

LORD LEYCESTER'S HOSPITAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021

The Trustees present their report and financial statements for the year ended 31 December 2021.

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 Leycester's Hospital are also the Governors of the charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Lord Leycester'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. During 2021 we had an average of 22 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 2021

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 Leycester 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 in 2019 to apply for a national level NLHF grant and to launch a campaign to raise partner funds. The Round 2 NLHF application, proposing a restoration and improvement project, was 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 now budgeted to be close to £3.6 million. In addition to NLHF funding of £2m, and the Hospital's own financial contribution from its reserves of £350k, the fundraising campaign has secured commitments for the remaining £1.24m.

Sign off from NLHF to proceed was received in November 2021. Following this a full tendering process was undertaken for the building element. Contracts were placed in July 2022 and work started in August 2022. This is expected to take around 10 months, with a planned reopening to the public in June 2023.

Fundraising will continue during 2022 and into 2023.

FINANCIAL REVIEW

Results for the year

During the year total income amounted to £550,299 (2020: £541,202). As a result of Covid lockdown restrictions easing, income from trading activities has recovered well, increasing to £123,729 from £48,322 in 2020. Donations and grants decreased from £472,139 in 2020 to £404,164. Of this £69,164 was Covid support from Government schemes and the National Lottery (2020: £130,501). The main element of £294,937 was the Capital Campaign, which included £51,348 Round 1 funding from NLHF and £243,589 from other grants and donations.

Expenditure on charitable activities decreased to £375,803 (2020: £403,492). Other expenditure rose from £8,397 in 2020 to £9,736 in 2021.

The Charity made a surplus of £164,760 (2020: £129,313). Revaluation losses on investments amounted to £Nil (2020: losses on investments £66,434).

LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 £196,151 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 have been held as cash deposits since 2020. The cash is required to fund the Hospital's own contribution to the NHLF project and to support the Hospital during the period the works are to be done, when there will be minimal income.

PLANS FOR THE FUTURE

During the period of works for the NLHF project the Hospital will continue to provide a home for the Brethren, but will be closed to museum visitors and for venue hire.

The NLHF project should help to ensure the Hospital's future self sufficiency. In addition to building repairs, the capital works are designed to improve access for the disabled and to improve the visitor experience, by enhancing the museum and heritage element.

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 2021

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.

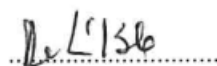
Covid 19

Covid 19 lockdowns resulted in 20 weeks closure from January to mid-May. This compares to 23 weeks closure in 2020 (end of March to mid-July, then mid-November to the end of the year).

During periods of lockdown there was no visitor income or hall letting. However, when open in 2021 visitor income and hire significantly exceeded 2020; 80% and 260% respectively.

As the Hospital closed at the end of 2021 in preparation for the project work through to 2023 the Trustees consider that Covid 19 will not impact on the Charity as a going concern.

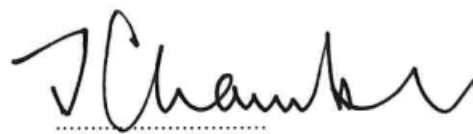
The Trustees report was approved by the Board of Trustees.



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

Trustee

Dated: 15.10.22



Mr J Chambers

Trustee

Dated: 23.10.22

LORD LEYCESTER'S HOSPITAL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

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: 31/10/22

LORD LEYCESTER'S HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

Current financial year

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
		2021	2021	2021	2021	2020
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and legacies	3	84,527	-	319,637	404,164	472,139
Charitable activities	2	22,378	-	-	22,378	14,051
Other trading activities	4	123,729	-	-	123,729	48,322
Investments	5	28	-	-	28	6,690
Total income		230,662	-	319,637	550,299	541,202
<u>Expenditure on:</u>						
Charitable activities	6	196,057	-	179,746	375,803	403,492
Governance costs	8	9,736	-	-	9,736	8,397
Total resources expended		205,793	-	179,746	385,539	411,889
Net incoming resources before transfers		24,869	-	139,891	164,760	129,313
Gross transfers between funds		(21,207)	21,207	-	-	-
Net incoming resources		3,662	21,207	139,891	164,760	129,313
<u>Other recognised gains and losses</u>						
Revaluation of tangible fixed assets		-	-	-	-	(66,434)
Net movement in funds		3,662	21,207	139,891	164,760	62,879
Fund balances at 1 January 2021		-	658,598	215,489	874,087	811,208
Fund balances at 31 December 2021		3,662	679,805	355,380	1,038,847	874,087

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 2021

Prior financial year

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

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

All income and expenditure derive from continuing activities.

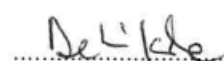
LORD LEYCESTER'S HOSPITAL

BALANCE SHEET AS AT 31 DECEMBER 2021

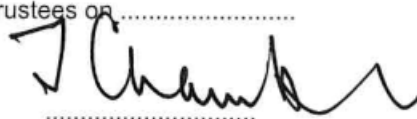
	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		131,051		133,654
Investments	11		488,671		488,671
			<u>619,722</u>		<u>622,325</u>
Current assets					
Stocks	12	25,135		7,622	
Debtors	13	4,100		13,601	
Cash at bank and in hand		412,964		265,307	
		<u>442,199</u>		<u>286,530</u>	
Creditors: amounts falling due within one year	14	(23,074)		(34,768)	
Net current assets			<u>419,125</u>		<u>251,762</u>
Total assets less current liabilities			<u><u>1,038,847</u></u>		<u><u>874,087</u></u>
Income funds					
Restricted funds	15		355,380		215,489
<u>Unrestricted Funds</u>					
Designated funds		679,805		725,032	
Revaluation reserve		-		(66,434)	
Unrestricted Funds		<u>3,662</u>		<u>-</u>	
			<u>683,467</u>		<u>658,598</u>
			<u><u>1,038,847</u></u>		<u><u>874,087</u></u>

31/10/2022

The financial statements were approved by the Trustees on



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



Mr J Chambers
Trustee

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

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.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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).

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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

	2021 £	2020 £
Maintenance contributions from residents	22,378	14,051

The income received from charitable activities was £22,378 (2020: £14,051) which was all unrestricted.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	34,063	319,637	353,700	413,638
Government grants	50,464	-	50,464	58,501
	<u>84,527</u>	<u>319,637</u>	<u>404,164</u>	<u>472,139</u>
For the year ended 31 December 2020	<u>46,535</u>	<u>381,941</u>		<u>472,139</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Other trading activities

	2021 £	2020 £
Income from visitors	61,532	34,200
Hall and equipment hire	39,025	10,729
Commission	529	341
Functions income	5,643	2,302
Filming income	17,000	750
	<u>123,729</u>	<u>48,322</u>

The income from other trading activities was £123,729 (2020: £48,322) which was all unrestricted.

5 Investments

	2021 £	2020 £
Investment income	-	6,648
Interest receivable	28	42
	<u>28</u>	<u>6,690</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	2021 £	2020 £
Staff costs	115,335	109,676
Services	27,805	36,300
Management	69,776	101,610
Light and heat	22,311	4,517
Rates and water	4,923	3,933
Repairs and maintenance	117,070	81,944
Administration	7,796	58,428
Functions expenditure	10,787	7,084
	<u>375,803</u>	<u>403,492</u>
Analysis by fund		
Unrestricted funds	196,057	168,949
Restricted funds	179,746	234,543
	<u>375,803</u>	<u>403,492</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
	2021	2020	£ 2020
Independent Examination fee	9,736	-	2,100
Accountancy fees	-	6,031	6,297
	<u>9,736</u>	<u>6,031</u>	<u>8,397</u>

The expenditure for governance costs was £9,736 (2020: £6,031) which was all unrestricted.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Administration	3	3
Other	4	4
	<hr/>	<hr/>
Total	7	7
	<hr/>	<hr/>

Employment costs	2021 £	2020 £
Wages and salaries	109,846	105,083
Social security costs	3,424	2,689
Other pension costs	2,065	1,904
	<hr/>	<hr/>
	115,335	109,676
	<hr/>	<hr/>

Government grants income of £50,464 (note 3) includes furlough income claimed of £28,192 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 2021	125,027	48,709	22,738	5,924	202,398
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	125,027	48,709	22,738	5,924	202,398
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
At 1 January 2021	-	48,709	15,425	4,610	68,744
Depreciation charged in the year	-	-	2,274	329	2,603
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	48,709	17,699	4,939	71,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount					
At 31 December 2021	125,027	-	5,039	985	131,051
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	125,027	-	7,313	1,314	133,654
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2021 & 31 December 2021	488,671
Carrying amount	
At 31 December 2021	488,671
At 31 December 2020	488,671

12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	25,135	7,622

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,730	-
Other debtors	2,370	13,601
	4,100	13,601

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	189	1,725
Trade creditors	17,848	24,691
Other creditors	1,010	492
Accruals and deferred income	4,027	7,860
	23,074	34,768

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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			Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
Capital campaign	72,762	274,941	(194,568)	153,135	294,937	(92,692)	355,380
Garden	1,360	-	(1,360)	-	-	-	-
ABF	-	35,000	-	35,000	-	(35,000)	-
NLHF EF	-	36,000	(36,000)	-	-	-	-
NLHF CRF 2020	-	36,000	(8,646)	27,354	4,000	(31,354)	-
Cottage Project	-	-	-	-	5,000	(5,000)	-
NLHF CRF 2021	-	-	-	-	14,700	(14,700)	-
Apprenticeship	-	-	-	-	1,000	(1,000)	-
	<u>74,122</u>	<u>381,941</u>	<u>(240,574)</u>	<u>215,489</u>	<u>319,637</u>	<u>(179,746)</u>	<u>355,380</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

Cottage Project - Any funds received with a restriction relating to the cottages on Brook Street

NLHF CRF 2021 - The National lottery Heritage Fund provided the charity with further Covid resilience funds as a result of Covid 19

Apprenticeship - Any funds received with a restriction relating to the apprenticeships

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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:

	Balance at 1 January 2020 £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2020 £
Extraordinary repairs reserves	350,000	-	-	350,000
Tangible fixed asset fund	136,366	(2,712)	-	133,654
Operating deficit fund	234,393	6,985	(66,434)	174,944
Capital campaign	16,327	(16,327)	-	-
	<u>737,086</u>	<u>(12,054)</u>	<u>(66,434)</u>	<u>658,598</u>

	Balance at 1 January 2021 £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2021 £
Extraordinary repairs reserves	350,000	-	-	350,000
Tangible fixed asset fund	133,654	-	-	133,654
Operating deficit fund	174,944	21,207	-	196,151
	<u>658,598</u>	<u>21,207</u>	<u>-</u>	<u>679,805</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Analysis of net assets between funds

	Unrestricted funds 2021 £	Designated funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 December 2021 are represented by:				
Tangible assets	-	131,051	-	131,051
Investments	-	488,671	-	488,671
Current assets/(liabilities)	3,662	60,083	355,380	419,125
	<u>3,662</u>	<u>679,805</u>	<u>355,380</u>	<u>1,038,847</u>
	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>

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.