

Trustees' Report

and Financial Statements for the
year ended 31 December 2019





Working together



PATRON
HM THE QUEEN



Ascot

A Co-educational Day & Boarding School
for young people aged 4 - 18



PATRON
HM THE QUEEN



Hassocks

Learning, Business and Enterprise Centre
for students 8-19 years



PATRON
HM THE QUEEN



Oxford

A unique, positive education for
young people on the autism spectrum

Reference and administrative details of the Charity, its Trustees and advisors for the year ended 31 December 2019

Trustees

Anita Adams (Chairman – Ascot Governing Body)
Tracy Bird (Vice Chairman – Hassocks Governing Body)
Jeff Booth (Chairman – Events and Promotions)
Roy Boulter (Chairman)
Toby Brett (Vice Chairman – Membership)
Gerry Cleary
Pat Duddy (Vice Chairman – Charity Services)
Ludovick Halik (Vice Chairman – Oxford Governing Body)
Mike Hill (Chairman – Hassocks Governing Body)
Ian Inder (Vice Chairman – Events and Promotions)
Annette King (Chairman – Charity Services)
Anthony Mears
Jeremy Phillips QC
Peter Raynsford (Chairman – Membership and
Chairman – Pension Committee)
Pauline Ross (Chairman – Oxford Governing Body)
Trevor Sparks
Paul Wigham

Chief Executive Officer

James Brewster

Charity Registered Number

230011

Registered Office

Heatherley, London Road, Ascot, Berkshire
SL5 8DR

Auditors

James Cowper Kreston, Reading Bridge House,
George Street, Reading, Berkshire RG1 8LS

Bankers

Metro Bank Plc, 2-24 Farnham Road,
Slough SL1 3TA

Solicitors

Hunters, 9 New Square, Lincolns Inn,
London WC2A 3QN



Contents

- 1** Message from the Chairman
- 2** Chief Executive's Report
- 4** Trustees' Report
- 21** Independent Auditor's Report
- 23** Consolidated Statement of Financial Activities
- 24** Consolidated Balance Sheet
- 25** Charity Balance Sheet
- 26** Consolidated Cash Flow Statement
- 27** Notes to the Financial Statements



Message from the Chairman



William Roy Boulter
Chairman of Trustees

Each year when I write my introduction to the annual report and accounts, it gives me the opportunity to review not only the performance, but also the progress that the Charity has made.

Since my appointment as Chairman, I have witnessed the concerns that many of our beneficiaries have faced with an increase in health issues, financial constraints and housing pressures. The general economic situation has continued to present a number of challenges, mainly driven by the uncertainty over Brexit, however with the movement into the transition period, stability has started to return. I am extremely pleased with the way in which our senior management have handled this period, with full support from my fellow Trustees. Of particular importance, we have been able to deliver the correct level of support to all our beneficiaries.

The financial performance of our schools has certainly met our objectives, whilst continuing to deliver first class education with some exceptional outcomes. Other operational activities delivered through our trading subsidiary, Elvian Limited, also continue to deliver some remarkable results. Our investments have performed, generally, in line with markets and the diversity of activities has offset most of the challenges that a number of individual markets have faced.

During my time in office, I have been extremely proud of the work we undertake, and I have had a vision that the Charity should be in all the trade companies' everyday business language. I am delighted with the progress we have made in this area. Most importantly, we have helped over 23,000 individuals – something we should all be extremely proud of.

The Licensed Trade Charity delivers not only an emergency service to many, but has developed some outstanding preventative solutions to assist individuals and organisations who find

themselves in a vulnerable position. I would like to pass on my sincere thanks to all our supporters, volunteers, trade partners, staff and of course, my fellow Trustees for their continued support and commitment.

It is very easy to take for granted the work that the Licensed Trade Charity undertakes, but it would be of little effect if we did not have the structure, resource, commitment and passion for all the activities we undertake. As an organisation, the highest levels of governance are adhered to, through our Trustee Body and committees, our professional staff, suppliers and partners who are all committed to the highest level of service standards. This ensures that our customers and beneficiaries receive the best possible service that influences their lives in a very positive way.

We will continue to invest in our properties, infrastructure, human resources, training and new service solutions for those in need. As I write my report, the financial year 2020 brings a massive world challenge in the form of Covid-19. The Licensed Trade Charity has always had an investment strategy that spreads both risk and reward to ensure that with turbulence in market conditions or operational seasonal and economic challenges, that our balanced portfolio evens out peaks and troughs. With over two hundred years history, the Charity has never had to face the challenges that Covid-19 has manifested, with every operational or investment income severely affected.

I have every confidence with our strong management team having to deal with unprecedented circumstances and calls upon our services that the Charity will recover over the next few years.

Chief Executive's Report



James Brewster
Chief Executive

The Annual Trustees' Report and financial statements gives our members, supporters, employees, volunteers and partners the opportunity to review the past year's financial and operational performance.

Each year, we encounter a number of new challenges with an ultimate goal of supporting more individuals, either currently working or having previously worked in the licensed trade, who are facing difficulties. I am delighted with the outcomes that we have achieved, and the record number of individuals helped.

The key for the organisation is to deliver the service that matches the needs of those we help. I am delighted that we have assisted some 23,000 individuals during 2019. This has been achieved through a series of bespoke service solutions, from increased fact sheets on our website and signposting to the appropriate support services, including our helpline, financial support and mental health support.



The support and service that we have delivered during the year has been further enhanced by the partnerships we have established, whether that be for specialist housing support, critical incident support, mental health training, employment advice, debt management or counselling services. We are particularly grateful for the professional support we have received from our many partners and especially the financial support provided by the Worshipful Company of Innholders for the mental health training programme that we have provided to the trade. Our Charity Services and Marketing teams have continued to engage with pub companies and have established very strong relationships and partnerships, improving awareness of the work the charity undertakes to levels well beyond our expectations. We were delighted that so many of these companies joined us for our AGM and Volunteer Awards Dinner held in Milton Keynes.

Our three schools have continued to face a number of challenges, particularly during the past year of uncertainty through the Brexit process. With greater certainty and confidence, this should improve the outlook. LVS Ascot, whilst slightly behind our budget, has performed better than we forecast during the year, which included the impact of the increase in employers' contribution to the Teachers' Pension Scheme. We continue to optimise costs whilst endeavouring to retain pupil numbers. We were delighted that the school is compliant in all areas following a recent Independent Schools re-inspection.



LVS Hassocks has performed better, both operationally and financially, due to a strong management team who have certainly put the school back on track to return, during the next few years, to a healthy operational surplus.

LVS Oxford continues to perform, both financially and operationally, to a very high level and has a sound reputation as a centre of excellence.

We continue to invest in the facilities at all our sites with not only the essential day-to-day maintenance, but also enhancements such as the upgraded staff common room at Ascot.

Our trading arm, Elvian Limited, continues to deliver a very positive contribution to the Charity, with the exceptional performance at Oxford through the letting arrangements for the residential facilities. The Ascot site is almost at maximum capacity for summer school lettings, theatre and swimming pool events.

Investments have faced a number of challenges with paper investments returning a good performance following a difficult previous year. Our property investments, however, did not fare as well compared to the previous year, demonstrating the need for a mixed investment portfolio to give a balanced return over the longer term.

Whilst my update for the annual report and accounts was written prior to the escalation of the impact of the Covid-19 outbreak in the UK, the charity is now having to adapt to not only working remotely, but at the same time reacting to the very different demands placed on the Charity. The uncertainty that this places many organisations and our customers in, means that as a charity we need to adapt to the economic impact this will have upon us and the increase in demand for support needed by potential new beneficiaries. The Charity's business model is being adapted to decrease operational costs, seek new methods of service delivery and to take a longer term view on investments and income generation. We are well placed to refine our business model and have a strong balance sheet that will help with a recovery plan over the next period of time. I have every confidence with a strong leadership team and the support of our Trustees we will in time recover from the current situation.

Each year I pass on my sincere thanks to our volunteers, supporters, partners and staff. Once again, I have to thank our Trustees in particular for their support and guidance. This Charity is very much about those we support, educate and provide a service to in a very professional manner – something that we should all be proud of.



Trustees' Report for 2019

The Trustees are pleased to present their Report and Financial Statements for the Licensed Trade Charity, its associate company and trading subsidiary for the year ended 31 December 2019.

Objectives and activities

The Charity continues to be committed to helping those who have previously worked or are currently working in the drinks industry to alleviate poverty and distress. Its key objectives during the year were:

- helping those who are sick, infirm or distressed;
- providing assistance to those experiencing financial hardship; and
- offering relief to those suffering from the ills, consequent of old age.

The Charity educates children of the general public, but with preference to those working in the licensed trade, through its schools.

In setting its objectives and planning its activities, the Trustees have given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its guidance on advancing education and fee charging in accordance with Section 4 of the Charities Act 2006.

The Trustees apply the funds of the Charity at their discretion and in accordance with the charitable purposes and objectives of the Charity to provide financial assistance, support and advice to those who are working in, have worked in or are retired from the licensed drinks trade.

All applications for help are means tested and vetted by the Charity Services Committee, which has delegated powers from the Trustee Body to administer the grant making policy.





During 2019, the Charity committed £1,123k to provide:

- regular financial assistance to help with essential living costs;
- grants to help with one-off assistance, such as deposits for housing, disability aids or convalescent breaks;
- bursaries at LVS Ascot; and
- grants to help with education and training.

The Charity also:

- assists people to claim benefits and grants that are available from government and other agencies;
- co-funds with other charities to make grants that a single charity would not be able to fund;
- provides information via its website and telephone helpline on a range of issues including housing, debt and relationship breakdown;
- trains regional volunteers who visit new applicants and existing beneficiaries to consider their position; and
- trains telephone befrienders to call retirees from the trade who admit to being lonely, to offer support and company on a regular basis.

The aim of the schools is to inspire independence.

The Charity delivers a high level of education and care through its schools, LVS Ascot, LVS Hassocks and LVS Oxford, for children aged 4 – 18 years. All schools are non-selective and co-educational. Thanks to the addition of LVS Hassocks and LVS Oxford, for children with autism and Asperger's, the Charity is able to offer education to children for a broad range of educational abilities.

LVS Hassocks and LVS Oxford are predominantly supported via local authority funding for learners with statemented needs.

During 2019, bursaries of £379k were awarded to children from the licensed trade, who have either an educational or emotional need that cannot be met through their existing state provision, compared to £420k in 2018. To apply for a bursary, parents must have worked in the licensed trade for at least five years. Awards are also means tested and therefore are dependent on parental income.

LVS Ascot also offers scholarships to recognise academic, sport, music, art and drama potential. These are advertised to parents and prospective parents and awarded in the above categories, or according to the specific requirements of external bodies that gave the funding. The value of these awards was £289k during 2019, compared to £244k in 2018.

Further details of the Charity's bursary and scholarship policies and how to apply for both are available at www.lvs.ascot.sch.uk.



At LVS Ascot, fee discounts of up to 20% are available for fee payers who have been working in the trade for at least five years; discounts are also available to members of the Armed Forces and Diplomatic service. In 2019, the value of these discounts amounted to £300k, compared to £242k in 2018.

As part of the emphasis placed on attracting and retaining high-calibre staff, a discount is offered to staff members who choose to educate their children at LVS Ascot. Also, to re-enforce the value placed on continuity for families, a discount is offered where a family has more than two children at the Ascot school.

The Licensed Trade Charity is committed to implementing new technology and environmental measures in an effort to progressively improve its energy performance and promote sustainability. Adopting a programme of planned maintenance, mechanical plant upgrades and internal refurbishments, the Estates Department is gradually making headway achieving these objectives and reducing carbon consumption across the three sites. The Charity is also keen to promote environmental awareness amongst pupils by incorporating these practices into the school curricula. Here are some practical examples.

LED Lighting

Over the past few years LVS Ascot has been progressively replacing old incandescent and fluorescent light fittings with LED lighting. Through planned replacement and refurbishment work we have now installed LED fittings across approximately 55% of the site (internal areas). We anticipate completing the programme of replacement within the next three years.

Not only does LED lighting significantly reduce our carbon footprint, it considerably reduces electricity costs. Furthermore, LED lights have a greater lifespan, generally in the order of 50,000 hours. It is expected that the new lighting installed will give up to 15 years of use, twice as long as the expected lifespan of a fluorescent fitting.

Currently around £90k is spent on lighting LVS Ascot each year. Once the LED lighting replacement programme is complete, we expect that cost will be in the order of £40k.

Installation of Building Management Systems (BMS)

Smart monitoring and control systems are being installed across LVS Ascot to ensure that heating and hot/cold water services operate more efficiently, and in turn reduce energy consumption. Previously the systems functioned very much as 'on or off'. With BMS, these systems can remotely adjust according to user demands, and they automatically regulate dependent upon weather conditions. Furthermore, consumption profiles can be analysed to identify anomalies, unnecessary wastage and potential faults. The Charity is now focusing on boarding houses, with the aim of installing BMS to one house per year.

Thermally insulating the buildings

With each new project, whether refurbishment or new build, the Charity aims to enhance the level of thermal insulation to the buildings' envelopes. An example is new double-glazing at LVS Hassocks, which was done in conjunction with the dining hall refurbishment. Roof voids are being surveyed across all sites to identify areas where the existing insulation is inadequate and upgrades can be planned in subsequent years.

Continual replacement of old mechanical plant

Across all sites, the Charity is implementing a rolling programme of mechanical plant replacement following condition survey recommendations. The current focus is replacement of boilers, which are beyond their expected service life and spare parts are difficult to source. New condensing boilers are being installed, which are typically 25% more efficient and help reduce the maintenance overhead.

Promote water economy by the installation of water conservation devices

During refurbishment work, the Charity introduces technology, such as sensor taps, dual-flush toilets and restrictors, which prove to be a cost effective way of reducing water consumption.

Waste

Each year the LVS Ascot site generates, on average, 130 tonnes of waste. This fluctuates depending on the extent of project work, school holiday lets and pupil numbers. The waste generated at the other sites is considerably lower. The Charity aims to reduce the amount of waste produced. One way to do this is via greater use of the onsite cardboard compactor. Reducing the volume of packaged material will greatly reduce waste disposal. We also need to review procurement strategies for goods to reduce packaging at source, while also achieving best value.

In terms of waste recycling, we have been advised by our waste contractor that each year approximately 99% of waste is diverted from landfill and recycled. A high percentage (88%) is recycled for use as fuel.



Structure, governance and management

Constitution

The Licensed Trade Charity was established in 1793 by publicans who wanted to provide support and a safety net for fellow publicans and their families. For more than two centuries, the Charity has worked to improve people's lives by providing a range of support, from running schools and providing houses for the elderly, to awarding financial grants for people in need and running independent schools today.

The Charity operates under the Royal Charter of the Society of Licensed Victuallers, dated 3rd May 1836, and a Supplemental Charter dated 5th February 1999.

Following the merger of the Society of Licensed Victuallers and the Licensed Victuallers National Homes in 2004, a further Supplemental Charter, dated 29th June 2012, has been approved by the Privy Council.

During 2017, the Charity applied to the Charity Commission and the Privy Council to widen its objects in order that it could provide education for all ages (previously this was restricted to children) and to provide increased care to the elderly with both these provisions maintaining preference to those from the licensed trade. Both these requests were agreed by The Queen's Most Excellent Majesty in Council on February 8th, 2018 and the objects of the Charity amended accordingly.

Charitable status

The Charity helps all those in the licensed trade and operates under the Charity registration number 230011.

Governing body

The Trustee Body consists of between 12 and 18 Trustees (the number being at the discretion of the Trustees), two thirds of whom must be licensed victuallers with the remainder, members of the Charity.

Trustees must be a member of the Charity before they can stand for election. Each term of office is three years, although Trustees who are aged 70 or older, must seek re-election every year. Two general meetings (or courts) are held each year, one in April and one in October, to which all members are invited to attend.

The Trustees are responsible for overall governance and strategic direction. The Trustee Body delegates power within agreed budgets and responsibilities to committees that oversee the delivery of its Charity Services policy, Education policy, Fundraising activities and Membership.

The Trustees consider the Trustee Body along with the Executive team, which includes the Chief Executive and four senior staff members, comprises the key management personnel of the Charity, in charge of directing and controlling the Charity and running the operations on a day to day basis.

The Chief Executive regularly meets with the Chief Operating Officers of a number of occupational charities to discuss issues faced by the charities and share initiatives and best working practices.

The Charity also liaises closely with a number of other occupational based charities to share grant awards in order that funding is awarded that could otherwise not be made.

The Charity has regional bodies of volunteers who fundraise on its behalf.





Induction and training of trustees

The Charity, as part of its strategic planning process, conducts on a regular basis, a skills audit of Trustees and has compared it to the skills required by the Charity now and in the future. In addition, the Charity actively co-opts people with the desired skills to the Trustee Body and sub committees, in addition to actively recruiting new Trustees.

On joining the Charity, all Trustees follow a general induction programme with specific training, either provided in-house or externally, to prepare them for whichever committee they are appointed to. There is also an on-going training programme for all Trustees.

Key management personnel remuneration

The pay of the Charity's Chief Executive is reviewed annually by the Trustee Body. The pay of the Executive Team is reviewed annually by the Chief Executive. Pay is normally increased in accordance with average earnings. Remuneration is also benchmarked with charities of a similar size and activity, to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 12 to the accounts. There were no related party transactions in the year.

Trustees are required to disclose all relevant interests, register them with the Chief Executive and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Group Structure

The Licensed Trade Charity has a wholly owned non-charitable trading subsidiary, Elvian Limited, which makes available the facilities of the school to various organisations for events, educational and leisure purposes. The charity also holds 25% of the equity of The Morning Advertiser Limited which is treated as an associate company in line with the Charities SORP (FRS102).



Sector achievement in 2019

Educational performance

LVS Ascot

The Government changes to GCSE and A' Levels have now bedded in.

The examination results for students at Year 13 for A' Level amounted to a 98.2% pass rate, with 67.3% grades A*-C. The Sixth Form value-added fell slightly to +0.3 from +0.4 in 2018. This figure still performed favourably against the national averages. (The value added figure is the difference between the grades typically achieved at A level by students with the same GCSE results).

Sixth Form Results
2016 – 2019



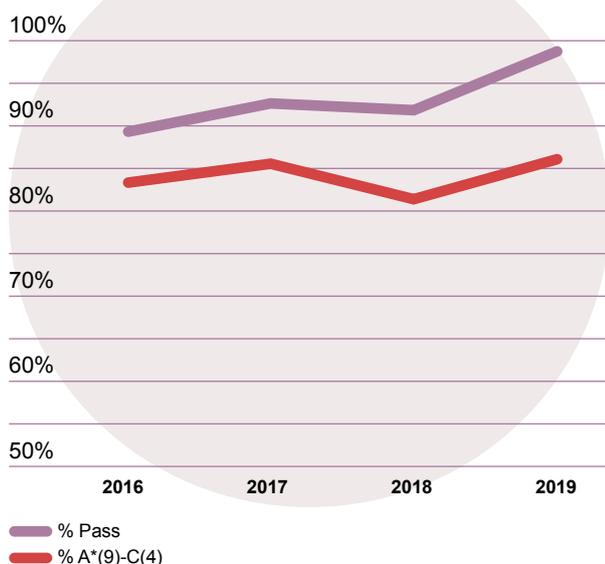
At GCSE level, the overall pass rate achieved was 99.3% – an extremely pleasing year for this particular cohort with 85.7% of these at A*-C.

The pastoral developments at the school included the first year with the new integrated Houses. This has been highly successful, with great enthusiasm and passion displayed by the members of each House during the inter-House tournaments. The usual programme of sports and activities were run, which included the Independent Schools' Association Football Festival being held at LVS Ascot, with 350 girls attending to participate in what proved to be an outstanding event.

The achievements in the Duke of Edinburgh Award Scheme continue at an impressive level, with 67 students passing their Silver or Gold Awards. In Drama, the Junior School produced "Hoodwinked", which was a rip-roaring production in the summer term and very highly acclaimed. "The Wiz" again was a very impressive performance from our Senior School students. A Music Festival was held in February, which was also an impressive PR event for LVS Ascot, attracting musical schools across the local area and London. In addition, a Music Marathon was held to raise money for the Nucleo Project in March, and a student-led concert took place called "Can't Stop the Beat".



GCSE Results 2016 – 2019



Overseas trips also continued with the traditional trips to Germany, Spain and France as well as a trip to South Africa in March and the Soto Grande sports tour during the Easter holidays. The Sixth Form boarding house, Blenheim, took part in the "Tough Mudder" endurance event.

The Independent Schools' Association Essay Competition saw one of our Year 7 pupils win first place in his age category. There was also significant success in the Rotary Young Writers' Competition.

The school held its first fully democratic elections for the appointments of Heads of School in March, with all pupils able to vote from Years 5-13. The aspiring Heads of School all launched their election campaigns and had opportunities to address the students en masse to encourage votes.

The largest development has been the introduction of Microsoft package, Office365, which we believe will transform our ability to use technology with our pupils' learning. There has also been a part replacement of our management information system through our iSAMS project. This will continue into 2020, but the main bulk of the planning and training has been completed.

Sector achievement in 2019

Specialist Education

LVS Oxford

The outdoor learning programme continues to thrive with students accessing Forest Schools and horticulture activities. There were a number of residential activities during the year – one for the Sixth Form students, and two at the end of the summer term, including the use of Hill End, an outward-bound centre near LVS Oxford, which allowed some students to experience staying away from home overnight for the first time.

Academic results were strong – in August 2019, over 30% of GCSE results were grades 7-9. 100% of Maths GCSEs were grades 4-9 and 100% of English GCSEs were grades 4-8. LVS Oxford hosted a number of conferences – some were for the Independent Schools' Association, whilst another was an Oxfordshire Safeguarding workshop.

The yurt was installed during the spring, offering an additional teaching and learning space for the students.

The Christmas celebrations included a Christingle service and play in the local church, followed by a Christmas market where visitors were able to buy produce made by the students.

The dual use of the site by a local independent school and the SEN centre continues to work extremely well for both groups.



LVS Hassocks

Jen Weeks took over as Head of School in September 2019, having been Deputy Head for the previous academic year.

In November 2019, LVS Hassocks underwent an ISI Compliance inspection and was found to meet all of the Independent School Standards. This has enabled the school to go back onto the Dynamic Placement System run by West Sussex Local Authority.

LVS Hassocks celebrated its 10-year anniversary with a conference for all staff. Invitations were also extended to staff from other SEN providers and local authorities free of charge, as part of its community cohesion programme. Speakers included Professor Dermot Bowler from City University of London. This has led to an on-going partnership between the school and his department in publishing a booklet that will be circulated to all schools regarding autism and cueing memory.

LVS Hassocks' links with local company AvTrade have proved very successful, with football matches taking place between LVS Hassocks students and AvTrade staff. After the match, they have been able to buy cakes and a drink at the Oast Café, which re-opened in September 2019. The café is open every Friday morning to parents and members of the local community, including other special educational needs schools.

The Summer Sharing and Christmas Sharing were memorable events, both due to the weather. The Summer Sharing had to take place indoors, because of the rain and the Christmas Sharing was affected when the M23 was closed due to flooding. Despite this, parents and external visitors enjoyed both days, and the school raised funds towards further equipment for the café.

Academic results included GCSEs grade 7 for English Literature and Grade 6 for Art, alongside a range of BTEC passes at Level 1 and Level 2.

Sector achievement in 2019

Fundraising

Increased engagement and improved positioning of the Licensed Trade Charity as a key part of the Licensed Trade Community during 2019 has raised the organisation's profile. It is now considered a fundamental part of the staff benefits package that many of the pub companies it works with deliver for their people. That improved engagement has resulted in increased invitations to attend award ceremonies, trade events and training days.

A further consequence of that improved engagement is an increase in fundraising opportunities, and pub companies who are coming to us with fundraising ideas including a group who did the Three Peaks Challenge as a fundraiser for us.

A lot of pub companies have a trust fund put in place by their founders to support their employees when in need or with education. During 2019 we have seen an increase in the number of trusts wanting to donate to our work. Those donations are often specified to be given with anonymity so cannot be named here but we are grateful for their support.

Close relations with regional fundraisers, LVAs, LA's and trade contacts continue to support fundraising. The Mental Health Training initiative continued to grow in success with the added benefit of generating further awareness of all our support services. That work, delivered with professionalism and authority, has also raised our credibility within the sector, confirming our position as authoritative in the understanding of mental wellbeing for the licensed trade community and provision of support for them.

The Charity's fundraising team organise fundraising events and co-ordinate the activities of our supporters, both in the Licensed Trade and on behalf of the Charity, with annual events including a Golf Tournament and Boxing. We do not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year. We are signed up to the Fundraising Regulator's Code of Fundraising. We do not undertake any direct marketing to the general public. All marketing material contains clear instructions on how a person can be removed from mailing lists.

Charity services

2019 turned out to be very successful for many reasons.

Our awareness campaign gathered pace and at the end of December 2019, 19,981 different pubs, bars and breweries were aware of our support which equated to over 250,000 people in the trade.

At the request of one of our pub partners we produced a 5-minute film which gave a greater outline of our support. This was received extremely well by the trade and enabled us to send this mini presentation when we could not get there in person.

As a result of this we were able to help 23,020 people during 2019 and award over £1m in grants, covering our five areas of help: physical health, mental health, housing, money and education and training. That was a 71.5% increase compared to 2018.

We expanded the services of Care First, our helpline provider, and calls to the helpline doubled from the year before. 1,222 calls were made via our 24-hour helpline, 44.5% of these calls were for emotional support, 51.2% for practical advice. We were also able to offer face to face counselling for those that needed it.

The feedback (from those people in the trade happy to share) regarding our helpline has been extremely positive and people reported that they felt they were in a much better place after having telephone counselling.



We were also awarded funding from WCI (Worshipful Company of Innholders) to carry out free mental health training. This was done via Care First, our helpline provider. The one-day course was aimed at managers and supervisors to give them confidence in having that first conversation with team members that they felt may be struggling with their mental health. 515 people from the trade attended the training which was hosted free of charge via pub, bar and brewery companies all around the country. The feedback has been positive and 90% of participants thought the training was “Very good” or “Excellent”.

Via the £150k of grants awarded for housing, we were able to prevent 43 people from losing their homes due to rent and mortgage arrears. We were also able to award rent and deposit grants for 28 families to secure private rented accommodation. For people in the trade of 55 and over, we were able to support 34 people to obtain a secure tenancy via Anchor Hannover.

We were also able to support 71 different families with an educational grant which covered school uniform, laptops and special needs assessments. The bursary numbers reduced when compared to 2018 however we gave either a full or partial bursary to 16 pupils.



Volunteering in 2019

Volunteers play an important role in supporting and promoting the Licensed Trade Charity's work, reaching out to the community and helping to deliver a holistic service for the people it helps.

The Charity recruits volunteers into the following key areas:

- Trustees
- Fundraising
- Telephone Befrienders
- Charity Service Volunteers

Towards the end of 2019 it added another role, that of the Charity Ambassador. These Volunteers represent the Charity at a variety of events throughout each year and help promote the services we offer. 27 people joined the team with training due to take place early in 2020.

During 2019, 46 Charity Services Volunteers donated 1,170 hours visiting the people the Charity helped and 15 active Telephone Befrienders spent approximately 460 hours talking to lonely and isolated people.

These volunteers are the face of the Charity's service delivery and are supported with regular training to ensure they have the necessary skills and access to emotional support if the need arises.

The Charity's Trustees play a vital role in the decisions and direction the Charity takes, donating their time to not only attend the regular board meetings, but also numerous other committee meetings.

Regional Fundraisers continue to support the charity in raising funds locally through a variety of different events they arrange throughout the year.

The Charity also has Corporate Ambassadors who come from within the industry and actively promote the work we do and the services we provide to their staff and employees.

Almost all the volunteers have a history in the licensed trade in various guises from Licensee to HR Personnel for a large operator, giving them valuable insight into the rewards and challenges a career in the licensed trade offers.



Financial review

The full financial results for the year are dealt with in the Statement of Financial Activities on page 23.

Financial performance compared with the previous year

The Charity's net income, after charitable donations and before changes in the value of investments, is a surplus of £11k, compared with a deficit of £336k last year.

Income from the schools, which had 941 pupils, an increase of 2 pupils when compared to the previous year, was £641k higher.

Net investment income was £869k, £132k lower than last year due to higher investment management costs associated with directly owned properties and one off costs related to changes to the portfolio, as well as lower income from commercial paper investments.

Income from the subsidiary, Elvian Limited, increased by £253k due to additional income from lettings at Oxford and Ascot schools.

Fundraising decreased to £105k, down from £514k in 2018, mainly explained by the £399k contribution from Sodexo to the refurbishment of the LVS Ascot Dining Hall in 2018.

Net gains on investments amounted to £708k, compared to a net loss of £1,201k in 2018, which included a revaluation gain of £1,740k on commercial paper investments, partly offset by revaluation losses of £382k on property funds and £650k on commercial property held at Stafford.

Actuarial losses on defined benefit pension schemes resulted in a charge of £659k in the year, compared to a gain of £189k in 2018.

Financial performance compared with expectations for the year

The operating surplus for the year before revaluation of assets was £482k ahead of budget. The major drivers for this variance included a stronger performance from the schools, slightly offset by higher central costs.

Net income from the schools was £515k higher than expected due to higher pupil numbers at LVS Oxford and cost savings at LVS Ascot and LVS Hassocks.

Central costs were £390k higher than planned largely due to legal and professional costs which included a number of organisational changes and support for projects.

Fundraising income was £63k higher than budget due to additional donations from corporations within the Industry.

Charity service costs were £212k lower than budget. Whilst awareness of the charity and numbers of people helped grew strongly, by working with our industry partners and other charities, we were able to provide this help without increasing the financial cost to the Charity.

Reserves policy

The financial statements show that at 31 December 2019, the unrestricted funds totalled £65,010k and restricted funds £338k. The unrestricted reserves include a funding deficit of £2,467k calculated under FRS102 in respect of the notional funding deficit on the defined benefit pension plan for Charity staff. The trustees believe that this notional funding calculation, which can vary between surplus and deficit, depending upon the assumptions used at year end, has no material effect on the Charity's cash flows in the short term and that in the longer term its effects are manageable out of future income.

The Charity is an operational organisation and needs to hold sufficient reserves to fund its current operations, to provide for unforeseen events and to invest for the future. It also needs to sustain sufficient reserves to provide long-term support for its beneficiaries. The Trustees have developed the reserves policy with regard to the Charity Commission's guidelines. In the short-term, the Charity expects to fund the excess of charitable expenditure over income out of reserves. In the long term, it is anticipated that the Charity will aim to hold a level of general reserves equivalent to 18 months operating expenditure, this would equate to approximately £35m.

The reserves policy is reviewed with the strategic plan to ensure they are consistent. In order to make a judgement on how much reserves should be held by the Charity, the Trustees have considered the risks in respect of expenditure, unrestricted income and where funds can only be released by the disposal of investments. The Trustees have also considered external identified potential risks to income and expenditure. The policy is monitored and reviewed annually.

Over the past few years, the Charity had worked towards increasing the reserves by gradually improving operating surpluses in order to fund investment into broadening services provided to beneficiaries. At the end of 2019, the general reserves, unrestricted reserves excluding fixed assets, directly owned investment property and the equity investment in the Morning Advertiser, were £25m, approximately 13 months operating expenditure. For the next two years as the Charity experiences the impacts of Covid-19, it is likely that the Charity will need to utilise some of the reserves and in the longer-term will continue to work to re-build them.

The Charity reviews the finances of beneficiaries before approving the payment of grants to individuals. Historically, once a beneficiary reached 80 years of age, the Charity no longer performed an annual review of the beneficiary's finances and continued to pay the awarded grant until the beneficiary died. This practice has now stopped and the finances of all beneficiaries are reviewed annually. Where the annual means testing has previously ceased, the Trustees have accepted that payment will be made until the death of the beneficiary and have therefore designated funds equivalent to the value of these future payments in the financial statements, at December 31, 2019. The value of this designated fund was £289k.

Investment policy and objectives

The Trustees have reviewed their investment policy with regard to the Charity Commission's guidance on social, ethical and responsible investment. The Charity's assets should be invested in line with its aims. The Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purposes.

The investment strategy is set out in the governance handbook and is consistent with the cash flow requirements of the current strategic plan.

The Charity seeks to produce the best financial return within an acceptable level of risk. The investment objectives are to generate a sustainable income stream which at least maintains both its real value in future years and the real capital value of the investment portfolio over the long term.

The Charity seeks to have a constructive and positive engagement with the corporate world and requires that Investment Managers, together with all underlying collective holdings, have signed up, or are in the process of signing up to the United Nations-supported, Principles for Responsible Investment (PRI) Initiative.



During 2015, the Charity reviewed its property holdings and decided to reduce risk by selling the individual units in exchange for charity property unit trusts. One commercial retail unit in Stafford remains which is currently being marketed for sale. In 2018, a review of the policy agreed a change in strategy to reduce the holding in the property sector overall from 50% to 40% and to increase the holding in equities. During 2019, changes were made which have resulted in the total property investment being 42% of the overall investment portfolio at the end of the year.

The performance for 2019 resulted in an overall gain of £708k, including a loss on directly owned property, a loss on property funds and a gain on commercial paper investments.

Property fund investments total 31% of the portfolio, comprising investments in Mayfair Capital, Schroders, CCLA and Savills. A loss of £382k was made on the portfolio this year, largely due to general economic pressure and Brexit uncertainty impacting the overall property sector.

Directly owned property amounts to 11% of the portfolio, including one commercial property which is marketed for sale, land and residential properties. A loss of £650k was made on the portfolio due to a large revaluation loss on the Stafford retail unit.

Commercial paper investments, including equity, gilts and alternative investments are actively managed for the Charity by SG Kleinwort Hambros Bank and CCLA. These total 58% of the total portfolio and generated a gain of £1,739k.

Pensions

The Charity contributes to two defined benefits schemes, one, a national government-operated scheme, for teaching staff, and the other, its own scheme, for non-teaching staff.

The Charity has no control over the national scheme but has continued to pay increased contributions into its own scheme. The government increased employer contributions for the teachers' pension scheme from 16.48% to 23.68% in September 2019.

The Charity is subject to the automatic enrolment legislation introduced by the government to encourage staff to save for their retirement. All employees not currently in one of the schemes mentioned above, were automatically enrolled into a group personal pension plan in May 2014. Those that had subsequently opted out of the scheme were re-automatically enrolled in February 2017 and were re-enrolled once again in April 2020.

All new employees have the option to join the appropriate final salary scheme. If they fail to do so, they are automatically enrolled into the group pension scheme, if eligible.

Tax status

The Trustees are of the opinion that the Charity is not liable for taxation on its charitable activities.

Plans for the future

Expectations for 2020

The Charity had planned to slightly increase its net income by £200k in 2020.

The increase was largely being driven by increased pupil numbers driving up fee income and cost reductions which were somewhat offset by an increase in Charity Services activities.

However, due to the ongoing Covid-19 pandemic, significant uncertainty exists, and it is now likely that due to increased demand for short-term hardship grants from trade employees and a likely reduction in school income and investment income, this will result in a deficit for the year.

The strategic plan 2017-2021

The Charity is currently updating the Strategic Plan in consultation with senior staff of the organisation to determine the direction which the Charity should follow over the next five years.

The Charity's existing five year strategic plan commenced in 2017 and is reviewed annually to monitor progress and to adjust if appropriate. When setting the plan the Charity was very clear in reviewing the potential areas for expansion and a quest to deliver more services in line with the recent changes in the organisation's objects. This allows for the provision of education to a wider population, to the general public but with preference to those having worked or working in the licensed trade and now to any age group. In addition, the Charity can now provide residential care to the general public but with preference to the trade.



The Charity set a target to assist in a number of ways and aimed to help around 13,000 individuals by the year 2021. This was based on a targeted marketing plan to the licensed trade. The plan has been so successful that the Charity assisted over 23,000 individuals during 2019.

The organisation will now further develop this plan and has set up a number of partnerships with a variety of agencies to ensure a wide range of services and support can be delivered. The three schools continue to perform to expectations in spite of the uncertainty of the economy, though the ongoing Covid-19 pandemic is likely to impact this in the short-term.

Research into the provision of residential care has been carried out and whilst there is certainly a demand due to the aging population, a decision has been made not to pursue this.

Whilst the organisation will continue to invest in its material assets, further investment in the recruitment and development of staff will be at the forefront, to ensure the increasing demands placed on the organisation can be achieved and that beneficiaries and customers' expectations can be met.





Risk management

The Trustees are responsible for the management of the risks faced by the Charity and have examined the major strategic, business and operational risks to which the Charity is and may be exposed. The Trustees are satisfied that the systems, controls and policies are in place to mitigate and manage exposure to such major risks.

The Charity's comprehensive risk register is reviewed and updated annually, or more regularly if necessary, prior to review and discussion by the Trustees. In assessing the risks, the impact on charity activity disruption, injury or property damage, loss of income, reputation, management focus, missed opportunity and strategic direction change are all considered.

There are four principal areas of risk which have been defined as having the potential to affect the operations of the charity:

- **Government policy** – Independent Schools have been the subject of recent discussions by government. There is a risk that changes to government policy (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges, and Teachers Pension contribution levels) would have a significant impact on the Charity's ability to operate. The Charity seeks to mitigate this by reviewing the reserves policy, preparing long-term forecasts and contingency planning.
- **Affordability** – LVS Ascot operates in a very competitive market with fees increasing faster than earnings. This is taking the cost of private education increasingly beyond the financial means of many families. The School looks to ensure that it offers value for money in each area of operations whilst continuing to provide an excellent, well-balanced education.
- **Economic environment** – The Charity has investments across commercial paper and property which have been exposed to increasing volatility over recent times. The Charity aims to operate a long-term diversified investment strategy at low to medium risk and regularly reviews the performance of investments.
- **Safety and security of pupils, staff, volunteers and vulnerable grantees** – The Charity aims to provide a safe and secure environment by having in place policies and procedures including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing and critical incident management.
- **Covid-19** – In the recent weeks, the risks to the Charity of Covid-19 have emerged. These involve increased claims from beneficiaries, poor performance of investments and losses at the schools due to granting of learning discounts and lower pupil numbers as parental income is under threat. The Charity has received additional donations from Licensed Trade participants to cover increased demand from beneficiaries. The Charity's assessment of this risk is that it will impact in the short-term but that the Charity has sufficient liquid reserves to manage this period until costs can be adjusted to balance the re-shaped income.



Trustees' responsibility statement

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Charity. These records also allow the Trustees to make sure the financial statements comply with the requirements of the Charities Act 2011.

Charity law also requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and of the results for that period.

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud.

Auditor

James Cowper Kreston offers itself for re-appointment as auditor for the year beginning 1 January 2020.

Approval of the financial statements

The Trustees confirm this report and accounts comply with the requirements of the Charities Act 2011 and the Charities SORP (FRS102).

The Trustee Body approves the financial statements.

BY ORDER OF THE TRUSTEE BODY

A handwritten signature in blue ink, appearing to read 'W. Boulter', written over a large, stylized blue circular mark.

Mr William Roy Boulter

Chairman of Trustees

Dated: 11th June 2020

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

Opinion

We have audited the financial statements of Licensed Trade Charity (the 'Charity') for the year ended 31 December 2019 set out on pages 23 to 43. 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 group's and the parent charity's affairs as at 31 December 2019 and of the group's 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 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information, which comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

Matters on which we are required to report by exception

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements which 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 Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.



James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Date: 22 June 2020

James Cowper Kreston is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:					
Donations and legacies	4	6,019	55,506	61,525	457,831
Charitable activities:					
School fees		-	21,223,048	21,223,048	20,783,586
Grants		64,805	65,885	130,690	151,500
Other trading activities:					
Fundraising and events income	5	-	43,874	43,874	56,358
Gross income trading subsidiaries	2	-	614,091	614,091	323,105
Investments	6	-	1,602,728	1,602,728	1,605,624
Net gain on disposal of properties	16	-	-	-	52,129
TOTAL		70,824	23,605,132	23,675,956	23,430,133
EXPENDITURE ON:					
Raising funds:					
Costs of generating voluntary income	7	-	48,516	48,516	52,743
Expenditure trading subsidiaries	2	-	340,679	340,679	302,910
Investment management costs	9	-	733,357	733,357	604,097
Cost of events	8	-	87,667	87,667	71,605
Charitable activities:					
Schools	10	57,835	20,290,652	20,348,487	20,550,650
Grants		32,087	563,922	596,009	704,410
Bursaries		25,540	353,568	379,108	420,490
Charity Services	11	-	635,947	635,947	550,221
Support costs	12	-	495,556	495,556	509,042
TOTAL	13	115,462	23,549,864	23,665,326	23,766,168
NET INCOME/(EXPENDITURE) BEFORE NET GAINS/(LOSSES) ON INVESTMENTS		(44,638)	55,268	10,630	(336,035)
Net gains/(losses) on investments	15	-	708,389	708,389	(1,200,858)
NET INCOME/(EXPENDITURE)		(44,638)	763,657	719,019	(1,536,893)
Income from associate company	3	-	64,757	64,757	134,743
Actuarial (losses)/gains on defined benefit pension schemes		-	(659,000)	(659,000)	189,000
NET MOVEMENT IN FUNDS		(44,638)	169,414	124,776	(1,213,150)
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 JANUARY		383,040	64,840,690	65,223,730	66,436,880
TOTAL FUNDS AT 31 DECEMBER		338,402	65,010,104	65,348,506	65,223,730

All activities relate to continuing operations. The notes on pages 27 to 43 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	16		34,099,422		34,098,908
Investments at market value	19		42,204,331		41,650,480
Investment in associate company	17		<u>1,162,491</u>		<u>1,097,737</u>
			77,466,244		76,847,125
CURRENT ASSETS					
Debtors	20	1,286,594		2,273,980	
Cash at bank		<u>3,820,181</u>		<u>3,008,173</u>	
		5,106,775		5,282,153	
CREDITORS: Amounts falling due within one year	21		<u>(7,192,556)</u>		<u>(7,253,453)</u>
NET CURRENT (LIABILITIES)			<u>(2,085,781)</u>		<u>(1,971,300)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			75,380,463		74,875,825
CREDITORS: amounts falling due after more than one year	22		<u>(7,564,957)</u>		<u>(8,205,095)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			67,815,506		66,670,730
Defined benefit pension scheme liability	26		<u>(2,467,000)</u>		<u>(1,447,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>65,348,506</u>		<u>65,223,730</u>
CHARITY FUNDS					
Restricted funds	23		338,402		383,040
Unrestricted funds:	23				
Unrestricted funds excluding pension liability		67,477,104		66,287,690	
Pension reserve		<u>(2,467,000)</u>		<u>(1,447,000)</u>	
Total unrestricted funds			<u>65,010,104</u>		<u>64,840,690</u>
TOTAL FUNDS			<u>65,348,506</u>		<u>65,223,730</u>

The financial statements were approved by the Trustees on 11th June 2020 and signed on their behalf by:



Mr William Roy Boulter

All activities relate to continuing operations. The notes on pages 27 to 43 form part of these financial statements.

**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	16		34,099,422		34,098,908
Investment in subsidiary	18		5,000		5,000
Investments at market value	19		42,204,331		41,650,480
Investment in associate company	17		<u>500,025</u>		<u>500,025</u>
			76,808,778		76,254,413
CURRENT ASSETS					
Debtors	20	1,157,080		2,294,545	
Cash at bank		<u>3,790,189</u>		<u>2,948,655</u>	
		4,947,269		5,243,200	
CREDITORS: amounts falling due within one year	21		<u>(7,038,050)</u>	<u>(7,219,500)</u>	
NET CURRENT (LIABILITIES)			<u>(2,090,781)</u>	<u>(1,976,300)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			74,717,997	74,278,113	
CREDITORS: amounts falling due after more than one year	22		<u>(7,564,957)</u>	<u>(8,205,095)</u>	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			67,153,040	66,073,018	
Defined benefit pension scheme liability	26		<u>(2,467,000)</u>	<u>(1,447,000)</u>	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>64,686,040</u>	<u>64,626,018</u>	
CHARITY FUNDS					
Restricted funds	23		338,402		383,040
Unrestricted funds:					
Unrestricted funds excluding pension liability		66,814,638		65,689,978	
Pension reserve		<u>(2,467,000)</u>		<u>(1,447,000)</u>	
Total unrestricted funds			<u>64,347,638</u>	<u>64,242,978</u>	
TOTAL FUNDS			<u>64,686,040</u>	<u>64,626,018</u>	

The financial statements were approved by the Trustees on 11th June 2020 and signed on their behalf by:



.....
Mr William Roy Boulter

All activities relate to continuing operations. The notes on pages 27 to 43 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
NET CASH PROVIDED BY OPERATIONS		1,539,772	357,359
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		1,602,728	1,605,624
Purchase of fixed assets	16	(2,007,825)	(2,702,105)
Proceeds from the sale of fixed assets		81,250	113,574
Purchase of investments	19	(8,803,314)	(7,994,419)
Proceeds from the sale of investments		8,957,855	7,431,555
Net cash used in investing activities		<u>(169,306)</u>	<u>(1,545,771)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		<u>(558,458)</u>	<u>(601,646)</u>
Net cash used in financing activities		(558,458)	(601,646)
Change in cash and cash equivalents in the year		812,008	(1,790,058)
Cash and cash equivalents brought forward		3,008,173	4,798,231
Cash and cash equivalents carried forward		<u>3,820,181</u>	<u>3,008,173</u>
NET MOVEMENT IN FUNDS		124,776	(1,213,150)
Adjustments for:			
Dividends, interest and rents from investments		(1,602,728)	(1,605,624)
Depreciation charges	16	1,916,581	1,758,395
Loss on sale of fixed assets		9,480	-
(Gains)/Losses made on investments		(708,389)	1,200,858
Decrease/(Increase) in debtors	20	987,386	(592,997)
(Decrease)/Increase in creditors	21	(142,577)	708,620
Movement in provision for defined benefit pension scheme		1,020,000	236,000
Income from associate company	3	(64,757)	(134,743)
NET CASH PROVIDED BY OPERATIONS		<u>1,539,772</u>	<u>357,359</u>

The notes on pages 27 to 43 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 . ACCOUNTING POLICIES

1.1 Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note 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 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

These provisions mean that the consolidated financial statements have been prepared to aggregate the Charity together with its trading subsidiary, Elvian Limited.

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

1.2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible Fixed Assets (see note 16)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values may vary depending on a number of factors.

Pension Commitments (see note 26)

Various assumptions are made in reporting the performance of the Charity's pension scheme. A valuation is carried out for reporting purposes by a qualified independent actuary. The principal actuarial assumptions made are disclosed in note 26.

Investment properties (see note 19)

Residential investment property valuations are made annually by management, based upon external indications of value and consideration of market conditions. Commercial investment properties are valued annually by qualified independent Chartered Surveyors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 . ACCOUNTING POLICIES (continued)

1.3 Basis of Consolidation

The Licensee & Morning Advertiser and the assets of the Pub, Club and Leisure Show Limited were incorporated into The Morning Advertiser Limited (MA Ltd) in January 2000. At that time the Charity owned £75 shares and William Reed Holdings Limited owned £25 shares. The financial statements of MA Ltd were consolidated into William Reed Holdings Limited financial statements as a subsidiary since it had a majority representation on the Board of Directors. The Charity's investment was shown as an investment in a joint venture.

In March 2002, William Reed Holdings Limited bought £50 of the Charity's shares and the Charity became a minority shareholder with a 25% shareholding.

Under the Charities SORP (FRS102), the Charity treats MA Ltd as an associate company in its financial statements (see note 3) and consolidates that percentage of its shareholding (25%) of its income and expenditure into its Consolidated Statement of Financial Activities. The MA Ltd's year end is 31 March and so unaudited management accounts have been taken for the company's financial year. The Charity's investment is shown as an investment in an associate company (see note 17).

1.4 Going Concern

The Trustees have considered the impact of the global Covid-19 pandemic on the ability of the Group to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections in respect of income and expenses. Based on this review and taken together with existing group financing facilities the Trustees believe that the financial statements have been prepared appropriately on the going concern basis.

1.5 Fund Accounting

The Charity's funds consist of general funds which the Charity may use for its purposes at its discretion. When donors indicate that an amount is for a specific purpose, such amounts are treated as restricted funds.

1.6 Donation Income

Donation income is accounted for on a cash received basis.

1.7 Gift Aid

Voluntary income by way of gift aid is credited in the year it is receivable. Corporate gift aid is received gross of tax, but the Charity is able to recover basic rate income tax from UK individual tax payers and such gift aid donations are shown gross of the relevant credit.

1.8 Income from Investments

Investment income comprises dividends received during the accounting period and interest received on listed and unlisted investments.

1.9 School Fees

School fees are accounted for in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 . ACCOUNTING POLICIES (continued)

1.10 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. 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:

School Buildings	-	at 2.00% / 6.67% on cost
Motor Vehicles	-	at 25.00% on cost
Furniture & Fittings	-	at various rates on cost
IT Equipment	-	at 33.33% on cost
Land	-	not depreciated

1.11 Allocation of Central Support Costs

Costs are allocated between the following categories: Charity Services, Generating Voluntary Income (excluding event costs), Fundraising, Governance, Schools, Investment Costs and Subsidiary.

The method of allocation for costs, which cannot be specifically allocated to each category, is based on the time spent on each category by each management function. Allocations for the year ending 31 December 2019 are as follows:-

Type of expense	Management	Professional	Establishment	Other	Total
Method of allocation	Time	Usage	Usage	Per capita	
Functions	£000's	£000's	£000's	£000's	£000's
Investments	46	316	1	370	733
Schools	651	200	10	236	1,097
Generating Voluntary Income	20	6	-	23	49
Events	29	9	-	9	47
Charity Services	222	66	3	344	635
Subsidiary	56	27	1	18	102
Support	194	147	3	152	496
Total	1,218	771	18	1,152	3,159

Governance costs comprise the costs of running the Charity including strategic planning, internal and external audit, legal advice, Trustees expenses and all of the costs of complying with statutory requirements such as the preparation of statutory financial statements and meetings of the Trustee Body and its sub committees.

Charity Services costs comprise staff and other costs incurred in helping those in need including advising on their qualification for state benefits, preparing their cases for submission to the Charity Services committee, giving emotional support and arranging payments for agreed grants.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1 . ACCOUNTING POLICIES (continued)

1.12 Pension Costs

Teaching staff employed by the Licensed Trade Charity are eligible for membership of the Teachers Pension Scheme, which is a national statutory contributory, defined benefit scheme administered by the Teachers Pension Scheme, an agency of the Department for Education. Pension costs are assessed in accordance with the advice of the Government Actuary. Although this is a multi-employer scheme whose assets and liabilities are not separately identifiable, under the Charities SORP (FRS 102) it is treated as a defined contribution scheme with a charge to the accounts for the contributions paid and relevant disclosures about the scheme as a whole provided in note 26.

In addition, the Charity operates a defined benefit pension scheme for its non teaching staff. This is funded by contributions at rates determined by independent, qualified actuaries. These contributions are invested separately from the Charity's assets and are charged to the Statement of Financial Activities. Costs are allocated between the following categories: Charity Services, Generating Voluntary Income provided in note 26.

The Charity is subject to the automatic enrolment legislation. All eligible employees of the Charity that do not join the appropriate final salary scheme are automatically enrolled into a group pension plan, with employer pension contributions charged to the Statement of Financial Activities in the year in which they arise.

1.13 Investments

Investments are included in the financial statements at mid-market value as at the year end. Realised and unrealised gains and losses are recognised as they arise and are included separately in the Statement of Financial Activities.

As at 31st December 2019, the Charity holds a minority shareholding in an associate company, The Morning Advertiser Limited.

The Charity's interest is recorded as follows:-

In the Consolidated Balance Sheet, shares at cost and minority reserves accumulated to date.

In the Charity's Balance Sheet, the cost of the shares in the associated company is shown.

1.14 Investment Properties

Investment properties are stated at open-market valuation. Realised and unrealised gains and losses are recognised as they arise and are included separately in the Statement of Financial Activities.

1.15 Stocks

School books and other teaching materials are written off in the year of acquisition.

1.16 Debtors

Trade, other debtors and prepayments are recognised at the settlement amount.

1.17 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2 . NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Charity has one wholly owned trading subsidiary, Elvian Limited. Elvian Limited pays its taxable profits to the Charity under a deed of covenant and its audited financial statements are filed with the Registrar of Companies.

Elvian Limited audited results are as follows:

Profit and Loss Account	2019 £	2018 £
Turnover	614,091	323,105
Cost of sales	<u>(271,964)</u>	<u>(237,396)</u>
Gross profit	342,127	85,709
Administration	(68,715)	(65,514)
Net profit	<u>273,412</u>	<u>20,195</u>
Deed of covenant to LTC	(273,412)	(20,195)
Retained in subsidiary	<u><u>-</u></u>	<u><u>-</u></u>

3 . NET INCOME FROM TRADING ACTIVITIES OF ASSOCIATE COMPANY

The Charity has a 25% shareholding in the Morning Advertiser Limited. The principal activity of this company is the publication of a fortnightly trade journal "The Morning Advertiser" which the Charity had managed for 200 years before transferring its management to William Reed Publishing Ltd in 2000.

The Morning Advertiser Limited's unaudited results are as follows:-

	2019 £	2018 £
Revenue	3,397,569	3,542,119
Cost of sales	<u>(1,428,101)</u>	<u>(1,392,542)</u>
Gross profit	1,969,468	2,149,577
Overhead costs	(1,610,437)	(1,510,604)
Profit for the year	<u>359,031</u>	<u>638,973</u>
Reserves brought forward	4,390,933	3,851,965
Dividend paid in year	(100,000)	(100,005)
Reserves carried forward	<u><u>4,649,964</u></u>	<u><u>4,390,933</u></u>

Based on the Charity's 25% shareholding, the total profit for the year resulting from the investment in MA Ltd is £64,757 (2018: £134,743). This is shown as income from associate company in the Consolidated Statement of Financial Activities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4 . DONATIONS AND LEGACIES

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Donations	<u>6,019</u>	<u>55,506</u>	<u>61,525</u>	<u>457,831</u>

In 2018, of the donations and legacies income, £399,000 related to restricted Funds and £58,831 related to unrestricted Funds.

5 . FUNDRAISING AND EVENTS INCOME

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Fundraising and events income	<u>-</u>	<u>43,874</u>	<u>43,874</u>	<u>56,358</u>

In 2018, of the fundraising and events income, £16,491 related to restricted Funds and £39,867 related to unrestricted Funds.

6 . INVESTMENT INCOME

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Rental income	-	377,469	377,469	249,276
Income from investments	-	1,219,103	1,219,103	1,338,389
Bank deposit interest	-	6,156	6,156	17,959
	<u>-</u>	<u>1,602,728</u>	<u>1,602,728</u>	<u>1,605,624</u>

In 2018, all amounts related to unrestricted Funds.

7 . COSTS OF GENERATING VOLUNTARY INCOME

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Staff costs	-	18,799	18,799	22,314
Administration and depreciation	-	29,717	29,717	30,429
	<u>-</u>	<u>48,516</u>	<u>48,516</u>	<u>52,743</u>

In 2018, all amounts related to unrestricted Funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8 . COST OF EVENTS

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Staff costs	-	28,757	28,757	28,757
Direct costs	-	40,469	40,469	27,714
Administration and depreciation	-	18,441	18,441	15,134
	<u>-</u>	<u>87,667</u>	<u>87,667</u>	<u>71,605</u>

In 2018, of the cost of events, £ 16,491 related to restricted Funds and £ 55,114 related to unrestricted Funds.

9 . INVESTMENT MANAGEMENT COSTS

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Investment advice	-	221,187	221,187	227,527
Property charges	-	46,029	46,029	63,805
Interest paid on loan for investments	-	272,091	272,091	233,056
Staff costs	-	46,161	46,161	48,294
Administration and depreciation	-	147,889	147,889	31,415
	<u>-</u>	<u>733,357</u>	<u>733,357</u>	<u>604,097</u>

In 2018, all amounts related to unrestricted Funds.

10 . COST OF RUNNING SCHOOLS

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Staff costs	-	12,577,968	12,577,968	12,867,826
Catering and cleaning	-	1,902,867	1,902,867	1,774,704
Establishment costs	-	535,830	535,830	602,056
Administration and depreciation	57,835	3,565,735	3,623,570	3,424,433
Other costs	-	1,708,252	1,708,252	1,881,631
	<u>57,835</u>	<u>20,290,652</u>	<u>20,348,487</u>	<u>20,550,650</u>

In 2018, of the cost of running schools, £ 129,389 related to restricted Funds and £ 20,421,261 related to unrestricted Funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. CHARITY SERVICES

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Staff costs	-	222,321	222,321	229,391
Administration and depreciation	-	413,626	413,626	320,830
	<u>-</u>	<u>635,947</u>	<u>635,947</u>	<u>550,221</u>

In 2018, of the charity services costs, £ 84,501 related to restricted Funds and £ 465,720 related to unrestricted Funds.

12. SUPPORT COSTS

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Governance costs				
Auditor's remuneration	-	26,982	26,982	24,222
Auditor's remuneration - non audit	-	4,800	4,800	1,932
Other committee expenses	-	12,096	12,096	12,791
Trustees expenses - chairman (1)	-	3,292	3,292	3,580
Trustees travel expenses (16)	-	57,127	57,127	49,917
Other support costs				
Legal and professional	-	113,214	113,214	107,553
Bank charges and interest	-	1,194	1,194	1,381
Staff costs	-	193,654	193,654	221,913
Administration and depreciation	-	83,197	83,197	85,753
	<u>-</u>	<u>495,556</u>	<u>495,556</u>	<u>509,042</u>

In 2018, all amounts related to unrestricted Funds.

13. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	2019 £	2018 £
School running costs	11,927,296	1,722,160	5,602,259	19,251,715	19,427,231
School support costs	650,672	104,029	342,071	1,096,772	1,123,419
Investment costs	46,161	7,380	679,816	733,357	604,097
Cost of trading subsidiary	55,681	8,902	276,096	340,679	302,910
Fundraising events	28,757	4,598	54,312	87,667	71,605
Support costs	193,654	30,961	270,941	495,556	509,042
Grants	-	-	596,009	596,009	704,410
Bursaries	-	-	379,108	379,108	420,490
Charity Services costs	222,321	35,545	378,081	635,947	550,221
Costs generating voluntary income	18,799	3,006	26,711	48,516	52,743
	<u>13,143,341</u>	<u>1,916,581</u>	<u>8,605,404</u>	<u>23,665,326</u>	<u>23,766,168</u>

All grants are paid to individuals in line with our objectives.

14. STAFF COSTS

	2019 £	2018 £
Wages and salaries	10,825,423	11,274,745
Social security	991,715	1,001,054
Pension costs	1,326,203	1,302,110
	<u>13,143,341</u>	<u>13,577,909</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14 . STAFF COSTS (continued)

Employee emoluments	2019	2018
£ 60,000 - £ 70,000	6	7
£ 70,000 - £ 80,000	4	1
£ 80,000 - £ 90,000	1	0
£ 90,000 - £100,000	1	1
£100,000 - £110,000	1	2
£110,000 - £120,000	1	1
£140,000 - £150,000	0	1
£150,000 - £160,000	1	0
£220,000 - £230,000	0	1
£230,000 - £240,000	1	0

Employee emoluments include remuneration and benefits-in-kind, as defined for taxation purposes. All the employees except for two in the above emolument bands are in a defined benefit pension scheme.

The Charity considers its key management personnel comprise the Trustees and the Chief Executive, Executive Director Education and Operations, Finance Director, HR Director and Principal of LVS Ascot. The total employment benefits including employer national insurance and pension contributions of the key management personnel were £ 789,134 (2018: £754,397).

No Trustees received any remuneration in 2019 and 2018.

During the year, staff re-organisation costs of £ 84,466 (2018: £ 33,772) were incurred.

The average number of employees analysed by function is as follows:

	2019	2018
Direct charitable expenditure:		
School	309	325
Other	1	2
	<u>310</u>	<u>327</u>
Fundraising and publicity	6	4
Welfare	5	4
Management and administration	29	30
	<u>40</u>	<u>38</u>
	<u><u>350</u></u>	<u><u>365</u></u>

15 . REALISED AND UNREALISED INVESTMENT GAINS & LOSSES

	2019	2018
	£	£
Gains/(Losses) on investment revaluation	394,072	(1,486,173)
Gain on sale of investments	314,317	285,315
	<u><u>708,389</u></u>	<u><u>(1,200,858)</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16 . TANGIBLE FIXED ASSETS

Group	Land and Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost				
At 1 January 2019	48,835,970	339,578	3,621,082	52,796,630
Additions	1,070,349	130,991	806,485	2,007,825
Disposals	-	(103,869)	(113,771)	(217,640)
At 31 December 2019	<u>49,906,319</u>	<u>366,700</u>	<u>4,313,796</u>	<u>54,586,815</u>
Depreciation				
At 1 January 2019	16,528,097	190,926	1,978,699	18,697,722
Charge for the year	1,309,472	67,561	539,548	1,916,581
On disposals	-	(66,053)	(60,857)	(126,910)
At 31 December 2019	<u>17,837,569</u>	<u>192,434</u>	<u>2,457,390</u>	<u>20,487,393</u>
Net book value				
At 31 December 2019	<u>32,068,750</u>	<u>174,266</u>	<u>1,856,406</u>	<u>34,099,422</u>
At 31 December 2018	<u>32,307,873</u>	<u>148,652</u>	<u>1,642,383</u>	<u>34,098,908</u>
	Land and Buildings £	Motor Vehicles £	Fixtures and Fittings £	Total £
Charity				
Cost				
At 1 January 2019	48,835,970	339,578	3,621,082	52,796,630
Additions	1,070,349	130,991	806,485	2,007,825
Disposals	-	(103,869)	(113,771)	(217,640)
At 31 December 2019	<u>49,906,319</u>	<u>366,700</u>	<u>4,313,796</u>	<u>54,586,815</u>
Depreciation				
At 1 January 2019	16,528,097	190,926	1,978,699	18,697,722
Charge for the year	1,309,472	67,561	539,548	1,916,581
On disposals	-	(66,053)	(60,857)	(126,910)
At 31 December 2019	<u>17,837,569</u>	<u>192,434</u>	<u>2,457,390</u>	<u>20,487,393</u>
Net book value				
At 31 December 2019	<u>32,068,750</u>	<u>174,266</u>	<u>1,856,406</u>	<u>34,099,422</u>
At 31 December 2018	<u>32,307,873</u>	<u>148,652</u>	<u>1,642,383</u>	<u>34,098,908</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17 . INVESTMENT IN ASSOCIATE COMPANY

In 2000, the Charity incorporated the assets of its publishing division The Licensee and Morning Advertiser and its trading company Pub, Club and Leisure Show Limited into The Morning Advertiser Limited.

The funding for the company was raised by the issue of shares and debentures. The shareholding at 31 December 2001 was £75 held by the Charity and £25 held by William Reed Holdings Limited.

In March 2002, William Reed Holdings Limited exercised its option to buy £50 of the Charity's shares in The Morning Advertiser Limited for £465,000 and both parties agreed to defer the maturity dates on their debentures from 2005 to 2010.

In March 2003, The Morning Advertiser Limited de-merged Pub, Club and Leisure Show Company Limited which has been dormant since its integration into The Morning Advertiser Limited and the Charity bought it for £1. The Pub, Club and Leisure Show Company Limited was dissolved on 21 August 2012.

Between 2001 and the rights issues in 2009, the losses incurred by The Morning Advertiser Limited were funded by the debentures and unsecured funding from William Reed Holdings Limited.

In 2009, shareholders decided to recapitalise The Morning Advertiser Limited by repaying its debentures and issuing a rights issue under the new percentage split of the shareholding. The Charity owned £404,813 of the debentures and its share of the £2 million rights was £500,000. The net payment into The Morning Advertiser Limited was therefore £95,117 with the Charity accepting £500,000 shares in exchange for surrendering £408,813 debentures. This has been used partly to finance The Morning Advertiser Limited and partly to repay the unsecured loan to William Reed Holdings Limited.

In the Consolidated Balance Sheet, the value of the Charity's investment in The Morning Advertiser Limited as at 31 December 2019 is represented by the cost of its shares of £500,025 and the minority shares in reserves for the period to 31 December 2019 of £ 662,466 totalling £ 1,162,491. In the Charity's Balance Sheet, only the cost of £500,025 is shown.

Initially the Trustees considered the venture with William Reed Holdings Limited to be a joint venture but following the disposal of their majority holding, now regard it as an associate company and adopt the treatment required by the Charities SORP (FRS102).

The Morning Advertiser Limited has a 31 March year end and therefore results shown in note 3 are based on management accounts and statutory financial statements information to bring them in line with the Charity's year end.

18 . INVESTMENT IN SUBSIDIARY

As detailed in note 2, the Charity is the parent company of Elvian Limited with a shareholding of £5,000.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19 . INVESTMENTS AND INVESTMENT PROPERTIES

	2019 £	2019 £	2018 £
STOCK MARKET			
The mid-market value of the investments were:		23,809,586	21,762,306
Details of cost are shown below:			
At 1 January 2019	21,043,454		
Additions	8,567,271		
Disposals	(7,949,884)		
At 31 December 2019	<u>21,660,841</u>		
PROPERTY FUNDS			
The mid-market value of the investments were:		13,605,279	14,685,674
Details of cost are shown below:			
At 1 January 2019	13,638,739		
Additions	-		
Disposals	(698,847)		
At 31 December 2019	<u>12,939,892</u>		
TOTAL INVESTMENTS		<u>37,414,865</u>	<u>36,447,980</u>
INVESTMENT PROPERTIES			
The mid-market value of the investments were:		4,789,466	5,202,500
Details of cost are shown below:			
At 1 January 2019	4,499,764		
Additions	236,043		
Disposals	-		
At 31 December 2019	<u>4,735,807</u>		
TOTAL INVESTMENTS AND INVESTMENT PROPERTIES		<u>42,204,331</u>	<u>41,650,480</u>

The non-residential investment properties were valued at 31 December 2019 by management at a value of £700,000 (2018: £1,150,000). This included a valuation of the Stafford property by Louis Taylor, Chartered Surveyors. Management reviewed the value of residential investment properties at 31 December 2019 with regard to property index movements and valuations were only increased by capital spend.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20 . DEBTORS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	179,780	472,362	52,628	451,667
Due from subsidiary	-	-	-	41,260
Other debtors	279,356	971,972	279,356	971,972
Prepayments	827,458	829,646	825,096	829,646
	1,286,594	2,273,980	1,157,080	2,294,545

Debtors include a loan of £ 51,537 (2018: £61,537) to the Hilda Webber Trust. This loan is to provide capital repairs to a property from which the Charity will benefit in the will, to which the Charity's Chief Executive is an Executor.

21 . CREDITORS

Amounts falling due within one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Bank loans	565,343	606,501	565,343	606,501
Trade creditors	445,442	698,293	441,836	693,211
Due to subsidiary	-	-	19,819	-
Other taxation and social security	265,134	267,828	264,371	267,526
Other creditors and accruals	3,002,165	2,931,887	2,937,174	2,903,318
Deferred income	2,914,472	2,748,944	2,809,507	2,748,944
	7,192,556	7,253,453	7,038,050	7,219,500

22 . Amounts falling due after more than one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Bank loans	7,206,264	7,723,564	7,206,264	7,723,564
Deferred income	358,693	481,531	358,693	481,531
	7,564,957	8,205,095	7,564,957	8,205,095

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Repayable by instalments	7,206,264	7,723,564	7,206,264	7,723,564

The Allied Irish bank loan is secured on the Charity's Ascot site which represents 40% of the net book value of the property, which is included in the financial statements at £17,250,169. The Lloyds Bank loan is secured on the Charity's Hassocks site which represents 10% of the net book value of the property, which is included in the financial statements at £8,600,030.

Changes in the balance on deferred income are released to the Statement of Financial Activities during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

23 . SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Gains / (Losses) £	Transfers	Carried Forward £
General funds	64,504,767	23,605,132	(23,549,864)	114,146	46,816	64,720,997
Designated funds	335,923	-	-	-	(46,816)	289,107
Total unrestricted funds	<u>64,840,690</u>	<u>23,605,132</u>	<u>(23,549,864)</u>	<u>114,146</u>	<u>-</u>	<u>65,010,104</u>
Restricted funds	-	70,824	(67,582)	-	-	3,242
Sodexo capital investment	383,040	-	(47,880)	-	-	335,160
	<u>65,223,730</u>	<u>23,675,956</u>	<u>(23,665,326)</u>	<u>114,146</u>	<u>-</u>	<u>65,348,506</u>

Designated funds relate to amounts set aside by the Trustees for potential future payments to certain beneficiaries and do not meet the conditions to be recorded as a liability. During 2018 Sodexo made a capital investment of £399,000, which is being depreciated over the length of the contract.

24 . ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Tangible fixed assets	335,160	33,764,262	34,099,422	34,098,908
Fixed asset investments	-	43,366,822	43,366,822	42,748,217
Current assets	3,242	5,103,533	5,106,775	5,282,153
Creditors due within one year	-	(7,192,556)	(7,192,556)	(7,253,453)
Creditors due in more than one year	-	(7,564,957)	(7,564,957)	(8,205,095)
Pension scheme liability	-	(2,467,000)	(2,467,000)	(1,447,000)
	<u>338,402</u>	<u>65,010,104</u>	<u>65,348,506</u>	<u>65,223,730</u>

25 . CONTINGENT ASSETS

The Hilda Webber Trust was set up to allow for Hilda Florence Webber's niece to benefit from the accommodation and income generated from two properties in Hove, Sussex. On the death of her niece, the full ownership of the properties will be left to the Charity in Hilda Florence Webber's will to which the Charity's Chief Executive is an Executor.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

26 . PENSION COMMITMENTS

The Charity participates in the Teachers' Pension Scheme (TPS) and the Licensed Trade Charity 1967 Life Assurance and Pension Scheme (LTC). The Charity makes contributions to both in accordance with recommended rates. These are both defined benefit schemes. In 2019, the cost of the contributions to these schemes was £ 1,254,193 (2018: £ 1,205,846) being £ 841,583 (2018: £ 779,625) to the TPS and £ 412,610 (2018: £ 426,221) to the LTC.

The schemes are accounted for differently as the assets and liabilities of the LTC scheme can be separately identified as belonging to the Licensed Trade Charity. This is not the case for the TPS scheme and only summary information as a whole is provided.

During the year, the Charity contributed £ 72,010 (2018: £ 68,186) to their defined contribution scheme with Legal & General.

Teachers' Pension Scheme

The Charity participates in the TPS, for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the TPS which are attributable to the Charity. As required by FRS 102 "Retirement Benefits", the Charity accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions paid to the TPS of £ 807,085 (2018 : £ 779,625) and contributions accrued at the year end £34,498 (2018 : £Nil).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Regulations 2010 and Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and pensions benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department every 4 years. The latest valuation report for the TPS was prepared as at 31 March 2016 and published in March 2019. The report confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019.

The Department for Education has also devolved the scheme administration costs to scheme employers in the form of an administration charge of 0.08% of the employers' salary costs which has resulted in a total employer payment of 23.68%.

Licensed Trade Charity 1967 Life Assurance and Pension Scheme

The Charity operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the Charity, being invested with insurance companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charity. The contributions are determined by a qualified actuary on the basis of triennial valuations based on the projected unit method.

The tri-annual valuation in April 2017 showed a surplus of £ 144,000. Therefore with effect from 1 April 2017 the employers contribution to the scheme continued at 20.00% of pensionable earnings. The next tri-annual valuation will be prepared as at 1 April 2020 and employer contribution rates will then be reviewed.

In 2019, the FRS 102 valuation shows a deficit of £ 2,467,000 (2018 : £1,447,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

26 . PENSION COMMITMENTS (continued)

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in pensionable salaries and pension payments. The assumptions adopted for the most recent actuarial valuation assumed that investment returns would increase by 3.12% per annum, pensionable salary increases would be 2.50% per annum, future increases in pensions in payment would be 3.12% per annum and the discount rates would be 2.07% per annum.

The normal contribution for the period was £ 412,610 (2018: £ 426,221). During 2019, the Charity paid contributions to the Scheme at a rate of 20.00% of pensionable salaries.

	2019 £	2018 £
Fair value of scheme assets	17,096,000	15,587,000
Present value of unfunded obligations	(19,563,000)	(17,034,000)
Net liability	<u>(2,467,000)</u>	<u>(1,447,000)</u>

Changes in the present value of the defined benefit obligation were as follows:

	2019 £	2018 £
Opening defined benefit obligation	17,034,000	17,073,000
Actuarial losses/(gains)	1,765,000	(947,000)
Current service cost	882,000	914,000
Employee contributions	17,000	12,000
Interest costs	472,000	423,000
Benefits paid	(607,000)	(525,000)
Past service cost	-	84,000
Closing defined benefit obligation	<u>19,563,000</u>	<u>17,034,000</u>

Changes in the fair value of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	15,587,000	15,862,000
Actuarial losses/(gains)	1,106,000	(758,000)
Expected return	429,000	390,000
Benefits paid	(607,000)	(525,000)
Contributions paid by the Charity	564,000	606,000
Employee contributions	17,000	12,000
	<u>17,096,000</u>	<u>15,587,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

26 . PENSION COMMITMENTS (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2019	2018
Equities	25.00%	46.00%
Diversified Growth Fund	47.00%	0.00%
Bonds	1.00%	49.00%
Other assets and cash	27.00%	5.00%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2019	2018
Discount rate	2.07%	2.75%
Inflation	3.12%	3.40%
Rate of increase in salaries	2.50%	2.50%
Limited price indexation pension increase capped at 5.0%	3.05%	3.28%
Limited price indexation pension increase capped at 2.5%	2.16%	2.24%

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2019	2018	2017	2016	2015
	£	£	£	£	£
Defined benefit obligation	(19,563,000)	(17,034,000)	(17,073,000)	(15,613,000)	(12,394,000)
Scheme assets	17,096,000	15,587,000	15,862,000	14,290,000	12,719,000
Surplus/(Deficit)	(2,467,000)	(1,447,000)	(1,211,000)	(1,323,000)	325,000
Experience adjustments on scheme liabilities	59,000	(9,000)	(273,000)	431,000	619,000
Experience adjustments on scheme assets	(1,106,000)	(758,000)	1,163,000	860,000	264,000

27. RELATED PARTY TRANSACTIONS

There were no related party transactions between the Charity and the Trustees during the year.

28. OPERATING LEASE COMMITMENTS

At 31 December 2019 the Group had future minimum lease payments under non-cancellable operating leases. £195,273 was due within one year, £341,224 was due later than one year but within five years. There were no amounts due after five years.



LICENSED
TRADE
CHARITY

Licensed Trade Charity

Heatherley, London Road
Ascot, Berkshire SL5 8DR

Telephone

01344 884440

Email

info@ltcharity.org.uk

Website

licensedtradecharity.org.uk

Helpline

0808 801 0550

now open 24 hours 365 days per year

Patron: H.R.H. The Prince Philip,

Duke of Edinburgh, KG, KT

Registered Charity No. 230011

Design: Wave

Printed on recycled paper