

Charity Registration No. 216831

LORD LEYCESTER'S HOSPITAL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 (resigned 4th May 2023)

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

Auditors

Ellacotts Audit Services Limited
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 2022

The Trustees present their report and financial statements for the year ended 31 December 2022.

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.

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. This work commenced in 2022.

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. Being closed for the most activities during the year and with building work on site this has reduced during the year but should increase many fold post our Heritage Lottery project.

LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

LLH 450 Project – funded by National Lottery Heritage Fund (NLHF) & Capital Campaign

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, for a restoration and improvement project, was approved by NLHF in September 2021. The work was scheduled to commence in March 2022 but actually started in July. It was mostly completed by September 2023. The Hospital was opened to the public in September 2023.

The cost of the full project is expected to be close to £3.6 million. In addition to the NLHF funding of close to £2m, and the Hospital's own financial contribution from its reserves of £350k, the fundraising campaign has secured commitments for the remaining £1.24m.

Fundraising will continue during 2023 and into 2024 to cover future maintenance needs.

FINANCIAL REVIEW

Results for the year

During the year total income amounted to £1,109,631 (2021: £550,299). In preparation for the LLH 450 capital campaign project works trading was significantly reduced as the Hospital ceased most activities at the end of 2021. Income from trading activities dropped to £16,108 from £123,729 in 2021. Donations and grants increased from £404,164 in 2021 to £1,047,691. Of this £1,024,495 was restricted donations and grants, which included £323,195 from NLHF as their share of the LLH 450 project.

Expenditure on charitable activities decreased to £781,373 (2020: £375,803), which include £560,739 associated with the LLH 450 project. Other expenditure rose from £9,736 in 2021 to £12,432 in 2022. There was also £61,900 of LLH 450 project expenditure that was capitalised.

The Charity made a surplus of £374,726 (2021: £164,760). The nature of charity accounts is that all grant income is recorded in the year receivable, whilst costs are shown as incurred. Much of the income raised through the capital campaign will be spent as the LLH 450 project continues into 2023.

LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 is funds set aside to cover the loss of income whilst the LLH 450 project work is undertaken. £72,151 was utilised during 2022 leaving a balance at 31st December 2022 of £126,603, to cover the remaining period of project work during 2023.

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 2022

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: 28 Oct 23


.....
Dr The Hon P Sidney
Trustee
Dated: 28.x.2023

LORD LEYCESTER'S HOSPITAL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Lord Leycester's Hospital for the purpose of company law, are responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law 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, including the income and expenditure, of the charitable company 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 UK 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 adequate 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 Companies Act 2006. 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 AUDITOR'S REPORT

TO THE TRUSTEES OF LORD LEYCESTER'S HOSPITAL

Qualified opinion

We have audited the financial statements of Lord Leycester's Hospital (the 'Charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report below, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for qualified opinion

The evidence available to us was limited in relation to the comparatives in the current year's financial statements which are derived from the unaudited financial statements for the year ended 31 December 2021. As the comparatives were not audited and we were appointed as auditor in April 2023 it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate audit evidence concerning the comparative figures. Any adjustment to these comparative figures would have an affect on the charity's results for the year ended 31 December 2022.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

LORD LEYCESTER'S HOSPITAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEYCESTER

Matters on which we are required to report by exception

Except for the possible effects of the matters described in the Basis for qualified opinion section of our report, in light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified any material misstatement in the annual report.

Arising solely from the limitation on the scope of our work relating to comparative figures referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether sufficient accounting records had been maintained.

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- the financial statements are not in agreement with the accounting records.

Responsibilities of Trustees

As explained more fully in the statement of Trustees responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also performed the following procedures:

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

LORD LEYCESTER'S HOSPITAL
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF LORD LEYCESTER'S HOSPITAL

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Charlotte Toemaes

Charlotte Toemaes BSc FCA
for and on behalf of Ellacotts Audit Services Limited

Chartered Accountants
Statutory Auditor
Countrywide House
23 West Bar
Banbury
Oxfordshire
England
OX16 9SA

Date: 30/10/2023 | 14:04 GMT
Date:

LORD LEYCESTER'S HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

Current financial year

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
	Notes	2022 £	2022 £	2022 £	2022 £	2021 £
<u>Income from:</u>						
Donations and legacies	3	23,196	-	1,024,495	1,047,691	404,164
Charitable activities	2	45,626	-	-	45,626	22,378
Other trading activities	4	16,108	-	-	16,108	123,729
Investments	5	206	-	-	206	28
Total income		85,136	-	1,024,495	1,109,631	550,299
<u>Expenditure on:</u>						
Charitable activities	6	150,155	-	572,318	722,473	375,803
Governance costs	8	12,432	-	-	12,432	9,736
Total resources expended		162,587	-	572,318	734,905	385,539
Net incoming resources		(77,451)	-	452,177	374,726	164,760
 Gross transfers between funds		 73,789	 (11,889)	 (61,900)	 -	 -
Net movement in funds		(3,662)	(11,889)	390,277	374,726	164,760
Fund balances at 1 January 2022		3,662	679,805	355,380	1,038,847	874,087
Fund balances at 31 December 2022		-	667,916	745,657	1,413,573	1,038,847

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 2022

Prior financial year		Unrestricted funds	Designated funds	Restricted funds	Total
	Notes	2021 £	2021 £	2021 £	2021 £
<u>Income from:</u>					
Donations and legacies	3	84,527	-	319,637	404,164
Charitable activities	2	22,378	-	-	22,378
Other trading activities	4	123,729	-	-	123,729
Investments	5	28	-	-	28
Total income		<u>230,622</u>	<u>-</u>	<u>319,637</u>	<u>550,299</u>
<u>Expenditure on:</u>					
Charitable activities	6	195,057	-	179,746	375,803
Governance costs	8	9,736	-	-	9,736
Total resources expended		<u>205,793</u>	<u>-</u>	<u>179,746</u>	<u>385,539</u>
Net incoming resources		28,869	-	138,891	164,760
Gross transfers between funds		(21,207)	21,207	-	-
Net movement in funds		3,662	21,207	138,891	664,760
Fund balances at 1 January 2021		-	658,598	215,489	874,087
Fund balances at 31 December 2021		<u>3,662</u>	<u>679,805</u>	<u>355,380</u>	<u>1,038,847</u>

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 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		191,313		131,051
Investments	11		-		488,671
			<hr/>		<hr/>
			191,313		619,722
Current assets					
Stocks	12	25,861		25,135	
Debtors	13	157,010		4,100	
Cash at bank and in hand		1,262,002		412,964	
		<hr/>		<hr/>	
		1,444,873		442,199	
Creditors: amounts falling due within one year	14	(175,363)		(23,074)	
		<hr/>		<hr/>	
Net current assets			1,269,510		419,125
Creditors: amounts falling due after one year	15		(47,250)		-
			<hr/>		<hr/>
Total assets less current liabilities			1,413,573		1,038,847
			<hr/>		<hr/>
Income funds					
Restricted funds	16		745,657		355,380
<u>Unrestricted funds:</u>	17				
Designated fund		667,916		679,805	
Unrestricted reserve		-		3,662	
		<hr/>		<hr/>	
			667,916		683,467
			<hr/>		<hr/>
			1,413,573		1,038,847
			<hr/>		<hr/>

The financial statements were approved by the Trustees on 28.12.2023



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

Trustee



Dr The Hon P Sidney

Trustee

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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 2022

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 2022

1 Accounting policies (Continued)

1.12 Taxation

The charity is exempt from tax on its charitable activities.

Lord Leicester'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

	2022 £	2021 £
Maintenance contributions from residents	45,626	22,378

The income received from charitable activities was £45,626 (2021: £22,378) which was all unrestricted.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2022 £	2022 £	2022 £	2021 £
Donations and gifts	23,196	1,024,495	1,047,691	353,700
Government grants	-	-	-	50,464
	<u>23,196</u>	<u>1,024,495</u>	<u>1,047,691</u>	<u>404,164</u>
For the year ended 31 December 2021	<u>84,527</u>	<u>319,637</u>		<u>404,164</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Other trading activities

	2022 £	2021 £
Income from visitors	11,192	61,532
Hall and equipment hire	2,906	39,025
Commission	-	529
Functions income	2,010	5,643
Filming income	-	17,000
	<u>16,108</u>	<u>123,729</u>

The income from other trading activities was £16,108 (2021: £123,729) which was all unrestricted.

5 Investments

	2022 £	2021 £
Interest receivable	206	28
	<u>206</u>	<u>28</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	Restricted £	Unrestricted £	2022 £	2021 £
Staff costs	1,000	63,822	64,822	115,335
Services	-	9,030	9,030	27,805
Management	-	4,545	4,545	69,776
Light and heat	-	18,028	18,028	22,311
Rates and water	-	23,946	23,946	4,923
Repairs and maintenance	10,579	20,781	31,360	117,070
Administration	-	8,305	8,305	7,796
Functions expenditure	-	1,698	1,698	10,787
Project LLH450 (net of capitalised costs of £61,900)	560,739	-	560,739	-
	<u>572,318</u>	<u>150,155</u>	<u>722,473</u>	<u>375,803</u>
Analysis by fund				
Unrestricted funds			150,155	196,057
Restricted funds			572,318	179,746
			<u>722,473</u>	<u>375,803</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

	£ 2022	£ 2021
Independent Examination fee & Accountancy fees	5,432	9,736
Audit fees	7,000	-
	<u>12,432</u>	<u>9,736</u>

The expenditure for governance costs was £12,432 (2021: £9,736) which was all unrestricted.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Administration	3	3
Other	4	4
Total	<u>7</u>	<u>7</u>

Employment costs	2022 £	2021 £
Wages and salaries	62,642	109,846
Social security costs	1,279	3,424
Other pension costs	900	2,065
	<u>64,821</u>	<u>115,335</u>

There is £27,300 of employment cost is the LLH 450 project.

Government grants income in 2021 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 2022	125,027	48,709	22,738	5,924	202,398
Additions	61,900	-	-	1,032	70,132
At 31 December 2022	<u>186,927</u>	<u>48,709</u>	<u>22,738</u>	<u>6,956</u>	<u>265,330</u>
Depreciation and impairment					
At 1 January 2022	-	48,709	17,699	4,939	71,347
Depreciation charged in the year	-	-	2,273	397	2,670
At 31 December 2022	<u>-</u>	<u>48,709</u>	<u>19,972</u>	<u>5,336</u>	<u>74,017</u>
Carrying amount					
At 31 December 2022	<u>186,927</u>	<u>-</u>	<u>2,766</u>	<u>1,620</u>	<u>191,913</u>
At 31 December 2021	<u>125,027</u>	<u>-</u>	<u>5,039</u>	<u>985</u>	<u>131,051</u>

The £61,900 is the capitalized element of the LLH 450 project. The project was still work in progress at 31st December 2022, so there is no depreciation in 2022.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	488,671
Converted to current cash	(488,671)
At 31 December 2022	-
Carrying amount	
At 31 December 2022	-
At 31 December 2021	488,671

12 Stocks

	2022 £	2021 £
Finished goods and goods for resale	25,861	25,135

13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	24	1,730
Other debtors	13,492	2,370
Accrued Income	143,493	-
	157,010	4,100

14 Creditors: amounts falling due within one year

	2022 £	2021
Other taxation and social security	2,208	189
Trade creditors	66,143	17,848
Other creditors	-	1,010
Accruals and deferred income	101,762	4,027
Armshouse Association Loan	5,250	-
	175,363	23,074

15 Creditors: amounts falling due after one year

	2022 £	2021 £
Armshouse Association Loan	47,250	-

LORD LEYCESTER'S HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

16 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			Transfers	Balance at
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	31 December 2022	£
Capital campaign/LLH 450 Project	153,135	294,937	(92,692)	355,380	1,012,916	(560,739)	(61,900)	745,657
Almshouses	-	-	-	-	10,579	(10,579)	-	-
ABF	35,000	-	(35,000)	-	-	-	-	-
NLHF CRF 2020	27,354	4,000	(31,354)	-	-	-	-	-
Cottage Project	-	5,000	(5,000)	-	-	-	-	-
NLHF CRF 2021	-	14,700	(14,700)	-	-	-	-	-
Apprenticeship	-	1,000	(1,000)	-	1,000	(1,000)	-	-
	215,489	319,637	(179,746)	355,380	1,024,495	(572,318)	(61,900)	745,657

Capital campaign/LLH 450 Project - The charity is undertaking significant capital projects. Any restricted funds for capital projects are recorded **within this category**. The Transfer of £61,900 is the amount of the project that was capitalised

Almshouse - Any funds received with a restriction relating to the almshouses are included within this fund

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

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 2022

17 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 2021	Transfers	Revaluations, gains and losses	Balance at 31 December 2021
	£	£	£	£
Extraordinary repairs reserves	350,000	-	-	350,000
Tangible fixed asset fund	133,654	(2,603)	-	131,051
Operating deficit fund	174,944	23,810	-	198,754
	<u>658,598</u>	<u>21,207</u>	<u>-</u>	<u>679,805</u>

	Balance at 1 January 2022	Transfers	Revaluations, gains and losses	Balance at 31 December 2022
	£	£	£	£
Extraordinary repairs reserves	350,000	-	-	350,000
Tangible fixed asset fund	131,051	60,262	-	191,313
Operating deficit fund	198,754	(72,151)	-	126,603
	<u>679,805</u>	<u>(11,889)</u>	<u>-</u>	<u>667,916</u>

