

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2020

THE LETHERHEAD
INSTITUTE

THE LETHERHEAD INSTITUTE

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THE LETHERHEAD INSTITUTE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MAY 2020

Trustees

Mr P Harrison, Chairman
Mrs H Porter
Mr J M Hickey
Mr G J Clifford
Mr M Cole

Charity registered number

1185057

Principal office

67 High Street, Leatherhead, Surrey, KT22 8AH

Accountants

Menzies LLP, Ashcombe House, 5 The Crescent, Leatherhead, Surrey, KT22 8DY

Bankers

National Westminster Bank Plc, 1 Bridge Street, Leatherhead, Surrey, KT22 8BT

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2020

The Trustees present their annual report together with the financial statements of the charity for the 1 June 2019 to 31 May 2020.

The Trustees all served for the whole year.

Trustees are appointed on the basis of their interest in the local community, as reflected in the Institute's Trust Deed Objects, with particular regard to their expertise in contractual and construction matters.

Objectives and Activities

Policies and objectives

The objects of the charity are twofold. Firstly, to maintain the Institute building for the benefit of the local community in accordance with the wishes of the benefactor, Abraham Dixon, who presented the building (but provided no endowment) to the local community in 1892 for social, leisure and educational purposes. Secondly, to promote the use of the building for these purposes for the benefit of the inhabitants of Leatherhead and District. A substantial part (70%) of the building now houses the Leatherhead Community Association (Charity No. 1142164) whose purpose is to promote these latter activities.

Main activities undertaken to further the charity's purposes for public benefit

The Trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and in planning future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives set.

The Trustees have met to conduct business on six occasions during the year. Our legal advisor is Caroline Walton of Downs Solicitors LLP, Cobham.

The Trustees' meetings are also attended by the Chairman and Joint Treasurers of the Leatherhead Community Association. This forms a very worthwhile relationship for both charities and ensures co-ordination and co-operation on a wide range of issues.

The Chairman and the Treasurer meet virtually every week to discuss current matters. There is a part-time administrator and a full-time caretaker. The decisions relating to expenditure are reported and agreed by the Trustees. Expenditure can be seen, as bookkeeping is kept up to date on a monthly basis and is readily available to all Trustees. Bank balances are noted at each meeting.

Financial review

The year produced a deficit of £12,680 (2019: surplus of £5,156). The performance of the charity is satisfactory to the Trustee's expectations.

Review of activities

In the absence of financial endowment, the Trustees continue to lease rooms in the building to various tenants to provide income for the maintenance of the Institute building and for necessary or desirable improvements. Seven suites of smaller rooms including a garage and store are let to tenants. The Trustees retain a small office. The remaining rooms, including the main Abraham Dixon Hall (able to seat 160 people) the Small Hall, the Library and seven other areas, are leased to the LCA. The LCA pays 70% of the expenses in relation to the rooms that they occupy and 70% of the running costs of the lift and the common parts.

The LCA lease terminated on 17 May 2017 and agreement has been reached on a new 10 year lease at £15,000 per annum which has been signed.

By the collaboration with the LCA, the Trustees fulfil their own obligations to the community as required by the terms of the Institute's Trust Deed and enable the LCA to achieve its own charitable objects.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MAY 2020

However, a pandemic, COVID 19, hit the world in March 2020. Government health requirements closed all public gatherings and encouraged all staff to work from home where possible. The ruling seriously affected the work of the LCA. Government Health rules required the use of face masks, sanitising of hands, extra cleaning and social distancing. We implemented all rules and advised all our tenants that they too were responsible similarly for their own staff. The result of the pandemic places a threat to our income which we are monitoring closely.

In this financial year the first floor WC was refitted in part due to damage caused by a long-term roof leak above. We acknowledge our grateful thanks to the Mole Valle District Council for their grant of £5,000 towards the cost of the work. In addition, remedial repair/replacement work to the Victorian drainage system occurs as and when blockages necessitated such works (corroded cast iron pipework; displaced joints, poor previous repairs). The caretaker commenced stripping the paint from the external stonework as this had caused frost damage; it is the long-term aim to restore the external stonework.

We repainted most of the internal common parts of the building and continued preparation work on the windows and stone surrounds. Our attempt to obtain a lottery bid was postponed by the pandemic.

The LCA contract with a commercial firm to carry out the cleaning of all the building except Tenants' offices. There is a charge from the LCA to the Trustees for this service in respect of the common parts. The Trustees employ the caretaker and the LCA contributes towards his salary, pension and NI costs.

The works involved in the repair and improvements of the building have been ongoing, working within a budget with the essential maintenance and repair work inside and outside the building. The co-operation of the Chairman of the LCA, Mrs June Robinson, and her team of LCA Trustees, was much appreciated and continues as a strong link between the Leatherhead Community Association and the Trustees. The LCA has continued to run their side of the operation, hiring out rooms for training, study, and other activities but severely curtailed by the pandemic. The LCA attend the LI Trustee meetings.

The caretaker and secretary are well regarded by the Trustees and users of the Institute, and are thanked for their service.

Going concern

After making appropriate enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Please note that in November 2019 the net assets and operations of the charity were transferred into a new charity of the same name. The old charity (no.1046688) has been closed now the transfer to the new charity (no. 1185057) is complete.

Reserves policy

The Charity has £95,995 of free reserves (excluding fixed assets) at the year end. The Charity seeks to keep sufficient reserves to enable it to maintain the Institute building and has designated £90,000 out of these free reserves for future repair work.

Structure, governance and management

Constitution

The charity was founded on 21 March 1995 and is governed by the Trust Deed sealed on 21 March 1995, and has the registered charity number 1185057 since November 2019, previously a registered charity with charity number 1046688. Until that date the Institute had functioned for community charitable purposes under a Trust Deed of 1892 set up under the authority of the Literacy & Scientific Institutions Act 1854.

Method of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 MAY 2020

Risk management

The Trustees have considered the major risks faced by the charity and, after review and evaluation, have ensured that systems are in place to manage these.

Trustees' responsibilities statement

The Charity's Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditures of the charity for that period.

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 accounting 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.;
- 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 are sufficient to show and explain the charity's transactions and 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. 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.

This report was approved by the Trustees, on _____ and signed on their behalf by:



**Mr P Harrison, Chairman
Trustee**

Date: 06-Apr-2021

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INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MAY 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE LETHERHEAD INSTITUTE (the 'charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 May 2020.

This report is made solely to the charity's Trustees in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees for my work or for this report.

RESPONSIBILITIES AND BASIS OF REPORT

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

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

INDEPENDENT EXAMINER'S STATEMENT

Your attention is drawn to the fact that the charity has prepared the accounts in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

I have completed my examination. I can 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 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

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

Signed: *Janice Matthews*

Dated: 06-Apr-2021

Janice Matthews FCA

MENZIES LLP
Chartered Accountants
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MAY 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:					
Donations and legacies	2	-	5,000	5,000	46,783
Charitable activities	3	91,809	-	91,809	90,594
Investments		377	-	377	494
TOTAL INCOME		92,186	5,000	97,186	137,871
EXPENDITURE ON:					
Raising funds	4	1,580	-	1,580	1,296
Charitable activities	5	103,286	5,000	108,286	131,419
TOTAL EXPENDITURE		104,866	5,000	109,866	132,715
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(12,680)	-	(12,680)	5,156
NET MOVEMENT IN FUNDS		(12,680)	-	(12,680)	5,156
RECONCILIATION OF FUNDS:					
Total funds brought forward		960,248	-	960,248	955,092
TOTAL FUNDS CARRIED FORWARD		947,568	-	947,568	960,248

The notes on pages 8 to 14 form part of these financial statements.

THE LETHERHEAD INSTITUTE

BALANCE SHEET AS AT 31 MAY 2020

	Note	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	7		851,573		851,760
CURRENT ASSETS					
Debtors	8	7,612		8,467	
Cash at bank and in hand		97,799		110,154	
			<u>105,411</u>	<u>118,621</u>	
CREDITORS: amounts falling due within one year	9	(9,416)		(10,133)	
NET CURRENT ASSETS			<u>95,995</u>		<u>108,488</u>
NET ASSETS			<u>947,568</u>		<u>960,248</u>
CHARITY FUNDS					
Unrestricted funds	10		947,568		960,248
TOTAL FUNDS			<u>947,568</u>		<u>960,248</u>

The financial statements were approved by the Trustees and signed on their behalf, by:

P.K. Harrison

Mr P Harrison, Chairman

Date:

06-Apr-2021

The notes on pages 8 to 14 form part of these financial statements.

THE LETHERHEAD INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The Letherhead Institute constitutes a public benefit entity as defined by FRS 102.

1.2 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.4 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	No depreciation charged
Fixtures and fittings	-	10%
Equipment	-	33%

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. ACCOUNTING POLICIES (continued)

1.6 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.7 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.8 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.9 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	-	-	-	46,783
Grants	-	5,000	5,000	-
	-----	-----	-----	-----
Total donations and legacies	-	5,000	5,000	46,783
	=====	=====	=====	=====
<i>Total 2019</i>	-	46,783	46,783	
	=====	=====	=====	

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

3. INCOME FROM CHARITABLE ACTIVITIES

	Total funds 2020 £	<i>Total funds 2019 £</i>
Rental Income	91,809	<i>90,594</i>
	<hr/>	<hr/>
<i>Total 2019</i>	90,594	<i>90,594</i>
	<hr/> <hr/>	<hr/> <hr/>

All income from charitable activities is unrestricted.

4. ANALYSIS OF COSTS OF GENERATING FUNDS

	Total funds 2020 £	<i>Total funds 2019 £</i>
Rent and rates	21	<i>19</i>
Light and heat	363	<i>202</i>
Insurance	959	<i>775</i>
Telephone	233	<i>291</i>
Printing, postage & stationery	4	<i>9</i>
	<hr/>	<hr/>
	1,580	<i>1,296</i>
	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2019</i>	1,296	<i>1,296</i>
	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

5. ANALYSIS OF CHARITABLE EXPENDITURE

	Governance £	Charitable activities £	Total 2020 £	Total 2019 £
Repairs and renewals	-	60,123	60,123	85,980
Caretaker salaries and NIC	-	16,618	16,618	16,109
Pension	-	311	311	302
Light and heat	-	3,132	3,132	1,816
Insurance	-	8,630	8,630	6,974
Depreciation	-	187	187	279
Secretary to trustees	3,656	-	3,656	4,082
Telephone	-	1,165	1,165	2,619
Professional fees	5,636	-	5,636	2,629
Independent examination	3,040	-	3,040	3,006
Sundry expenditure	-	371	371	36
Printing, postage & stationery	-	37	37	76
Cleaning	-	5,191	5,191	7,337
Rent and rates	-	189	189	174
	<u>12,332</u>	<u>95,954</u>	<u>108,286</u>	<u>131,419</u>
<i>Total 2019</i>	<u>9,717</u>	<u>121,702</u>	<u>131,419</u>	

6. STAFF COSTS

The average number of persons employed by the charity during the year was as follows:

	2020 No.	2019 No.
Institute staff	2	2

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the charity are deemed to be the Trustees due to their close involvement in the running of the charity. During the current and preceding year, Trustees received no remuneration for their role as key management personnel.

THE LETHERHEAD INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

7. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 June 2019 and 31 May 2020	851,193	21,113	8,199	880,505
Depreciation				
At 1 June 2019	-	21,113	7,632	28,745
Charge for the year	-	-	187	187
At 31 May 2020	-	21,113	7,819	28,932
Net book value				
At 31 May 2020	851,193	-	380	851,573
At 31 May 2019	851,193	-	567	851,760

The Freehold property is not depreciated as its market value is deemed to be in excess of the carrying value, and the building is maintained such that its estimated useful life would render depreciation charges to be immaterial.

8. DEBTORS

	2020 £	2019 £
Trade debtors	5,545	6,344
Prepayments and accrued income	2,067	2,123
	<u>7,612</u>	<u>8,467</u>

9. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	9,416	10,133
	<u>9,416</u>	<u>10,133</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

10. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 May 2020 £
Designated funds					
Designated Funds - all funds	102,000	-	-	(12,000)	90,000
General funds					
General Funds - all funds	858,248	92,186	(104,866)	12,000	857,568
Total Unrestricted funds	960,248	92,186	(104,866)	-	947,568
Restricted funds					
Restricted Funds - all funds	-	5,000	(5,000)	-	-
Total of funds	960,248	97,186	(109,866)	-	947,568

	Balance at 1 June 2018 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 May 2019 £
STATEMENT OF FUNDS - PRIOR YEAR					
Designated Funds - all funds	96,000	-	-	6,000	102,000
General Funds - all funds	859,092	91,088	(85,932)	(6,000)	858,248
Restricted funds					
Restricted Funds - all funds	-	46,783	(46,783)	-	-
Total of funds	955,092	137,871	(132,715)	-	960,248

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	851,573	-	851,573
Current assets	105,411	-	105,411
Creditors due within one year	(9,416)	-	(9,416)
	947,568	-	947,568

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	851,760	-	851,760
Current assets	118,621	-	118,621
Creditors due within one year	(10,133)	-	(10,133)
	<u>960,248</u>	<u>-</u>	<u>960,248</u>

12. RELATED PARTY TRANSACTIONS

Trustees received no remuneration nor reimbursed expenses during either the current or preceding year.

The charity has contracted with one company in the year to carry out services with respect to general repairs and capital improvements. This company has a partner who is also Trustee of the Charity. The related trustee is not involved in the decision making process to appoint this firm to carry out the necessary works. The decision making process focusses on delivering the best service and value for money to the charity.

WLA Architecture LLP

P Harrison is a partner in this firm and also a trustee of the charity.

During the year, the charity paid the firm £5,194.44 (2019: £7,354.50) in respect of capital improvement works. At the year end there was a balance of £Nil (2019: £Nil) due to the company. He is also responsible for a multitude of repair works for which he makes no charge.