

Charity Registration No. 216831

LORD LEYCESTER'S HOSPITAL
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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 (resigned 15 th February 2024) Mrs L Fellows (appointed 4 th March 2024) Cllr D Skinner (appointed 4 th March 2024)
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	Moore & Tibbits 34-36 High Street Warwick CV34 4BE
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 2023

The Trustees present their report and financial statements for the year ended 31 December 2023.

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, the Master's House 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 improvement to the property continued during much of 2023, mostly completed by September, allowing the Hospital to open for visitors again in September 2023. Work to improve the marketing and visitor experience will continue into 2025.

LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 started in July 2022 and it was mostly completed by the end of September 2023. The Hospital was reopened to the public in September 2023. It closed for the first 3 months of 2024 to enable various snagging works to be completed.

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 2024 and into 2025 to cover future maintenance needs.

FINANCIAL REVIEW

Results for the year

During the year total income amounted to £1,663,742 (2022: £1,109,631). 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, being closed throughout 2022 and reopening in September 2023. Income from trading activities increased to £67,212 from £16,108 in 2022. Donations and grants increased from £1,047,691 in 2022 to £1,535,228. Of this £1,504,571 was restricted donations and grants, which included £1,184,992 from NLHF as their share of the LLH 450 project.

Expenditure on charitable activities increased to £1,950,140 (2022: £722,463), which included £1,703,117 (2022: £560,739) associated with the LLH 450 project. Other expenditure rose from £12,432 in 2022 to £24,820 in 2023. There was also £789,913 of LLH 450 project expenditure that was capitalised in the year (£851,813 cumulatively). Depreciation of the capitalised project costs commenced in 2023, at £44,516. The Net Book Value of the capitalised costs of £807,297 is represented by the Restricted Funds.

The Charity made a deficit of £311,218 (2022: surplus of £374,726), as income raised in the previous year was spend on the capital project in 2023.

Prior Period Adjustment

A prior period adjustment has been made to fully write down £125,027 of property improvements in 2022's financial statements that were incurred prior to 1970. These assets had not previously been depreciated, so the adjustment has had no effect on the Statement of Financial Activities for the prior year. Details in Note 19.

LORD LEYCESTER'S HOSPITAL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 is undertaken. £68,156 was utilised during 2023 leaving a balance at 31st December 2023 of £58,447, to cover the remaining period of project through 2024 and into 2025.

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

Now that the works have been completed the Hospital continues to provide a home for the Brethren, as well as now being open to museum visitors and available for venue hire.

The NLHF project hasn't finished yet. Work continues to improve marketing and the visitor experience by enhancing the museum and heritage element. In order to make the Hospital self-sufficient for the future. This will continue into 2025.

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
Mrs L Fellows
Cllr D Skinner

LORD LEYCESTER'S HOSPITAL
TRUSTEES REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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: 21/10/24



Dr The Hon P Sidney
Trustee

Dated: 21/10/24

LORD LEYCESTER'S HOSPITAL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Opinion

We have audited the financial statements of Lord Leicester's Hospital (the 'charity') for the year ended 31 December 2023 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, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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 Companies Act 2006.

Basis for opinion

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 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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
- sufficient accounting records have not been kept; or
- we have not received all the information and explanations we require for our audit.

LORD LEYCESTER'S HOSPITAL

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LORD LEYCESTER

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, 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 liquidate the charitable company or 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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 thorough testing of journal entries and other adjustments for appropriateness, and evaluating the rationale of significant transactions outside the normal course of business for the charity.

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.

LORD LEYCESTER'S HOSPITAL

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

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 BSc FCA (Senior Statutory Auditor)
for and on behalf of Ellacotts Audit Services Limited

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

LORD LEYCESTER'S HOSPITAL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

Current financial year

		Unrestricted funds	Designated funds	Restricted funds	Total	Total
		2023	2023	2023	2023	2022
	Notes	£	£	£	£	£
Income from:						
Donations and legacies	3	30,657	-	1,504,571	1,535,228	1,047,691
Charitable activities	2	51,934	-	-	51,934	45,626
Other trading activities	4	67,212	-	-	67,212	16,108
Interest Income	5	9,368	-	-	9,368	206
Total income		159,171	-	1,504,571	1,663,742	1,109,631
Expenditure on:						
Charitable activities	6	202,507	-	1,747,633	1,950,140	722,473
Governance costs	8	24,820	-	-	24,820	12,432
Total resources expended		227,327	-	1,747,633	1,974,960	734,905
Net incoming resources		(68,156)	-	(243,062)	(311,218)	374,726
Gross transfers between funds		68,156	(372,858)	304,702	-	-
Net movement in funds		-	(372,858)	61,640	(311,218)	374,726
Fund balances at 1 January 2023 - AS RESTATED		-	542,889	745,657	1,288,546	913,830
Fund balances at 31 December 2023		-	170,031	807,297	977,328	1,288,546

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 2023

Prior financial year

		Unrestricted funds	Designated funds	Restricted funds	Total
		2022	2022	2022	2022
	Notes	£	£	£	£
Income from:					
Donations and legacies	3	23,196	-	1,024,495	1,047,691
Charitable activities	2	45,626	-	-	45,626
Other trading activities	4	16,108	-	-	16,108
Interest Income	5	206	-	-	206
Total income		<u>85,136</u>	<u>-</u>	<u>1,024,495</u>	<u>1,109,631</u>
Expenditure on:					
Charitable activities	6	150,155	-	572,318	722,473
Governance costs	8	12,432	-	-	12,432
Total resources expended		<u>162,587</u>	<u>-</u>	<u>572,318</u>	<u>734,905</u>
Net incoming resources		(77,451)	-	452,177	374,726
 Gross transfers between funds		<u>73,789</u>	<u>(11,889)</u>	<u>(61,900)</u>	<u>-</u>
Net movement in funds		(3,662)	(11,889)	390,277	374,726
Fund balances at 1 January 2022 – AS RESTATED		<u>3,662</u>	<u>554,778</u>	<u>355,380</u>	<u>913,820</u>
Fund balances at 31 December 2022 – AS RESTATED		<u>-</u>	<u>542,889</u>	<u>745,657</u>	<u>1,288,546</u>

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

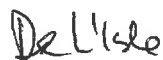
All income and expenditure derive from continuing activities.

LORD LEYCESTER'S HOSPITAL

BALANCE SHEET AS AT 31 DECEMBER 2023

		2023		2022 AS RESTATED	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		813,698		66,286
Current assets					
Stocks	11	25,023		25,861	
Debtors	12	131,536		157,010	
Current Asset Investment – Bank deposit		100,000		-	
Cash at bank and in hand		278,836		1,262,002	
		535,395		1,444,873	
Creditors: amounts falling due within one year	13	(330,015)		(175,363)	
Net current assets			205,380		1,269,510
Creditors: amounts falling due after one year	14		(41,750)		(47,250)
Total assets less current liabilities			977,328		1,288,546
Income funds					
Restricted funds	15		807,297		745,657
<u>Unrestricted funds:</u>					
Designated funds	16		170,031		542,889
			977,328		1,288,546

The financial statements were approved by the Trustees on 21st October 2024



.....
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 2023

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 2023

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 improvements	2% on cost
Plant and equipment	10% on cost
Fixtures and fittings	10% on cost
Computers	25% on reducing balance

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. Only land and building improvements since 1960 are included.

Freehold land and buildings improvements are depreciated at 2% of cost.

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 2023

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 amortized 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 amortized.

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 2023

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

	2023 £	2022 £
Maintenance contributions from residents	51,934	45,626

The income received from charitable activities was £51,934 (2022: £45,626) which was all unrestricted.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2023 £	2023 £	2023 £	2022 £
Donations and gifts	30,657	1,504,571	1,535,228	1,047,691
	30,657	1,504,571	1,535,228	1,047,691
For the year ended 31 December 2022	23,196	1,024,495		1,047,691

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Other trading activities

	2023 £	2022 £
Income from visitors	55,922	11,192
Hall and equipment hire	6,195	2,906
Functions income	5,095	2,010
	<u>67,212</u>	<u>16,108</u>

The income from other trading activities was £67,212 (2022: £16,108) which was all unrestricted.

5 Interest Income

	2023 £	2022 £
Interest receivable	9,368	206
	<u>9,368</u>	<u>206</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Charitable activities

	Restricted £	Unrestricted £	2023 £	2022 £
Staff costs	-	80,346	80,346	64,822
Services	44,516	22,329	66,845	9,030
Management	-	11,580	11,580	4,545
Light and heat	-	26,566	26,566	18,028
Rates and water	-	23,624	23,624	23,946
Repairs and maintenance	-	14,489	14,489	31,360
Administration	-	17,612	17,612	8,305
Functions expenditure	-	5,961	5,961	1,698
Project LLH450 (net of capitalised costs of £789,913)	1,703,117	-	1,703,117	560,739
	<u>1,747,633</u>	<u>202,507</u>	<u>1,950,140</u>	<u>722,473</u>
Analysis by fund				
Unrestricted funds			202,507	150,155
Restricted funds			1,747,633	572,318
			<u>1,950,140</u>	<u>722,473</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

	2023 £	2022 £
Accountancy fees	15,580	4,032
Audit fees	9,240	8,400
	<u>24,820</u>	<u>12,432</u>

The expenditure for governance costs was £24,820 (2022: £12,432) which was all unrestricted.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administration	3	3
Other	5	4
	<u>8</u>	<u>7</u>
Total	<u>8</u>	<u>7</u>

	2023 £	2022 £
Employment costs		
Wages and salaries	73,702	62,643
Social security costs	5,020	1,279
Other pension costs	1,624	900
	<u>80,346</u>	<u>64,822</u>

There is £135,782 (2022, £27,300) of employment cost is the LLH 450 project.

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

10 Tangible fixed assets

	Freehold land and buildings improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 January 2023 – AS RESTATED	61,900	48,709	22,738	6,956	140,303
Additions	571,944	35,066	117,951	70,270	795,231
At 31 December 2023	<u>633,844</u>	<u>83,775</u>	<u>140,689</u>	<u>77,226</u>	<u>935,534</u>
Depreciation and impairment					
At 1 January 2023	-	48,709	19,972	5,336	74,017
Depreciation charged in the year	12,677	3,507	13,968	17,667	47,819
At 31 December 2023	<u>12,677</u>	<u>52,216</u>	<u>33,940</u>	<u>23,003</u>	<u>121,836</u>
Carrying amount					
At 31 December 2023	<u>621,167</u>	<u>31,559</u>	<u>106,749</u>	<u>54,223</u>	<u>813,698</u>
At 31 December 2022 – AS RESTATED	<u>61,900</u>	<u>-</u>	<u>2,766</u>	<u>1,620</u>	<u>66,286</u>

£789,913 of the additions is the capitalized element of the LLH 450 project (£851,813 in total). The capital element of the project completed in 2023, so depreciation has commenced. Depreciation related to the project is £44,516.

See Note 20 re Prior Year Adjustment, which relates to building improvements.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

11	Stocks	2023	2022
		£	£
	Finished goods and goods for resale	<u>25,023</u>	<u>25,861</u>
12	Debtors	2023	2022
		£	£
	Amounts falling due within one year:		
	Trade debtors	40	24
	Other debtors	36,522	13,492
	Accrued Income	94,974	143,494
		<u>131,536</u>	<u>157,010</u>
13	Creditors: amounts falling due within one year	2023	2022
		£	£
	Other taxation and social security	3,731	2,208
	Trade creditors	53,598	66,143
	Other creditors	114,306	-
	Accruals and deferred income	152,880	101,762
	Almshouse Association Loan	5,500	5,250
		<u>330,015</u>	<u>175,363</u>
14	Creditors: amounts falling due after one year	2023	2022
		£	£
	Almshouse Association Loan	<u>41,750</u>	<u>47,250</u>

LORD LEYCESTER'S HOSPITAL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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:

	Balance at 1 January 2022 £	Movement in funds			Balance at 1 January 2023 £	Movement in funds			Balance at 31 December 2023 £
		Incoming resources £	Resources expended £	Transfers £		Incoming resources £	Resources expended £	Transfers £	
Capital campaign/LLH 450 Project	355,380	1,012,916	(560,739)	(61,900)	745,657	1,504,571	(1,747,633)	304,702	807,297
Almshouses	-	10,579	(10,579)	-	-	-	-	-	-
Apprenticeship	-	1,000	(1,000)	-	-	-	-	-	-
	<u>355,380</u>	<u>1,024,495</u>	<u>(572,318)</u>	<u>(61,900)</u>	<u>745,657</u>	<u>1,504,571</u>	<u>(1,747,633)</u>	<u>304,702</u>	<u>807,297</u>

Capital campaign/LLH 450 Project – This equates to the net book value of the capitalised costs related to the major project work. This will fall in future years as the capitalised costs are amortized.

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

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

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 2022 AS RESTATED £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2022 AS RESTATED £
Extraordinary repairs reserves	350,000	-	-	350,000
Tangible fixed asset fund	6,024	60,262	-	66,286
Operating deficit fund	198,754	(72,151)	-	126,603
	<u>554,778</u>	<u>(11,889)</u>	<u>-</u>	<u>542,889</u>

	Balance at 1 January 2023 AS RESTATED £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2023 £
Extraordinary repairs reserves	350,000	(244,817)	-	105,183
Tangible fixed asset fund (exc.NBV of capitalized project)	66,286	(59,885)	-	6,401
Operating deficit fund	126,603	(68,156)	-	58,447
	<u>542,889</u>	<u>(372,858)</u>	<u>-</u>	<u>170,031</u>

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

17 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fund balances at 31 December 2023 are represented by:				
Tangible assets	-	6,401	807,297	813,698
Investments	-	-	-	-
Current assets/(liabilities)	-	163,630	-	163,630
	-	170,031	807,297	977,328
	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2022 – as Restated - are represented by:				
Tangible assets	-	66,286	-	66,286
Investments	-	-	-	-
Current assets/(liabilities)	-	476,604	745,657	1,222,260
	-	542,889	745,657	1,288,546

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 were held in the custody of Smith & Williamson on an execution only basis. Currently there are just small cash holdings.

19 Prior Period Adjustment

Reconciliation of changes in Tangible fixed asset fund - 2022

	Originally reported £	Adjust- ment £	2022 AS RESTATED £
Balance at 1 January 2022	131,051	(125,027)	6,024
Transfers	60,260	-	60,260
Balance at 31 December 2022	191,313	(125,027)	66,286

Reconciliation of changes in profit for the previous financial period

No effect on the period financial period.

Notes to Reconciliations

The prior period adjustment relates to the 100% write down of £125,027 of property improvements that were incurred prior to 1970. These assets had not previously been depreciated, so the adjustment has had no effect on the Statement of Financial Activities for the prior year.

LORD LEYCESTER'S HOSPITAL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating lease, which fall due as follows:

	2023
	£
Within one year	6,271
Between two and five years	14,297
In over five years	4,255
	<u>24,827</u>
	<u>24,827</u>