

Charity number: 216873

**HOSPITAL OF WILLIAM WYGGESTON AND THE HOSPITAL BRANCH
(‘WYGGESTON’S HOSPITAL CHARITY’)
TRUSTEE’S REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

**WYGGESTON'S HOSPITAL CHARITY
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FOR THE YEAR ENDED 31 DECEMBER 2018**

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WYGGESTON'S HOSPITAL CHARITY CHAIRMAN'S REVIEW OF THE YEAR

It is only when I take time to reflect on the past year that I recognise what a challenging year it has been for the Wyggeston's Hospital Charity and its Governors.

It has certainly been a time of change – the biggest being the retirement of our Chief Executive Officer who had loyally guided the Charity for twenty-six years. It is always challenging when the status quo changes but thanks to the support of our Management and Administration Staff, along with my fellow Governors, we managed to successfully circumvent any difficulties that could have arisen during the period when we did not have a replacement CEO. I wish to put on record my thanks to them for all the efforts they put into their respective roles. Happily, our new CEO commenced with us in December bringing with him a wealth of experience in the Charity and housing sectors and he is now well established in helping the Charity move forward.

As is apparent from our annual reports, we have benefitted in the recent past from considerable receipts from some of the land that our predecessors had purchased and it has always been our aim to replace the loss of these land holdings. I am pleased to report that this has proved possible in 2018 with the acquisition of two additional areas of farmland in the Skeffington area.

Our other aim as a Charity, is to extend our charitable offering for those in need. With this in mind we took the opportunity to purchase some land adjoining our main site during 2015 with the aim of building more Almshouse type accommodation. During 2018, after many months of meetings and discussions we finalised our new build plans and as I write this we are awaiting full planning approval from Leicester City Council and are hoping to complete the build, ready for occupancy, towards the end of 2020.

As a Governing body our concern is to ensure that the legacy of William Wyggeston is secure for future generations. We never cease to look for opportunities to help those less fortunate and we feel that by our actions we are continuing the aims of our founder.

Sandra R Powell

Chairman of the Directors of the Wyggeston's Hospital and Hospital Branch Trustee

WYGGESTON'S HOSPITAL CHARITY TRUSTEE'S ANNUAL REPORT

1. INTRODUCTION

The financial statements comprise the Annual Financial Statements, Chairman's Introduction and the Trustee's Annual Report for the year 1 January 2018 to 31 December 2018. However, relevant happenings post 31 December 2018 have been referred to in the appropriate section.

The Governors referred to in this report are the Directors of the Corporate Trustee of Wyggeston's Hospital, being the Wyggeston's Hospital and Hospital Branch Trustee, company number 7718817.

This Report should be read in conjunction with the Chairman's Introduction (page 1) which has also been reviewed and approved by the Governors.

2. FOUNDATION AND SCHEME

Wyggeston's Hospital Charity was founded following the grant of Royal Letters Patent to William Wyggeston in 1513. The Scheme of the Charity Commissioners governing the Charity was revised in 1992 and 2012 and the present Scheme is dated 7 February 2012. The Charity's registration number is 216873. The official name of the Charity is Hospital of William Wyggeston and the Hospital Branch.

3. CORPORATE TRUSTEE

On 26 July 2011 a Company Limited by guarantee was established entitled The Wyggeston's Hospital and Hospital Branch Trustee Company number 7718817. On 7 February 2012 this company became the sole Trustee of the Charity. The previous Governors of the Charity becoming the Directors of the company. The Corporate Trustee holds the real estate property of the Charity which was transferred during 2013 / 2014. All sales or purchases of land are now carried out in the name of the Corporate Trustee.

4. WORKING NAME

For day-to-day purposes the Charity is known as Wyggestons or Wyggeston's Hospital and the Directors of the Corporate Trustee are known as Governors.

5. AIM

The aim of the Charity is to apply its income for charitable purposes by the provision of Almshouses or general financial assistance for needy people of the City of Leicester and the provision of Extra Care facilities for needy persons.

6. OBJECTS

The objects of the Charity are:

- 6.1 Relief in Need on one or more of the following:
 - 6.1.1 The provision and maintenance of Almshouses for poor persons of good character of not less than 60 years of age resident in the City of Leicester;
 - 6.1.2 The provision and maintenance of Extra Care facilities for needy persons of good character with a preference for residents of the Almshouses;
 - 6.1.3 The relief of the needy poor; and
 - 6.1.4 Paying to the Wyggeston School Foundation an annual sum.

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7. PUBLIC BENEFIT

The Governors have complied with the duty in S.17 of the Charities Act 2011 to have due regard to the Charity Commission published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

It is important and appropriate, therefore, in this report to review the work of Wyggeston's in the light of the Commission's guidance and their published Reports. As readers will be aware there are twelve Charitable Purpose Headings and the Wyggeston's Hospital Charity Scheme fits within three of them:-

- i) the prevention or relief of poverty
- ii) the advancement of education
- iii) the relief of those in need

We will look at each of the headings in turn and show how Wyggeston's fulfils the public benefit test in each area.

7.1 The prevention or relief of poverty

7.1.1 Leicester Charity Link

Through the Leicester Charity Link (LCL) grants are provided which enable people to have a better quality of life. Although individual grants are limited to a maximum of £500 it is often the case that even a small amount makes a huge difference. The Governors, through the House and Grants Committee, are made aware of all help given. Working with LCL has the advantage that they can access additional funds should this be necessary. They can also ensure an individual is claiming any statutory help available. In 2018 we made a grant of £25,000 for distribution by LCL (in 2017 the grant was also £25,000).

7.1.2 The Bridge Project

For the past few years we have made a grant to the Bridge Homeless to Hope Project. In 2016 the project moved to new premises and began expanding its work to provide employment opportunities for the homeless. A grant of £25,000 was made towards this move and paid in February 2017. In February 2018 the budgeted payment of £15,000 was approved and shall be paid in 2019. To continue the support towards the cost of a mentoring co-ordinator a further grant of £10,000 was paid at Christmas 2018.

7.1.3 One Roof Leicester

One Roof Leicester (ORL) is a Charity which provides accommodation, support and advice to the homeless, destitute refugees, asylum seekers and vulnerably housed in Leicester. ORL works with partner organisations, often the local faith community, to ensure that the vulnerable whom they house are not left in isolation. In 2016 Wyggestons purchased a property which is let to ORL for a nil rent allowing them to provide accommodation to a homeless or vulnerable family. The rental for the property on the open market would be in the region of £5/7,000. So this could also be counted a hidden grant aid. This continued during 2018.

7.2 The advancement of education

Under the Terms of the Charity's Scheme we pay an amount annually to the Wyggeston's Schools Foundation. In 2018 this was £10,000 (2017 - £10,000). The Foundation considers applications from the two sixth-form colleges in Leicester City that were formally Wyggeston Schools. Through this additional funding, students can become involved in activities or courses to enhance their broader educational horizons which they would otherwise be denied.

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7.3 Wyggestons Grant

The Charity provides one individual with a grant of £5.00 per week (£260 per annum) under a long established fund to meet the objective to provide financial relief to older persons in Leicester deemed to be "out pensioners". The recipient is the last remaining recipient of this scheme.

7.4 The relief of those in need

How do you define need? Should it relate simply to a person's bank balance? Need should be interpreted in various ways, including financial, emotional and spiritual. Some people will have a property but little or no savings and insufficient income with which to maintain it. Others may be suffering social isolation as the area in which they were born and brought up changes beyond their recognition.

In William House, our Almshouse, we provide independent living sheltered housing units, open to all who qualify under the Terms of the Charity Scheme. In a community atmosphere the residents benefit from not having the worry of housing maintenance, they are with like-minded and similar aged people and enjoy the security of someone on call should they suffer an emergency. In addition, we have a Chapel on site and can offer spiritual and pastoral support as needed through the Master, an ordained Anglican Priest. As people age and their needs increase they can, subject to assessment, transfer to Agnes House, our Residential Home, which is on the same site. The proximity of the buildings has the added advantage that fellow residents who have become friends over the years can visit easily and maintain contact. Families also appreciate that when the time comes for the extra level of care the parent or loved one is already known to the staff and this reduces the stress of moving. In both units there is a degree of subsidy. The Governors' Policy is that the weekly charges in William House and Agnes House will be below that of an economic rent or fee as part of the Charity's Relief in Need help. This amounts to approximately £400,000 per annum.

7.5 Conclusion

In the light of all the above we firmly believe that Wyggeston's would 'pass' any Review by the Charity Commission concerning its charitable work.

8. STRATEGIC OVERVIEW

Wyggeston's was established to provide sheltered housing and give grant aid. It achieves this by:-

- i) providing 56 units of Almshouse Accommodation in William House;
- ii) 26 en-suite rooms in Agnes House;
- iii) paying grant aid either directly or via Leicester Charity Link;
- iv) Providing a property at no / minimal cost at another organisation to work with individuals or families who would otherwise be homeless.

As an endowed Charity the income from investments provides monies to supplement the work and the Almshouses and residential home are provided at subsidised rates. The main limiting factors for the Charity are the very low interest rates and the rates paid by the local authorities for residents in the care home.

We are very fortunate with our employees, some of whom (10%) have been with us since we opened Agnes House in 1992. The average length of service is 11 years and turnover is also extremely low. During 2018 three employees left as one moved to a similar position and two retired. Although this equals around 5% turnover (we only have 55 employees) the average in the care industry in the East Midlands is around 25% / 30%. The split between male and female is 9% and 91% and full time and part time is 15% and 85% respectively.

We monitor our performance by carrying out an Annual Residents' Survey. We are also monitored by external bodies, the Care Quality Commission (CQC) and the Leicester City Council.

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Financially we are strong and currently there is no reason why Wyggeston's should not continue for a further 500 years. Details of how the Governors work through the various committees is given below. As mentioned elsewhere the day-to-day management is carried out by the senior staff. However, among the staff only the Master has cheque signing authority. All payments are authorised by two Governors and all payments are reported to the Finance Committee at the next round of meetings. Limits are placed on the amounts that can be authorised before referring to the Governors. Budgets are approved at the autumn round of meetings for the following year and any variances greater than 20% are investigated and explanations provided. Each committee receives budget to actual reports at its meetings and all Governors receive financial information on a regular basis.

9. RISK MANAGEMENT

The Governors have examined the major strategic business and operational risks which the Charity faces and confirm that systems are in place to ensure regular reports are produced so that the necessary steps can be taken to lessen these risks. The major risks to the Charity are reputational damage, fraud and 'Acts of God'. Whilst having no control over thunder and lightning the Governors have in place various measures to mitigate the likelihood of reputational damage and fraud. For example only Governors can authorise payments and sign contracts.

10. RESIDENTS

During 2018 there were 10 (2017 – 14) deaths and 3 (2017 – 3) transfers of residents. Of the transfers 2 (2017 – 1) were internal transfer from William House to Agnes House and 1 (2017 – 2) resident moved to other homes more suitable for their care needs.

10.1 William House - The Almshouse

10.1.1 Statistics

Deaths: 3 (2017 - 3)

Moved: 3 (two internal to Agnes House) (2017 – 3, one internal to Agnes House)

Empty flats at the year-end: 2 (2017- 3)

Average occupancy during the year was 91% (2017 - 96%)

At the year-end:-

Average age: 79 years (2017 - 78)

Average length of occupancy: 7 years (2017 - 6.7)

Youngest resident: 66 (2017 - 69)

Oldest resident: 97 (2017 - 96)

Male : Female ratio 25% : 75 % (2017 - 26% : 74%)

Total residents: 59 (2017 - 61)

10.1.2 Building and repairs

Five flats were upgraded during the year. Full external redecoration was carried out and necessary repairs undertaken during that work. As usual minor repairs and maintenance items were carried out during the year.

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10.2 Agnes House - The Residential Home

10.2.1 Statistics

Average occupancy during the year was 94% (2017 - 94%)

At the year-end:-

Average age: 90.1 years (2017 - 89)

Average length of occupancy: 3.2 years (2017 - 3)

Youngest resident: 82 (2017 - 81)

Oldest resident: 100 (2017 - 99)

Male : Female ratio 16% : 84 % (2017 - 20% : 80%)

Deaths: 6 (2017 - 11)

Vacancies at Year End: 1 (2017 - 1)

10.2.2 Building and repairs

Full external redecoration was carried out and necessary repairs undertaken during that work.

A new store unit was provided to assist with the storage of larger and bulkier items. Although this is next to Agnes House it will also be used to store items from the garages which will be demolished as part of the major new development. New car parking has been created along with new bin stores.

There have been no other major works to the Agnes House building during 2018. General repairs and maintenance continue as necessary.

11. GOVERNANCE OF THE CHARITY

The Governors are responsible for the overall management and organisation of the Charity. The full Board of Governors met three times in 2018 and this has been increased to four meetings from 2019. The Finance Committee, Estate Committee, House and Grants Committee, Review Committee, Executive Committee and Looking Ahead Group support the Governors in carrying out their responsibilities.

Each Committee consists of at least nine Governors, except the Executive Committee, which comprises the Chairman and Vice-Chairman of the Board of Governors and the Chairman and Vice-Chairman of each Committee. The Finance Sub-Committee - Investment comprises the Chairman and Vice-Chairman of the Governors, the Chairman and Vice-Chairman of the Finance Committee and at least one other Governor.

The Governors are ultimately responsible for the policy and direction of the Charity, with day to day management delegated to the senior staff headed by the CEO, who also acts as Clerk to the Governors. The Care Manager has dual responsibility for William House and Agnes House. The Master is responsible for the pastoral care of all residents and staff. All Governors are notified of relevant training opportunities. These are fully funded by the Charity. The Clerk to the Governors attends various courses and provides reports to update Governors. The Professional Advisors also offer in-house updates specifically tailored to the Governors needs as necessary.

Wyggeston's Hospital Charity are currently considering the new Charity Governance code and will report back to the Board of Trustees on this later this year.

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12. GOVERNORS

12.1 Directors / Governors

At the full meeting in February 2019 Mr D W Lax was appointed a Co-optative Governor.

On 9th January 2019 Mr R J Hudson tendered his resignation due to ill health. In addition Mr S Corral also resigned as a Governor with effect from 1st March 2019.

Thanks are recorded to all the Governors who have given so freely of their time not only to attend meetings but also to deal with individual matters during the year.

Directors of the Wyggeston's Charity are commonly known as Governors. Details of those who served during the year can be found on pages 18 and 19.

In July 2012, Lord Hodgson's Review of the Charities Act 2006 included the recommendation that Trustees terms of office be limited to three terms of three years. The Government(s) seem to have been busy with other matters rather than responding to the various recommendations in his Report. Indeed some of the recommendations may be over taken by events. The directors that served during the year and their term length is documented on page 18

In November 2017 the Charity Commission, jointly with others published 'Taken on Trust – The awareness and effectiveness of Charity Trustees in England and Wales'. In the recommendations reference is made to the recruitment of Trustees and that this should, '...embrace the introduction of different people, new ideas, skills and experience to Trustee boards, and to target the recruitment of Trustees from more diverse sections of society...'

Our full complement of Governors is twenty, being ten Co-options, one ex-officio and nine nominations from public bodies. In both instances it is not always easy to recruit suitable candidates. To obtain a wide spread of skills and experience we take into account diverse factors such as gender, age and skills. An initial meeting is arranged for potential candidates with the Chairman and Vice Chairman and includes a full tour of the Charity. If suitable, and the candidate accepts the invitation to become a Governor, they are appointed at a Special meeting prior to the next full meeting. All Governors are offered the opportunity to attend a training course which is funded by the Charity and all new Governors are offered the chance to spend time with senior staff to understand how the Charity fulfils its aims and objectives. The Governors have reviewed the selection process and feel, with the difficulty of recruiting suitable new Trustees and with younger people less willing to give so freely of their time, they will continue for the time being with the existing process and terms.

12.2 Remuneration And Benefits

Under the terms of the Charity Scheme (Sections 16 – 21) the Charity is required to employ a Master who shall be an Ordained Priest of the Church of England. The Master is an Ex-officio Governor. The Master is the only Governor who received any form of remuneration from the Charity during the period covered by these Financial Statements. See also Note 8 (page 32) to the Financial Statements.

12.3 Statistics (years) of Directors/Governors

12.3.1 Age

| | | | | | |
|-----------|----|---------|----|----------|----|
| Youngest: | 52 | Oldest: | 82 | Average: | 71 |
|-----------|----|---------|----|----------|----|

12.3.2 Length of Service

| | | | |
|---------------------|----|--------------------------|----|
| Longest:- | | | |
| Continual unbroken: | 35 | With a break of service: | 41 |

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Newest:- Appointed March 2018

12.3.3 Male / Female (%)

Male: 64% Female: 36%

12.4 Meetings and Committees

Included below are the average attendance at the various meetings.

During the year the full board of Governors held one Special and three Ordinary Meetings. Average attendance was as follows: Special 84%, Ordinary 83%.

Committees appointed by the Full Governing Body to consider matters in depth and make recommendations to the Full Governing Body are:-

12.4.1 The Executive Committee

The Executive Committee is made up of the Chairman and Vice Chairman of the Governors and the Chairman and Vice Chairman of each Committee. The Master is Ex-officio Member of all Committees. The purpose of the Executive Committee is to consider matters in detail as a small group and to take recommendations to the appropriate Committee of the Governors for consideration. The Executive Committee did not meet during the year.

12.4.2 The House and Grants Committee

Deals with matters relating to the residents, employees, the buildings and grant making. The Committee met three times during the year. Average attendance was 77%.

12.4.3 The Estate Committee

Dealing with matters relating to the Agricultural Estate. The Committee met three times during the year. Average attendance was 90 %.

12.4.4 The Finance Committee

The role is to review and monitor performance against budgets and forecasts. The Committee met three times during the year. Average attendance was 87%.

12.4.5 The Finance Committee Sub-Committee - Investments

Has the specific role of monitoring the investments of the Charity and, in consultation with our Stockbrokers/Asset Allocation Advisors/Land Agents, ensure the Charity's assets are held in appropriate categories or Funds within the guidelines set by the Governors. The Sub Committee met once during the year. Attendance was 100%.

12.4.6 The Audit Committee

Meets annually to discuss the draft financial statements with the auditors. The Committee met once during the year. Attendance was 71%

12.4.7 The Review Committee

Meets annually to review the level of charges to residents and the remuneration of employees. Attendance was 89%.

12.4.8 Looking Ahead

This Group reviews the strategic role and function of the Charity. The Group met 12 times during the year. Average attendance was 77%.

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13. INSPECTIONS AND EXTERNAL ASSESSMENTS

13.1 Statutory Inspections

The Care Quality Commission undertook an inspection of the Agnes House Residential care service in November 2018. They reported that they found a home with an open and friendly culture, which was well led and displayed high quality care and support. The service was awarded a 'Good' rating in all areas of service delivery.

14. STAFF AND VOLUNTEERS

14.1 General

To all the staff we express our sincere thanks as it is only through their commitment we are able to carry out the good and positive work in caring for those in need, for which the Charity was established.

14.2 Numbers

Detailed staff numbers are given on page 32.

14.3 Turnover

During 2018 three employees left (2017 - four).

14.4 Agnes House

Care staff with NVQ IWE or equivalent or above: 96%.

14.5 Volunteers

14.5.1 Governors

The Governors give freely of their time and abilities.

14.5.2 Others

There are no other volunteers.

15. FINANCIAL

15.1 General

We are pleased to report a satisfactory financial performance for the year. The detailed figures for the year under review appear on pages 23-25.

15.2. Financial Controls

The Governors are satisfied that the financial controls currently in place meet all the regulatory requirements. All of the controls are regularly reviewed.

15.3 Income Streams

The main income streams for Wyggeston's are investment income and income from residents. The investment income is from the stock market investments and the agricultural investment. Each one is important and allows the Governors not only to maintain the current work of the Charity but to plan strategically for the future.

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15.4 Investments

15.4.1 Investment Policy

The overall policy of the Governors is to maintain a balanced portfolio which includes Fixed Interest Bonds, Gilts, Equities and Property either agricultural, commercial or domestic. Investment may be direct into individual shares or via appropriate collectives or other relevant instruments. The Governors do not intend to invest directly in hedge Funds or high risk derivatives.

15.4.2 Externally Managed Funds

During 2017 the Finance Committee recommended and the Governors agreed to a formal review of the existing Brokers and Fund Managers. Crowe Clark Whitehill Financial Planning Ltd. (CCWFP) were appointed to assist with this review. Having undertaken a review, and following discussions with various Governors, a formal beauty parade was held in January 2018. Five Managers were invited to make presentations, including the two existing advisors. All five presentations were focused on the needs of the Charity and five Governors, together with CCWFP, attended. Following those presentations a recommendation was made to the Full governing Body that Aberdeen Standard Life were appointed to replace Investec Wealth & Investment, and this took effect from August 2018. Cazenove have continued as our other Fund Manager for externally held investments.

15.4.2.1 Investec Wealth & Investment / Aberdeen Standard Capital

The objective for the portfolio is to produce a balanced return through capital growth and a certain level of income (~3%) by investing in equities, commercial property and alternative assets on a global basis.

The performance of the portfolio is measured by a bespoke benchmark which consists of the FTSE All-Share Index (60%), FTSE World Index ex-UK (20%), IPD Monthly Index (10%) and Bank of England base rate +2% (10%).

Following a competitive tender process, Aberdeen Standard Capital (formerly Standard Life Wealth) was appointed investment manager in the first half of 2018.

After agreeing a new investment mandate, assets were transferred from Investec over the summer with Aberdeen Standard Capital beginning to manage the investment in September 2018.

The objective for the portfolio is to produce a return through a balance of capital growth and income. Income is targeted to be in excess of 3% of the portfolio value and may be achieved through investing in equities, bonds, commercial property and alternative assets on a global basis.

The performance of the portfolio is measured by a bespoke benchmark which consists of the FTSE All-Share (50%), FTSE World Index ex-UK (25%), FTSE Government All Stocks (10%), BAML Sterling non-gilts (10%), and 1 month LIBOR (5%).

Since taking over the investment portfolio income generation has remained strong with a running yield of c. 3.3%, the majority of this coming through in the form of dividends.

In November 2018, £500,000 was added to the portfolio as it was deemed that this could be invested for the long-term and would further support the generation of sustainable income.

Since taking on the portfolio, financial markets have experienced heightened volatility led by concerns over the potential escalation of the US-China trade war, higher interest rates hurting the US economy, and a slowdown in global growth. Equity markets fell heavily in the final quarter of 2018 before reversing this move in the first quarter of 2019 as concerns dissipated and investor confidence grew. The portfolio outperformed its benchmark throughout this period in part due to its focus on high quality, cash-generative businesses.

Rather than focus on short-term market noise, Aberdeen are concentrating on long-term structural growth and income.

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In August 2018 the portfolio was transferred from Investec to Aberdeen Standard Capital following the review noted above in 15.4.2. During the year the Aberdeen investments generated income of £48,753 of dividends and interest payments and Investec generated £122,652 (£171,405 in total) (2017: £210,272) excluding the Charities Property fund.

15.4.2.2 Cazenove Capital Investment

Since inception (1st February 2012) the portfolio has produced a total return (both capital growth and income) of 60.7% net of fees. The portfolio performance is measured against CPI +3% and a composite benchmark which returned 39% and 62% respectively. The composite benchmark was changed on the 1st June 2018 and now comprises 15% Fixed Interest, 35% UK Equities, 30% Overseas equities, 10% Property and 10% Alternatives. It was a difficult year to generate positive absolute returns with only a small handful of assets doing so. In this risk off environment where the UK equity market fell almost 10%, the portfolio recorded a negative total return of -4.6%. While diversification into asset classes other than equities was a positive - the portfolio did underperform the composite benchmark predominantly due to a lack of Government bond exposure and not enough US equity exposure.

It was pleasing to see relative outperformance of the Funds' UK equity allocation against the FTSE All Share as the income bias of the underlying strategies helped to protect value. While favouring short duration corporate bonds over gilts was a negative in 2018 – since inception this has been a positive contributor to headline returns. Elsewhere the portfolio benefitted from strong returns from the commercial property and listed infrastructure exposure – both of which are held for their income characteristics.

In November 2018, £500,000 was added to the portfolio as it was deemed that this could be invested for the long-term and would further support the generation of sustainable income.

The asset class positioning of the portfolio relative to the benchmark has not really changed over the last 12 months and where the portfolio received new additions of capital during the year – this was invested to keep the tactical asset allocation positioning the same.

Opening Value (01.01.18): £3,744,243

Closing Value (31.12.18): £4,851,730

Income received during 2018: £113,775

Total fees – based on the portfolio value as at the 31st December 2018 the Total Expense Ratio is 1.1% or £45,068 (including VAT). This includes the 0.4% pa management fee on holding third party funds and the underlying Annual Management Charge for each pooled fund.

15.5 In House

All the In-House managed Funds were redeemed during the year to fund the purchase of replacement agricultural land. See 15.6 below for further details.

15.6 Agricultural Estate and Other Real Estate

The largest investment is the agricultural estate of almost 5000 acres and sundry other real estate. This investment is subject to the same treatment as the Stocks and Shares Portfolio. No depreciation is made against the investment and its value is informally reviewed annually. A full formal valuation is usually carried out every five years. The last one was carried out for the year ended 31st December 2017 by Andrew Granger and Company who valued the estate investment at £29,500,000. Although the next formal valuation is due at the end of 2022 Andrew Granger and Company believe that with the imminent receipt of Planning Permission for the Motorway Service Area an uplift in the Estate's worth in the region of £2,000,000 should be recognised. With additions and disposals during the year the value used in the financial statements for year ended 31st December 2018 totals £31,924,781.

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15.6.1 Sales and Purchases and other actions

15.6.1.1 Land Acquisitions

The Charity has purchased 47.72 acres of grass land directly abutting Glebe Farm Tilton during 2018 and has been acquired for £350,000.

The acquisition represents a further strengthening of Wyggeston's Hospital Estate in the Tilton area.

15.6.1.2 Planning Permissions

Churchover area

Planning Permission (subject to section 106 conclusion) has been obtained for a Motorway Service Area (MSA) adjacent to junction 1 of the M6. This area forms part of one of the Charity's farms and through the Agents the Governors have been very busy in negotiations with MOTO the MSA operator and the tenant. In March 2019 the Charity has entered into a 99 year lease with MOTO to develop the site as a service station that is due to open in June 2020.

15.6.1.3 Coalville area

Following the marketing of a site at Owen Street, Coalville interest had been received from a number of housing developers. Formal contracts have been signed in February 2019 to sell the site to Countryside Developments.

15.6.1.4 Churchover Minerals Promotion

In principal an agreement has been reached with Shawell Quarry concerning extraction of minerals from land owned by the Charity. No formal agreement has yet been signed and the Charity's agents are currently negotiating access and remediation.

15.6.2 Maintenance

The agents arrange general maintenance on the estate where it remains the landlord's responsibility. They have standing instructions that they may spend up to an amount equal to 10% of rental income without referring back to the Governors for such maintenance. The 10% level is taken over a three-year rolling programme to allow for the various fluctuations each year.

15.6.3 Visit

Each year the Governors, with their advisors, visit either an existing holding or if new land has been purchased visit to meet any new Tenant(s) on the estate. The usual visit cycle is about every five years. There were 14 Governors together with representatives from the various advisors on the visit during 2018.

15.7 Cash

Our cash balance at the year-end was £798,788.

15.8 Pensions

Wyggeston's offers all its employees the chance to join in a pension scheme under the umbrella of The Pensions Trust.

There are particular areas the Governors must consider concerning pensions. The original scheme had an element of capital guarantee and as a group style scheme existing members are mutually liable for each other's debts. There is a potential debt on withdrawal and the Pensions Trust has notified the Charity that the Employer debt on withdrawal could be in the region of £90,000 (2017 - £88,000). This would only become payable in the event the Charity had no active members in the Scheme.

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Secondly the Pensions Trust have imposed an annual levy of over £3,000 per annum for the next six years to make good the current deficit. This is a requirement by the Pensions Regulator. The Governors, therefore, feel it prudent to reserve a sum of £100,000 against these real and potential liabilities. This will be reviewed annually, see notes to the Financial Statements Number 13A, page 35.

15.9 Grants - Received

During the year the Charity received a grant of £500 from the Duchy of Lancaster which is used towards the costs of Founders Day.

15.10 Fund-Raising

The charity was not involved directly or indirectly in any fund-raising for its own benefit during 2018 and is unlikely to undertake any fund-raising in the near future.

The Charity had no fundraising activities requiring disclosure under S162A of the Charities Act.

15.11 Intangible Income

During the year the charity did not benefit from anything which could be described as intangible income.

15.12 Subsidiary Companies

The charity is a single site, single operation entity and does not have any subsidiaries.

15.13 Reserves Policy

Free reserves as defined by the Charity Commission are the undesignated general funds of the Charity excluding the funds invested in tangible fixed assets.

The Charity had in the unrestricted general fund free reserves, which excludes tangible fixed assets, of £2,703,238 at the end of the current year, as shown in note 16A. The Governors consider that a minimum of six months of the Charity's annual expenditure is a realistic figure in order to cover risks and uncertainties. For the year ended December 2018 this would total £1,066,301 and thus the Governors are satisfied they fall within this range.

15.14 Extraordinary Repair Fund (ERF) and Cyclical Maintenance Fund (CMF).

There were no major works funded from the ERF during the year. Four flats were upgraded and the external decoration was funded by the CMF during 2018. Other general maintenance items were allocated directly to the general repairs and maintenance budget.

15.15 Transfers

Transfers for 2018 have been made to the ERF and CMF in the sums of £100,000 and £75,000 respectively.

15.16 Pension Fund

A fuller explanation of the reason and need for this fund is given in 15.8 on page 12.

15.17 Rebuilding Fund

The Governors agreed that following the sale of some land the majority of the monies should be reinvested in agricultural land to maintain the estate investment. Some replacement land has now been acquired (see 15.6 above). However, the Governors are also mindful of the fact that the existing building is possibly over half way through its anticipated life span.

WYGGESTON'S HOSPITAL CHARITY TRUSTEE'S ANNUAL REPORT

15.18 Other Funds

The other funds are detailed in note 13A and on page 35.

16 SENIOR STAFF

Although the Board of Governors is the legal entity with responsibility for the assets and management of the Charity, day-to-day management is carried out by the senior staff. These are The Master (who under the Terms of the Charity Scheme must be an Ordained Priest in the Church of England) - the Reverend Anthony (Tony) Leighton who is responsible for the pastoral care of the residents and any employee or Governor who seeks his help or guidance. In August 2018 our long standing Chief Executive Officer, Dennis Cooper, retired after 25 years of service and the new Chief Executive, Chris Jones commenced in post from December 2018. The Chief Executive is responsible for all the day-to-day management of the Charity and also acts as Company Secretary and clerk to the Governors. Louise Richards, Head Of Care is responsible for the care and welfare of all residents. For remuneration details see note 8 on page 32.

The remuneration package for each employee is by reference to external factors such as clergy pay scales or comparative figures from the press for similar positions. Appointments are made following the standard industry procedure of formal application, interview and background checks such as references and Enhanced Disclosure and Barring Check.

**WYGGESTON'S HOSPITAL CHARITY
TRUSTEE'S ANNUAL REPORT**

17 PROFESSIONAL ADVISORS

17.1 The professional advisors of the Charity are:

Auditor & Accountants

Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Land Managing Agents

Andrew Granger and Company
Attenborough House
10 - 12 Rutland Street
Leicester
LE1 1RD

**Stockbrokers and Asset
Allocation Advisors**

Aberdeen Standard Capital
30 St Mary Axe
London
EC3A 8BF

Independent Financial Advisors

(For Investment Managers Review)
Crowe Financial Planning UK Ltd
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

Bankers

CAF Bank Limited
PO Box 289
West Malling
Kent
ME19 4TA

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Fund Managers

Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AY

Pensions Advisors

Hunter Aitkenhead & Walker
4 Brook Park
Gaddesby Lane
Rearsby
Leicestershire
LE7 4ZB

18 REGISTERED OFFICE (FOR ALL CORRESPONDENCE)

The Administration Office
Wyggestons
160 Hinckley Road
Leicester
LE3 0UX

WYGGESTON'S HOSPITAL CHARITY TRUSTEE'S ANNUAL REPORT

19 STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

20 OBJECTIVES AND ACHIEVEMENTS

In last year's review a number of Objectives were set out for 2018. These are listed below together with our achievements.

- Review of Professional Advisors - Stock Brokers. This has been completed see section 15.4.2.above.
- Review of the Investment Policy – this has been completed.
- Development of a Procedures Manual for the CEO – this has been completed and implemented.
- Update the Work Book for Accounting Function – this has been completed.
- Governor visits – these have continued with three in the year which fed back to House and Grant Committee with observations and provided an opportunity to meet with residents.
- Transfer of portfolio from Investec to Aberdeen Standard Capital – this has been completed.
- Modernisation of William House flats – this has been completed.
- Ongoing operation of the Looking Ahead Group of Governors, agents and senior staff. This meets monthly to manage current large projects such as the Cherryleas development and provide strategic direction for the Charity.
- Appointment of a new CEO following the retirement of the previous post holder – this has been achieved.

WYGGESTON'S HOSPITAL CHARITY TRUSTEE'S ANNUAL REPORT

21 OBJECTIVES FOR 2019

- Commence work on the new Cherryleas site once planning permission is granted.
- Identify further investment opportunities in land holding.
- Review the Policy and Procedures Manual and update as necessary.
- Updating Work Book for Accounting Function and development of associated policies.
- To schedule three Governor visits.
- Modernisation of Ex Master House flats and ongoing upgrade of flats as required.
- Continue the work of the Looking Ahead Group to consider other strategic opportunities following completion of the Cherryleas development.

22 POST BALANCE SHEET EVENTS

22.1 Governors

22.1.1 Nominative Governors

Mr R Hudson unfortunately retired from the Board due to ill health in January 2019 along with Mr S Corral.

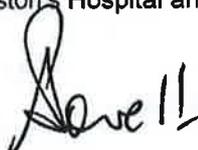
22.1.2 Co-Optative Governors

At the February 2019 meeting of the Full Board of Governors Mr D Lax was Co-opted to the board.

22.2. Motorway Service Area – Churchover

The Governors agreed the granting in March 2019 of a lease for 99 years of land at Churchover to Moto Limited for the creation of a Motorway Service Station. This lease has realised an initial fee of £2.5m and on completion an annual fee in the region of £170,000 will be payable.

Approved by the Governors at their meeting on 7 August 2019 and signed on behalf of the Wyggeston's Hospital and Hospital Branch Trustee by:



Sandra R Powell

Chairman of the Directors of Wyggeston's Hospital and Hospital Branch Trustee

**WYGGESTON'S HOSPITAL CHARITY
TRUSTEE'S ANNUAL REPORT**

On 7 February 2012, the Wyggeston's Hospital Charity became a body corporate called The Wyggeston's Hospital and Hospital Branch Trustee, company number 7718817. With effect from that date, The Wyggeston's Hospital and Hospital Branch Trustee became the governing body of the Charity.

The minimum number of directors is six and the maximum number is 20 made up of one Ex-Officio (the Master for the time being) ten Co-Opted and nine Nominated by external bodies. Detailed below are the directors of The Wyggeston's Hospital and Hospital Branch Trustee who served in office throughout the year.

| NAME | COMMITTEE(S)* | YEAR APPOINTED | TERM EXPIRES |
|---|---|-----------------------------|--------------|
| Honorary (no voting rights) | | | |
| The Lord Mayor of the City of Leicester for the time being O D Lucas | | Annual appointment. 2017 | |
| Co-opted (10) (Term of 7 Years) | | | |
| Mrs S V Hubner | E Ex F H LA R | (Ch of House) 1983 | 26.06.19 |
| Dr A Jarvis | Ex H R LA | (V Ch of House) 1998 | 23.10.19 |
| R J Hudson | A E Ex F Fs H LA R | Resigned 2007 | N/A |
| J K McLauchlan | A E Ex F Fs R | (Ch of Estate) 1993 | 25.02.21 |
| R L Pierce | E F R | (V Ch of Estate) 2007 | 24.06.21 |
| Mrs E M Bamford | H | 2016 | 21.06.23 |
| Mrs A Brown | H LA | 2016 | 21.06.23 |
| Mrs T M Phillips | E F | 2016 | 21.06.23 |
| Mrs S R Powell | A E Ex F Fs H LA R | (Ch of Board) 1996 | 21.02.24 |
| Dr R P Archer | H | 2018 | 27.02.25 |
| Ex-Officio (1) | | | |
| Master of the Hospital (Term of 5 years) Rev'd A R Leighton | E Ex F Fs H LA | 2014 | 01.11.19 |
| Nominated (9) (Term of 5 Years) | | | |
| Appointed By Leicester City Council (4) | | | |
| Dr S Barton | E F | 2014 | 30.05.19 |
| W G Ginns | H | 2005 | 16.03.20 |
| S P Corral | H | Resigned 2017 | N/A |
| Vacancy x 1 | | | |
| Appointed By Leicestershire County Council Education Committee (2) | | | |
| P Osborne | E F | 2017 | 01.10.22 |
| O D Lucas | Term expired October 2017. Appointed as an honorary member. | | |
| P Posnett | H | 2018 | 11.03.23 |
| Appointed By Leicestershire County Council Social Services Committee (2) | | | |
| M B Page | E F (Ch of Finance) | 2001 | 12.06.21 |
| J W Royce | E F LA | 2001 | 27.06.21 |

**WYGGESTON'S HOSPITAL CHARITY
TRUSTEE'S ANNUAL REPORT**

Appointed By Leicester City NHS Primary Care Trust (1)

O J Saunders A E Ex F Fs LA R (V Ch of Board) 2009 14.05.19

***Committees:-**

A = Audit E = Estate Ex = Executive F = Finance
Fs = Finance Sub H = House and Grants LA = Looking Ahead R = Review

Ch = Chairman V Ch = Vice Chairman

All correspondence to the Governors should be addressed through the Registered Office.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF WYGGESTON'S HOSPITAL CHARITY

Opinion

We have audited the financial statements of Wyggeston's Hospital Charity for the year ended 31 December 2018 which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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. The other information 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 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 that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF WYGGESTON'S HOSPITAL CHARITY

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the 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 set out on page 16, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to 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

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

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF WYGGESTON'S HOSPITAL CHARITY

Use of our report

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

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
GL50 2QJ

Date *4 September 2019*

Crowe U.K. LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WYGGESTON'S HOSPITAL CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Permanent Endowment Funds £ | Total Funds 2018 £ | Total Funds 2017 £ |
|---|----------------------|----------------------------|--------------------------|--------------------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Donations | | 285 | 500 | - | 785 | 3,537 |
| Charitable activities | 3 | 1,370,938 | - | - | 1,370,938 | 1,291,248 |
| Investments | 2 | <u>980,654</u> | - | - | <u>980,654</u> | <u>908,588</u> |
| Total Income | | <u>2,351,877</u> | <u>500</u> | - | <u>2,352,377</u> | <u>2,203,373</u> |
| EXPENDITURE ON: | | | | | | |
| Raising funds | 5 | 297,527 | - | 37,797 | 335,324 | 203,903 |
| Charitable activities | 5/7 | <u>1,786,086</u> | <u>500</u> | <u>10,692</u> | <u>1,797,278</u> | <u>1,761,106</u> |
| Total Expenditure | 5 | <u>2,083,613</u> | <u>500</u> | <u>48,489</u> | <u>2,132,602</u> | <u>1,965,009</u> |
| Net income/(expenditure) before gains on investments | | 268,264 | - | (48,489) | 219,775 | 238,364 |
| Net gains on investment assets | 10 | - | - | <u>1,031,166</u> | <u>1,031,166</u> | <u>6,556,189</u> |
| NET MOVEMENT IN FUNDS | | 268,264 | - | 982,677 | 1,250,941 | 6,794,553 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | 13/14/ 15 | <u>5,637,055</u> | <u>16,500</u> | <u>38,296,835</u> | <u>43,950,390</u> | <u>37,155,837</u> |
| Total funds carried forward | 13/14/ 15 | <u>5,905,319</u> | <u>16,500</u> | <u>39,279,512</u> | <u>45,201,331</u> | <u>43,950,390</u> |

The notes on pages 26 to 41 form part of these financial statements.

WYGGESTON'S HOSPITAL CHARITY
BALANCE SHEET
AS AT 31 DECEMBER 2018

| | Notes | 2018 £ | 2017 £ |
|---------------------------------------|-------|-------------------|-------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 9 | 3,556,786 | 3,695,618 |
| Investments | 10 | <u>40,954,336</u> | <u>40,113,989</u> |
| | | 44,511,122 | 43,809,607 |
| CURRENT ASSETS | | | |
| Debtors | 11 | 138,638 | 123,573 |
| Cash at bank and in hand | 18 | <u>798,788</u> | <u>228,004</u> |
| | | 937,426 | 351,577 |
| LIABILITIES: | | | |
| Creditors falling due within one year | 12 | <u>(247,217)</u> | <u>(210,794)</u> |
| NET CURRENT ASSETS | | <u>690,209</u> | <u>140,783</u> |
| TOTAL NET ASSETS | | <u>45,201,331</u> | <u>43,950,390</u> |
| CHARITY FUNDS | | | |
| Unrestricted Funds | 13 | 5,905,319 | 5,637,055 |
| Restricted Funds | 14 | 16,500 | 16,500 |
| Permanent Endowment Funds | 15 | <u>39,279,512</u> | <u>38,296,835</u> |
| TOTAL FUNDS | 16 | <u>45,201,331</u> | <u>43,950,390</u> |

The financial statements were approved and authorised for issue by the Wyggeston's Hospital and Hospital Branch Trustee and were signed on their behalf by



Sandra R Powell
Chairman of the Directors of Wyggeston's Hospital and Hospital Branch Trustee

Date: 7 August 2019

The notes on pages 26 to 41 form part of these financial statements.

WYGGESTON'S HOSPITAL CHARITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Notes | 2018 £ | 2017 £ |
|--|-----------|-------------------------|-------------------------|
| <i>Cash flows from operating activities</i> | | | |
| <i>Net cash (used in) operating activities</i> | 17 | (512,245) | (444,552) |
| <i>Cash flows from investing activities</i> | | | |
| Dividends, interest and rents from investments | 2 | 980,654 | 908,588 |
| Purchase of property, plant and equipment | 9 | (88,444) | (222,753) |
| Additions to investment properties | 10 | (526,180) | (4,520,111) |
| Proceeds on disposal of investment properties | 10 | 210,312 | - |
| Purchase of quoted investments | 10 | (5,559,010) | (2,355,236) |
| Proceeds from sale of investments | 10 | <u>6,480,033</u> | <u>5,722,182</u> |
| <i>Net cash provided by/(used in) investing activities</i> | | <u>1,497,365</u> | <u>(467,330)</u> |
| <i>Change in cash and cash equivalent in the reporting period</i> | | 985,120 | (911,882) |
| <i>Cash and cash equivalents at the beginning of the reporting period</i> | | <u>346,428</u> | <u>1,258,310</u> |
| <i>Cash and cash equivalents at the end of the reporting period</i> | 18 | <u>1,331,548</u> | <u>346,428</u> |

The notes on pages 26 to 41 form part of these financial statements.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

CHARITY INFORMATION

Wyggeston's Hospital Charity is a registered Charity with the Charities Commission (registered number 216873). The official name of the Charity is Hospital of William Wyggeston and the Hospital Branch. The address of its registered office is 160 Hinckley Road, Leicester, LE3 0UX.

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards modified to include revaluation of fixed asset investments and estate land and buildings to market value.

Wyggeston's Hospital Charity meets the definition of a public benefit entity under FRS 102.

After making enquiries, the Governors have a reasonable expectation that the Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, the going concern basis continues to be adopted in preparing the financial statements as outlined in the Statement of Trustee's Responsibilities on page 16.

(b) Improvements to Land and Buildings

Minor expenditure on improvements to Hospital and Estate land and buildings are written off to the Statement of Financial Activities in the period to which they relate.

(c) Tangible Fixed Assets and Depreciation

Tangible fixed assets which cost in excess of £5,000 are capitalised in the year of acquisition.

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:

| | |
|--|---------------------------|
| Hospital buildings | 2% straight line basis |
| Agnes House conservatory and landscaping | 2.5% straight line basis |
| Fixtures and fittings | 5-20% straight line basis |

No depreciation is charged on land owned.

(d) Investments

Quoted investments are revalued and included in the financial statements at their market value at the Balance Sheet date.

Estate land and buildings are treated as investment properties and consequently no depreciation is provided.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (Continued)

(e) Income from Investments

Income from investments is included in the Statement of Financial Activities only if received, or declared and receivable. Gains or losses arising from the revaluation of investments are recognised in the Statement of Financial Activities.

(f) Income

Estate income includes rents receivable on all of the Charity's properties, which are managed under an agreement where rents are collected on behalf of the Charity by an Estate Manager. The properties are rented on an annual rolling basis.

Estate rents and weekly maintenance charges are accounted for on a receivable basis or when the Charity has entitlement to recognise the income.

Residency charges comprise amounts receivable for both William House and Agnes House. Income is recognised on a receivables basis or when the Charity has entitlement.

Donations are recognised on receipt.

(g) Operating Leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

(h) Pension Costs

The Charity operates a defined contribution scheme open to all employees. Contributions are charged to the Statement of Financial Activities as incurred. See Note 22 for further details.

(i) Expenditure

Expenditure on Raising Funds comprise those costs directly attributable to managing the permanently endowed investment portfolio and are charged against the assets of the fund.

Charitable Activities comprises all expenditure incurred directly relating to the objects of the Charity.

Grants payable includes payments made to individuals and Wyggeston's School Foundation as set by the Trust Deed. See Note 7 for additional grants made to institutions during the year.

Governance costs are those associated with constitutional and statutory requirements and are included within Charitable Activities.

All costs have been allocated to the category of expenditure that they are directly attributable to. There are no costs that have to be allocated between categories.

All costs are shown inclusive of irrecoverable VAT.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (Continued)

(j) Permanent Endowment Funds

These are funds where the Governors are required to hold capital, mainly represented by investments, and are not entitled to spend them. Income arising from these funds represents unrestricted income. See Note 15A to the financial statements.

(k) Restricted Funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements. See Note 14A to the financial statements.

(l) Designated Funds

Designated funds comprise of General Funds, which have been set aside at the discretion of the Governors for specific purposes. See Note 13A to the financial statements.

(m) Corporation Tax

As a registered Charity, Wyggeston's Hospital is entitled to tax exemption on all its income and gains, properly applied for its charitable purposes.

(n) Cash

Cash is represented by cash in hand and deposits with financial institutions.

(o) Debtors

Trade debtors and accrued income are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

(p) Creditors

Creditors 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 are measured at the settlement amount due.

(q) Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Financial assets measured at fair value comprise of quoted investments. Financial assets measured at settlement value comprise of cash, trade debtors and accrued income. Financial liabilities measured at settlement value comprise of trade creditors, accruals and other creditors. See Note 21.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. ACCOUNTING POLICIES (Continued)

(r) Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The items in the financial statements where the estimates and judgements have been made include the following:

- i) Depreciation policies are selected by the Charity to depreciate the asset over its useful economic life. An assumption is made on the life of each class of asset.
- ii) The value of the estate is based upon a valuation provided by an independent expert, Andrew Granger and Company. This expert holds a recognised and relevant qualification and has a suitable level of experience within the area and with the classes of properties as held by Wyggeston's Hospital Charity. Please see note 10 for the value of the Estate as at 31 December 2018. The Trustees have also assessed the need for an impairment of properties held and have confirmed that none was deemed necessary.

| 2. INVESTMENT INCOME | 2018 | 2017 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Estate Income | | |
| - Rents receivable | 596,113 | 500,852 |
| - Other estate income | <u>76,659</u> | <u>17,170</u> |
| | <u>672,772</u> | <u>518,022</u> |
| Investment Income | | |
| - Dividends receivable from UK investments | 198,987 | 305,298 |
| - Dividends receivable from overseas investments | 108,327 | 84,543 |
| - Interest receivable | <u>568</u> | <u>725</u> |
| | <u>307,882</u> | <u>390,566</u> |
| TOTAL | <u>980,654</u> | <u>908,588</u> |

| 3. INCOME FROM CHARITABLE ACTIVITIES | 2018 | 2017 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Residency charges | 1,342,477 | 1,252,356 |
| Catering | 17,562 | 20,262 |
| Laundry | 2,088 | 1,972 |
| Residents' trips | - | 4,045 |
| Sundry | <u>8,811</u> | <u>12,613</u> |
| | <u>1,370,938</u> | <u>1,291,248</u> |

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. NET INCOME/(EXPENDITURE)

| | | |
|---|-----------------------|-----------------------|
| Net income/(expenditure) is stated after charging:- | 2018 | 2017 |
| | £ | £ |
| Auditor's remuneration – in respect of audit | 17,975 | 16,450 |
| Auditor's remuneration – in respect of accounts preparation | 1,000 | 1,860 |
| Auditor's remuneration – other services | 3,780 | 7,537 |
| Operating lease rentals | 1,896 | 1,765 |
| Depreciation of tangible fixed assets | <u>227,276</u> | <u>224,467</u> |

5. ANALYSIS OF EXPENDITURE BY TYPE

| | Staff Costs 2018 £ | Depreciation 2018 £ | Other 2018 £ | Total 2018 £ | Total 2017 £ |
|-------------------------------|---------------------------------------|------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Raising funds | | | | | |
| - Investment managers fees | - | - | 40,537 | 40,537 | 45,830 |
| - Estate expenditure | <u>-</u> | <u>-</u> | <u>294,787</u> | <u>294,787</u> | <u>158,073</u> |
| | <u>-</u> | <u>-</u> | <u>335,324</u> | <u>335,324</u> | <u>203,903</u> |
| Charitable activities | | | | | |
| - Hospital | 937,904 | 227,276 | 531,253 | 1,696,433 | 1,658,104 |
| - Relief of needy poor | - | - | 50,285 | 50,285 | 52,960 |
| - Wyggeston School Foundation | - | - | 10,000 | 10,000 | 10,000 |
| - Governance | <u>12,689</u> | <u>-</u> | <u>27,871</u> | <u>40,560</u> | <u>40,042</u> |
| | <u>950,593</u> | <u>227,276</u> | <u>619,409</u> | <u>1,797,278</u> | <u>1,761,106</u> |
| Total expenditure | <u>950,593</u> | <u>227,276</u> | <u>954,733</u> | <u>2,132,602</u> | <u>1,965,009</u> |

Of the depreciation charge for the year £10,693 (2017 - £10,693) relates to property held in the Permanent Endowment Fund.

6. ESTATE EXPENDITURE

| | | |
|-----------------------------|-----------------------|-----------------------|
| | 2018 | 2017 |
| | £ | £ |
| Repairs | 48,061 | 27,156 |
| Agents' commission | 90,893 | 58,109 |
| Legal and professional fees | 135,871 | 45,247 |
| Insurance | 16,505 | 26,250 |
| Rates | 3,182 | 1,311 |
| Quincentenary costs | <u>275</u> | <u>-</u> |
| | <u>294,787</u> | <u>158,073</u> |

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

| 7. CHARITABLE ACTIVITIES EXPENDITURE | 2018 | 2017 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Hospital | | |
| Wages and salaries | 855,752 | 802,118 |
| National Insurance | 54,337 | 51,178 |
| Pension costs | 27,815 | 32,075 |
| Other staff costs | 12,666 | 8,001 |
| Repairs, replacements and maintenance | 220,490 | 249,260 |
| Heating, electricity and cleaning | 106,032 | 101,331 |
| Rates and insurance | 35,655 | 44,974 |
| Food and drink | 57,827 | 55,825 |
| Telephone | 4,904 | 3,917 |
| Printing, postage and stationery | 22,815 | 10,340 |
| Residents' entertainment | 19,244 | 17,611 |
| Travelling expenses | 3,338 | 3,813 |
| Subscriptions | 10,384 | 10,760 |
| Sundry expenses | 7,390 | 8,555 |
| Legal and professional fees | 16,040 | 28,219 |
| Audit and accountancy fees | 11,250 | 8,800 |
| Non-audit fees | 3,218 | 2,517 |
| Depreciation | 227,276 | 224,467 |
| VAT recoverable | - | (11,009) |
| Trip expenditure | - | 5,352 |
| | <u>1,696,433</u> | <u>1,658,104</u> |
| Grants | 2018 | 2017 |
| | £ | £ |
| Wyggeston School Foundation | 10,000 | 10,000 |
| Leicester Charity Link | 25,000 | 25,000 |
| Bridge Project | 25,000 | 25,000 |
| Other Charitable Grants | <u>285</u> | <u>2,960</u> |
| | <u>60,285</u> | <u>62,960</u> |
| Governance | 2018 | 2017 |
| | £ | £ |
| Wages and salaries | 11,504 | 14,117 |
| National Insurance | 748 | 918 |
| Pension costs | 437 | 536 |
| Audit and accountancy fees | 16,882 | 13,205 |
| Non-audit fees | 4,820 | 3,770 |
| Postage and stationery | 2,902 | 2,902 |
| Governors' dinner | 1,349 | 1,769 |
| Estate visit | 1,460 | 1,550 |
| Sundry | <u>458</u> | <u>1,275</u> |
| | <u>40,560</u> | <u>40,042</u> |
| TOTAL | <u>1,797,278</u> | <u>1,761,106</u> |

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. ANALYSIS OF STAFF COSTS, GOVERNOR REMUNERATION, GOVERNOR EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

| | 2018 | 2017 |
|-----------------------|-----------------------|----------------|
| | £ | £ |
| Wages and salaries | 867,256 | 816,235 |
| Social security costs | 55,085 | 52,096 |
| Pension costs | <u>28,252</u> | <u>32,611</u> |
| | <u>950,593</u> | <u>900,942</u> |

The average monthly number of employees during the year was:

| | 2018 | 2017 |
|---------------------|------------------|-------------|
| | No. | No. |
| Full time employees | 8 | 8 |
| Part time employees | <u>47</u> | <u>45</u> |
| Total employees | <u>55</u> | <u>53</u> |

The Governors referred to below are the Directors of the Corporate Trustee of Wyggeston's Hospital, being the Wyggeston's Hospital and Hospital Branch Trustee, company number 07718817.

During the year the Master, who is also a Governor, received remuneration including employer's NI contributions of £30,925 (2017 - £30,360), and employers' pension contributions of £2,644 (2017 - £2,591), per his employment contract. This remuneration also includes the provision of accommodation to the value of £2,000 (2017 - £2,000).

The key management personnel of the Charity are the CEO and Care Manager. Their aggregate remuneration including employer's NI and employer's pension contributions totalled £101,962 (2017 - £110,838) for the year.

No other Governors received remuneration. Two Governors were reimbursed a total of £5,124 (2017 - £747 – two Governors) for travelling and Governor events.

No employee received remuneration in excess of £60,000 in either year.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. TANGIBLE FIXED ASSETS

| | Hospital Freehold Land and Buildings £ | Assets Under Construction £ | Fixtures and Fittings £ | Total £ |
|----------------------------|--|--------------------------------------|----------------------------------|-------------------------|
| Cost | | | | |
| <i>At 1 January 2018</i> | 4,037,639 | - | 2,934,258 | 6,971,897 |
| Additions | <u>66,017</u> | <u>4,214</u> | <u>18,213</u> | <u>88,444</u> |
| At 31 December 2018 | <u>4,103,656</u> | <u>4,214</u> | <u>2,952,471</u> | <u>7,060,341</u> |
| Depreciation | | | | |
| <i>At 1 January 2018</i> | 1,465,516 | - | 1,810,763 | 3,276,279 |
| Charge for the year | <u>73,755</u> | <u>-</u> | <u>153,521</u> | <u>227,276</u> |
| At 31 December 2018 | <u>1,539,271</u> | <u>-</u> | <u>1,964,284</u> | <u>3,503,555</u> |
| Net book values | | | | |
| At 31 December 2018 | <u>2,564,385</u> | <u>4,214</u> | <u>988,187</u> | <u>3,556,786</u> |
| <i>At 31 December 2017</i> | <u>2,572,123</u> | <u>-</u> | <u>1,123,495</u> | <u>3,695,618</u> |

10. INVESTMENTS

| | Quoted Investments £ | Estate Land and Buildings £ | Total £ |
|-----------------------------------|----------------------------|--------------------------------------|--------------------------|
| Valuation | | | |
| <i>At 1 January 2018</i> | 10,613,989 | 29,500,000 | 40,113,989 |
| Additions | 5,559,010 | 526,180 | 6,085,190 |
| Disposals proceeds | (6,480,033) | (210,312) | (6,690,345) |
| Cash movement held with broker | 414,336 | - | 414,336 |
| Net (losses)/gains on investments | <u>(1,077,747)</u> | <u>2,108,913</u> | <u>1,031,166</u> |
| At 31 December 2018 | <u>9,029,555</u> | <u>31,924,781</u> | <u>40,954,336</u> |

It is not practical to disclose the historical cost of the Estate Land and Buildings. This is because the majority of the Land and Buildings were acquired when the Charity was founded over 500 years ago.

The Estates Land and Buildings were formally valued at 31 December 2017 to £29,500,000 by an independent specialist, Andrew Granger and Company. A full valuation has not been carried out this year, however due to the imminent receipt of planning permission for the Motorway Service Area they believe that an uplift in the Estate's worth in the region of £2,000,000 as at 31 December 2018 is appropriate. The total market value of the Estates Land and Buildings after additions and disposals is therefore £31,924,781 as at 31 December 2018.

All of the investment properties are located within the United Kingdom.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. INVESTMENTS (CONTINUED)

Quoted investments are revalued at the end of each accounting period to their current market values. Equity investments are managed by the Charity's stockbrokers.

Of the quoted investments, £2,773,168 (2017 – £2,793,521) are held in overseas equities, which are all traded on the London Stock Exchange.

The quoted investment portfolio includes the following investments that individually accounted for more than 5% of the total investment at the year end:

| | 2018 £ | 2017 £ |
|---------------------------------------|----------------|----------------|
| The Equity Income Trust for Charities | <u>445,506</u> | <u>578,524</u> |

11. DEBTORS

| | 2018 £ | 2017 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 46,498 | 82,660 |
| Prepayments and accrued income | 88,761 | 34,487 |
| VAT | <u>3,379</u> | <u>6,426</u> |
| | <u>138,638</u> | <u>123,573</u> |

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 £ | 2017 £ |
|---------------------------------|----------------|----------------|
| Trade creditors | 140,945 | 95,455 |
| Other creditors | 6,899 | 8,810 |
| Social security and other taxes | 11,622 | 17,762 |
| Pension costs | 6,418 | 6,019 |
| Accruals | 57,734 | 35,566 |
| Deferred income | 2,111 | 16,125 |
| Pension liability | <u>21,488</u> | <u>31,057</u> |
| | <u>247,217</u> | <u>210,794</u> |

The deferred income relates to estate income received in the period which relates to the following financial year.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

| 13A. UNRESTRICTED FUNDS | <i>Brought forward at 1 January 2018</i> | Income | Expenditure | Investment gains | Transfers (out)/ in | Carried Forward at 31 December 2018 |
|--------------------------------|--|------------------|--------------------|------------------|---------------------|-------------------------------------|
| | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| Agnes House i) | 634,183 | - | (27,310) | - | - | 606,873 |
| Conservatory i) | 109,491 | - | (4,977) | - | - | 104,514 |
| Extraordinary Repair Fund ii) | 1,000,276 | - | - | - | 100,000 | 1,100,276 |
| Cyclical Maintenance Fund iii) | 530,367 | - | (82,069) | - | 75,000 | 523,298 |
| Pension Fund iv) | <u>100,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>100,000</u> |
| | 2,374,317 | - | (114,356) | - | 175,000 | 2,434,961 |
| General Funds | <u>3,262,738</u> | <u>2,351,877</u> | <u>(1,969,257)</u> | <u>-</u> | <u>(175,000)</u> | <u>3,470,358</u> |
| | <u>5,637,055</u> | <u>2,351,877</u> | <u>(2,083,613)</u> | <u>-</u> | <u>-</u> | <u>5,905,319</u> |

Designated Funds represent:

- i) The cost of building Agnes House, shower room conversion and the conservatory less accumulated depreciation.

Each year there is expenditure from Designated Funds to cover the relevant annual depreciation charge. The value of the depreciation charge for a year is (2% x £1,356,650) £27,133 for Agnes House, (2% x £8,821) £176 for the shower room and a charge of (2.5% x £199,077) £4,977 for the conservatory, totalling £32,287.

- ii) Clause 40 of the Charity Scheme requires the Governors to transfer funds to an Extraordinary Repair Fund on an annual basis. A total of £100,000 is transferred annually to the Extraordinary Repair Fund from the General Fund. No expenditure was spent from this designated fund during the year.
- iii) Repairs and maintenance work undertaken during the year which was funded from the Cyclical Maintenance Fund totalled £82,069. A total of £75,000 was transferred to the Cyclical Maintenance Fund during the year.
- iv) The Pension Fund has been created to represent the real and potential liabilities which may be incurred due to the membership of employees of Wyggeston's Hospital Charity with the Pensions Trust Growth Plan scheme. The Governors have retained £100,000 within this fund in the year. See Note 22 for further details.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

| 13B. UNRESTRICTED FUNDS | <i>Brought forward at 1 January 2017</i> | Income | Expenditure | Invest- ment gains | Transfers (out)/ in | Carried Forward at 31 December 2017 |
|--------------------------------|--|------------------|--------------------|--------------------------|------------------------|---|
| | £ | £ | £ | £ | £ | £ |
| Designated funds | | | | | | |
| Agnes House i) | 661,316 | - | (27,133) | - | - | 634,183 |
| Conservatory i) | 114,468 | - | (4,977) | - | - | 109,491 |
| Extraordinary Repair Fund ii) | 900,276 | - | - | - | 100,000 | 1,000,276 |
| Cyclical Maintenance Fund iii) | 545,754 | - | (90,387) | - | 75,000 | 530,367 |
| Pension Fund iv) | 100,000 | - | - | - | - | 100,000 |
| Rebuilding Fund v) | <u>1,244,656</u> | - | - | - | <u>(1,244,656)</u> | - |
| | 3,566,470 | - | (122,497) | - | (1,069,656) | 2,374,317 |
| General Funds | <u>1,784,259</u> | <u>2,203,373</u> | <u>(1,785,346)</u> | <u>(9,204)</u> | <u>1,069,656</u> | <u>3,262,738</u> |
| | <u>5,350,729</u> | <u>2,203,373</u> | <u>(1,907,843)</u> | <u>(9,204)</u> | <u>-</u> | <u>5,637,055</u> |

- v) Rebuilding Fund - A sum of £1,000,000 was invested in the National Association of Almshouses Common Investment Funds (NAACIF) Accumulation Shares in 2014. This is designated for the rebuilding of the flats which are now over 50 years old or any other major development. This investment was fully disposed of during the 2017 year and the funds used to acquire investment properties.

14A. RESTRICTED FUNDS

| | <i>Brought forward at 1 January 2018</i> | Income | Expenditure | Carried forward at 31 December 2018 |
|------------------------|--|------------|--------------|--|
| | £ | £ | £ | £ |
| Annual Founders Day i) | - | 500 | (500) | - |
| J M Haines legacy ii) | <u>16,500</u> | - | - | <u>16,500</u> |
| | <u>16,500</u> | <u>500</u> | <u>(500)</u> | <u>16,500</u> |

- i) The Duchy of Lancaster donates £500 annually to pay for the annual tea, held after the Annual Founders Day event. These funds have been fully spent during the year.
- ii) The legacy represents the residuary estate of the late Mrs J M Haines and has been restricted for the staff and residents of Wyggeston's Hospital. This has not been spent during the year.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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14B. RESTRICTED FUNDS

| | <i>Brought forward at 1 January 2017</i> | Income | Expenditure | Carried forward at 31 December 2017 |
|-------------------|--|---------------|--------------------|--|
| | £ | £ | £ | £ |
| Bath | 1,475 | - | (1,475) | - |
| J M Haines legacy | <u>16,500</u> | - | - | <u>16,500</u> |
| | <u>17,975</u> | <u>-</u> | <u>(1,475)</u> | <u>16,500</u> |

15A. PERMANENT ENDOWMENT FUND

| | <i>Brought forward at 1 January 2018</i> | Income | Expenditure | Investment gains | Carried forward at 31 December 2018 |
|---------------------|--|---------------|--------------------|-----------------------------|--|
| | £ | £ | £ | £ | £ |
| Permanent Endowment | <u>38,296,835</u> | <u>-</u> | <u>(48,489)</u> | <u>1,031,166</u> | <u>39,279,512</u> |

15B. PERMANENT ENDOWMENT FUND

| | <i>Brought forward at 1 January 2017</i> | Income | Expenditure | Investment gains | Carried forward at 31 December 2017 |
|---------------------|--|---------------|--------------------|-----------------------------|--|
| | £ | £ | £ | £ | £ |
| Permanent Endowment | <u>31,787,133</u> | <u>-</u> | <u>(55,691)</u> | <u>6,565,393</u> | <u>38,296,835</u> |

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

**16A. ANALYSIS OF NET ASSETS
BETWEEN FUNDS**

| | Permanent Endowment Funds 2018 £ | Restricted Funds 2018 £ | Unrestricted Funds 2018 £ | Total Funds 2018 £ |
|-----------------------|--|----------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 354,705 | - | 3,202,081 | 3,556,786 |
| Investments | 38,924,807 | - | 2,029,529 | 40,954,336 |
| Net current assets | <u>-</u> | <u>16,500</u> | <u>673,709</u> | <u>690,209</u> |
| | <u>39,279,512</u> | <u>16,500</u> | <u>5,905,319</u> | <u>45,201,331</u> |

**16B. ANALYSIS OF NET ASSETS
BETWEEN FUNDS**

| | Permanent Endowment Funds 2017 £ | Restricted Funds 2017 £ | Unrestricted Funds 2017 £ | Total Funds 2017 £ |
|-----------------------|--|----------------------------------|------------------------------------|-----------------------------|
| Tangible fixed assets | 365,397 | - | 3,330,221 | 3,695,618 |
| Investments | 37,931,438 | - | 2,182,551 | 40,113,989 |
| Net current assets | <u>-</u> | <u>16,500</u> | <u>124,283</u> | <u>140,783</u> |
| | <u>38,296,835</u> | <u>16,500</u> | <u>5,637,055</u> | <u>43,950,390</u> |

17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2018 £ | 2017 £ |
|--|-------------------------|-------------------------|
| Net income/(expenditure) for the year | 1,250,941 | 6,794,553 |
| Adjustments for: | | |
| Net losses/(gains) on investment assets | (1,031,166) | (6,556,189) |
| Depreciation charges | 227,276 | 224,467 |
| Dividends, interest and rents from investments | (980,654) | (908,588) |
| (Increase) in debtors | (15,065) | (22,969) |
| Increase in creditors | <u>36,423</u> | <u>24,174</u> |
| Net cash used in operating activities | <u>(512,245)</u> | <u>(444,552)</u> |

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

18. ANALYSIS OF NET FUNDS

| | <i>Balance at 1 January 2018 £</i> | Cash Flows £ | Balance at 31 December 2018 £ |
|--|--|-----------------------------|--|
| Cash at bank and in hand | 228,004 | 570,784 | 798,788 |
| Cash with broker awaiting reinvestment | <u>118,424</u> | <u>414,336</u> | <u>532,760</u> |
| | <u>346,428</u> | <u>985,120</u> | <u>1,331,548</u> |

19. OPERATING LEASE COMMITMENTS

At 31 December 2018 the Charity had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 £ | 2017 £ |
|------------------------------|------------|--------------|
| Office equipment | | |
| Due within one year | 1,896 | 1,896 |
| Due within one to five years | <u>948</u> | <u>2,844</u> |

20. CAPITAL COMMITMENTS

There are no capital commitments at 31 December 2018 (2017 - £Nil).

21. FINANCIAL INSTRUMENTS

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Financial assets measured at fair value | 9,029,555 | 10,613,989 |
| Financial assets measured at settlement value | 897,143 | 330,562 |
| Financial liabilities measured at settlement value | <u>202,858</u> | <u>139,831</u> |

See accounting policy 1(q) on page 28 for details of what is included in the above figures.

WYGGESTON'S HOSPITAL CHARITY
NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

Employees of Wyggeston's Hospital Charity are entitled to membership of the Pension Trust Growth Plan ("the Plan"). This is a multi-employer pension plan which in most respects is a money purchase arrangement, although it does include certain guarantee elements as described below.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement dates. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The latest formal valuation of the Plan at 30 September 2017 was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £795 million and the Plan's Technical Provisions (i.e. past service liabilities) were £926 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £132 million.

Wyggeston's Hospital Charity paid contributions totalling £36,196 (2017: £32,902) during the accounting period. The Plan Trustee has indicated that additional contributions of £4,824 (2017: £4,683) will be required by Wyggeston's Hospital Charity from 1 April 2019.

Where the scheme is in deficit and where the Charity has agreed to a deficit funding arrangement the Charity recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using an appropriate discount rate of 1.75% (2017: 1.39%). The unwinding of the discount rate is recognised as a finance cost.

| | 2018 £ | 2017 £ |
|---|----------------------|----------------------|
| <i>Provision as at 1 January 2018</i> | 31,057 | 34,242 |
| Unwinding of the discount factor | 405 | 465 |
| Deficit contributions paid | (3,821) | (3,710) |
| Re-measurements – impact of any change in assumptions | (232) | 60 |
| Re-measurements – amendments to the contribution schedule | (5,921) | - |
| Provision as at 31 December 2018 | <u>21,488</u> | <u>31,057</u> |

WYGGESTON'S HOSPITAL CHARITY
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23. RELATED PARTY TRANSACTIONS

Leicester Charity Link is a related party by virtue of a Governor, R J Hudson, in common. During the year a grant of £25,000 (2017 - £25,000) was made by Wyggeston's Hospital Charity to Leicester Charity Link. £Nil was outstanding at the year-end (2017 - £Nil).

Wyggeston's Schools' Foundation is a related party by virtue of Trustees; J K McLauchlan, W G Ginns, and the Rev A R Leighton, in common. During the year a grant of £10,000 (2017 - £10,000) was made by Wyggeston's Hospital Charity to Wyggeston's Schools' Foundation. £Nil was outstanding at the year-end (2017 - £Nil).

24. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2017

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Permanent Endowment Funds £ | Total Funds 2017 £ |
|---|----------|----------------------------|--------------------------|--------------------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | |
| Donations | | 3,537 | - | - | 3,537 |
| Charitable activities | 3 | 1,291,248 | - | - | 1,291,248 |
| Investments | 2 | <u>908,588</u> | <u>-</u> | <u>-</u> | <u>908,588</u> |
| Total Income | | <u>2,203,373</u> | <u>-</u> | <u>-</u> | <u>2,203,373</u> |
| EXPENDITURE ON: | | | | | |
| Raising funds | | 158,904 | - | 44,999 | 203,903 |
| Charitable activities | | <u>1,748,939</u> | <u>1,475</u> | <u>10,692</u> | <u>1,761,106</u> |
| Total Expenditure | 5 | <u>1,907,843</u> | <u>1,475</u> | <u>55,691</u> | <u>1,965,009</u> |
| Net income/(expenditure) before gains on investments | | 295,530 | (1,475) | (55,691) | 238,364 |
| Net gains on investment assets | | <u>(9,204)</u> | <u>-</u> | <u>6,565,393</u> | <u>6,556,189</u> |
| NET MOVEMENT IN FUNDS | | 286,326 | (1,475) | 6,509,702 | 6,794,553 |
| Reconciliation of funds | | | | | |
| Total funds brought forward | 13/14/15 | <u>5,350,729</u> | <u>17,975</u> | <u>31,787,133</u> | <u>37,155,837</u> |
| Total funds carried forward | 13/14/15 | <u>5,637,055</u> | <u>16,500</u> | <u>38,296,835</u> | <u>43,950,390</u> |

