(16,327)	-
	<u>737,086</u>	<u>-</u>	<u>(12,054)</u>	<u>(66,434)</u>
				<u>658,598</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Analysis of net assets between funds

	Unrestricted funds 2020 £	Designated funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 December 2020 are represented by:				
Tangible assets	-	133,654	-	133,654
Investments	-	488,671	-	488,671
Current assets/(liabilities)	-	36,273	215,489	251,762
	<u>-</u>	<u>658,598</u>	<u>215,489</u>	<u>874,087</u>
	Unrestricted funds 2019 £	Designated funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2019 are represented by:				
Tangible assets	-	136,366	-	136,366
Investments	-	574,611	-	574,611
Current assets/(liabilities)	-	26,109	74,122	100,231
	<u>-</u>	<u>737,086</u>	<u>74,122</u>	<u>811,208</u>

18 Related party transactions

M.G. Sewell is employed as an Investment Manager with Smith & Williamson Investment Management LLP and some of the Hospital's investments are held in the custody of Smith & Williamson on an execution only basis. Smith & Williamson Investment Management LLP fees of £1,555 (2019: £1,506) are included in administration expenses.