

**HOSPITAL OF WILLIAM WYGGESTON AND THE HOSPITAL BRANCH
(‘WYGGESTON’S HOSPITAL CHARITY’)**

TRUSTEES’ REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

WYGGESTON'S HOSPITAL CHARITY

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WYGGESTON'S HOSPITAL CHARITY

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

2019 has been another year of both consolidation and progress for Wyggestons in what remains a challenging environment for almshouse and residential home providers.

Our new CEO has quickly established a good rapport with the residents, Governors and outside agencies which has enabled us to introduce new methods of working, utilising the latest technology to enable us to fulfil the endless legislation that binds our 'industry'. None of this comes without additional costs in terms of investment and training in new working practices but will ultimately enable our staff to speed up the necessary record keeping and therefor allow for even more interaction with our residents. We are very fortunate that, unlike most residential homes, we have a very low labour turnover and in 2019 only had two resignations to take up alternative employment and within three months one had already returned to Wyggestons! This is very important for our residents as continuity becomes ever more important as we age.

Our residents in William House (one of the few to still have twenty-four hour Warden cover provided by our own dedicated staff) continue to thrive and whilst living independently, are able to enjoy a full social life at Wyggestons - meaning no person ever needs to feel lonely or isolated.

Last year I referred to our plans for the further development of our Leicester site and I am pleased to report, that having achieved planning permission, we were able to start our new building programme in the latter stages of the year. Unfortunately, as I write this, it looks as if our completion date is going to be delayed until the Spring of 2021 but this in no way detracts from our excitement at the opportunities the new build will afford us to engage with other agencies in the provision of elderly services to the local community.

The other large development of our land holdings in 2019 has been the completion of the lease of land to MOTO and the commencement of them constructing a motorway Services area and Hotel on twenty-eight acres at Churchover. Happily, after many frustrated previous negotiations, we have been able to add to our agricultural land holdings at Welford which replaces land forfeited by our tenant at Churchover - who farms both areas. Our thanks go to our land agent Andrew Robinson for all his work in helping us to bring both of these major schemes to fruition.

I think it is safe to say, that without the hard work of our staff and Governors we would not have been in such a strong position going into 2020 and to them all I say 'thank you' and keep up the good work – Wyggestons needs and values you!

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

WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

1. INTRODUCTION

The financial statements comprise the Annual Financial Statements, Chairman's Introduction and the Trustee's Annual Report for the year 1 January 2019 to 31 December 2019. However, relevant happenings post 31 December 2019 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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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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:-

- the prevention or relief of poverty
- the advancement of education
- 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 2019 we made a grant of £25,000 for distribution by LCL (in 2018 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 was paid in March 2019 along with a further £15,000 in May from the 2019 budget.

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 2019.

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 2019 a grant totalling £10,000 was approved (2018 - £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. The funding was approved in 2019 and is usually made in the September of each year to coincide with the commencement of the academic year. The 2019 payment was made post year end in early 2020 with the agreement of the Foundation.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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:-

- providing 56 units of Almshouse Accommodation in William House;
- 26 en-suite rooms in Agnes House;
- paying grant aid either directly or via Leicester Charity Link;
- 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 remains at 11 years and turnover is also extremely low. During 2019 four employees left as two moved to a similar position in the NHS and two retired. One of those who joined the NHS subsequently returned to the Charity's employment towards the end of 2019. Although this equals around 5% turnover (we only have 59 employees) the average in the care industry in the East Midlands is around 25% / 30%. The split between male and female is 11% and 89% and full time and part time is 17% and 83% respectively.

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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.

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 with a formalised risk register reviewed annually. This has been amended to include new risks that occurred due to the post year end Covid 19 virus which has led to significant risks for the Charity. The initial market volatility resulted in losses for the Charity's investment portfolios and the fund managers worked closely with Governors to limit the impact on the Charity's cashflows. The Charity also experienced loss of a number of staff for the duration due to the "shielding" regulations and increased associated costs in staffing and consumables. Senior staff formed a crisis management team to manage all aspects of the crisis and worked closely with Governors in ensuring sufficient resources were available to reduce all risks.

The major risks to the Charity are reputational damage, fraud and 'Acts of God'. Whilst having no control over the development of the epidemic the Governors have in place various measures to mitigate the likelihood of reputational damage and fraud including a robust Business Continuity Plan and associated Crisis Management plans to protect the Charity.

The 2020 and 2021 budgets and cashflow forecasts have been drawn up and amended with consideration to the impact of the crisis and on review of these documents, the Governors believe that the Charity's financial resources and contingency planning is sufficient to ensure the ability of the Charity to continue as a going concern for the foreseeable future and therefore the financial statements have been prepared on this basis.

Financial management functions have been unaffected by the crisis and remain in place albeit with increased use of remote support by Governors who can only authorise payments and sign service contracts.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10. RESIDENTS

During 2019 there were 13 (2018 – 10) deaths and 6 (2018 – 3) transfers of residents. Of the transfers 5 (2018 – 2) were internal transfer from William House to Agnes House and 1 (2018 – 1) resident within William House moved to a refurbished property as part of the reconfiguration of the former Master's House.

10.1 William House - The Almshouse

10.1.1 Statistics

Deaths: 3 (2018 - 3)

Moved: 5 (four internal to Agnes House) (2018 3 – 2 internal to Agnes House)

Empty flats at the year-end: 2 (2018- 2) – One under long term refurbishment as part of the reconfiguration of the former Master's House.

Average occupancy during the year was 95% (2018 - 91%)

At the year-end:-

Average age: 78 years (2018 - 79)

Average length of occupancy: 6.3 years (2018 - 7)

Youngest resident: 63 (2018 - 66)

Oldest resident: 96 (2018 - 97)

Male : Female ratio 27% : 73 % (2018 - 25% : 75%)

Total residents: 59 (2018 - 59)

10.1.2 Building and repairs

Four flats were upgraded during the year one of which was as part of the wider refurbishment of the former Master's House to enable the construction of a hallway access to the new Hub development. 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.

10.2 Agnes House - The Residential Home

10.2.1 Statistics

Average occupancy during the year was 96% (2018 - 94%)

At the year-end:-

Average age: 91.9 years (2018 – 90.1)

Average length of occupancy: 2.6 years (2018 – 3.2)

Youngest resident: 83 (2018 - 82)

Oldest resident: 106 (2018 - 100)

Male : Female ratio 12% : 88 % (2018 - 16% : 84%)

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Deaths: 11 (2018 - 6)

Vacancies at Year End: 1 (2018 - 1)

10.2.2 Building and repairs

There have been no other major works to the Agnes House building during 2019. 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 four times in 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.

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.

Dr A Jarvis resigned as a Governor on 23rd October 2019 having served on the Board for 21 years.

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 page 18.

The directors that served during the year and their term length is documented 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

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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.

The Governors are aware of the new Charity Governance code. A review will be undertaken as a self-assessment exercise against the Code in summer 2020 using an industry toolkit. This will be reported to the full board in August.

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 Note 13 to the Financial Statements.

12.3 Statistics (years) of Directors/Governors

12.3.1 Age

Youngest: 52 Oldest: 82 Average: 72

Length of Service

Longest:-
Continual unbroken: 36 With a break of service: 42

Newest:- Appointed February 2019

12.3.2 Male / Female (%)

Male: 65% Female: 35%

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 Four Ordinary Meetings. Average attendance was as follows: Special 82%, Ordinary 86%.

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.

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12.4.2 The House and Grants Committee

Deals with matters relating to the residents, employees, the buildings and grant making. The Committee met four times during the year. Average attendance was 85%.

12.4.3 The Estate Committee

Dealing with matters relating to the Agricultural Estate. The Committee met four times during the year. Average attendance was 93%.

12.4.4 The Finance Committee

The role is to review and monitor performance against budgets and forecasts. The Committee met four times during the year. Average attendance was 93%.

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 did not meet during 2019.

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 28%.

12.4.7 The Review Committee

Meets annually to review the level of charges to residents and the remuneration of employees. Attendance was 44%.

12.4.8 Looking Ahead

This Group reviews the strategic role and function of the Charity. The Group met 10 times during the year. Average attendance was 84%.

13. INSPECTIONS AND EXTERNAL ASSESSMENTS

13.1 Statutory Inspections

In addition to the annual Health and Safety inspections carried out by our consultant the Leicestershire County Fire Brigade undertook an assessment of both schemes in March 2019 and confirmed all was in good order with no areas of concern.

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 35.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14.3 Staff Turnover

During 2019 four employees left (2018 - three) though one returned during the year.

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 to 48.

15.2. Financial Controls

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

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.

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

Aberdeen Standard Life and Cazenove continued as our Investment Fund Managers for externally held investments during 2019.

15.4.2.1 Aberdeen Standard Capital

Portfolio Commentary – for the year ending 31st Dec 2019

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,

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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%).

2019 saw a year of strong of total returns and income generation. However, one must note this was following a difficult final quarter of 2018. The total return achieved was +19.6% while income generation remained robust with a running yield of c. 3.3%, the majority of this coming through in the form of dividends.

2019 news flow was dominated by trade war rhetoric, primarily between the US and China. The year came to a roaring close as global markets embraced the good news brought by the promise of a first-phase resolution to the US-China trade talks. We remain optimistic though portfolios have not been immune to extreme market volatility over the first quarter of the 2020 due to the oil dispute and Covid 19 crisis, performance has improved in April and our longer-term performance indicators remain strong that global growth will continue despite the current economic turmoil.

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 83.7% net of fees. The portfolio performance is measured against CPI +3% and a composite benchmark which returned 45% and 86.5% respectively. The composite benchmark was changed in 2018 to have a more even split between UK listed and overseas equities while also lowering the allocation to bonds.

After a more difficult end to 2018 which saw the UK equity market fall almost 10% in the last 3 months of the year, 2019 was a much stronger year for risk assets and as such the portfolio generated double digit returns of over 14%.

Equities provided the best source of returns in 2019 despite ongoing uncertainty regarding trade wars. The portfolios exposure to US and Asian equities made the greatest contributions while the resurgence within UK listed equities in the final quarter of the year has also provided a boost to returns. Newer additions to the portfolio throughout the year to investment themes such as US smaller companies via William Blair and Spyglass US Growth have generated good returns since they were introduced to the portfolio.

The portfolio remains positioned in favour of corporate over government bonds and while bond yields have remained low, returns have been strong across the asset class, with good returns from the Funds held. Finally, following the decisive Conservative victory at the general election in December, alternatives such as listed infrastructure provided a helpful boost to returns in the final quarter.

In May 2019, a further £250,000 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. This additional capital was invested broadly across the portfolio in equities, bonds and alternatives.

Total fees – based on the portfolio value as at the 31st December 2019 the Total Expense Ratio is 1.16% or £61,854 (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.

As with the Aberdeen Standard managed Portfolio early 2020 saw significant losses to the Portfolio due to the economic turmoil causing by both the oil disputes and Covid 19 crisis. By April 2020 market had stabilised and it is hoped some of the earlier losses to the Portfolio can be recovered later in the year.

15.5 In House

All the In-House managed Funds were redeemed during the year to fund the new Almshouses development.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15.6 Agricultural Estate and Other Real Estate

The largest investment is the agricultural estate of almost 5,000 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 Co, Chartered Surveyors, who valued the estate investment at £29,500,000. The next formal valuation is due at the end of 2022, however an uplift of £2,000,000 was recognised in the previous financial year due to the receipt of planning permission for the Rugby Motorway Service Area. With additions and disposals during the year the value used in the financial statements for year ended 31st December 2019 totals £33,644,347.

15.6.1 Sales and Purchases and other actions

During 2019 an additional 137 acres of land was acquired in Northamptonshire to extend an existing farm at a cost of £1,650,000.

There has been a number of successful lets of agricultural land to the benefit of the charity and one retirement resulting in a substantial restructuring of a number of tenancies in the area. Keeping the Estate's tenancies organised in viable blocks is always a challenge and good progress was made in this regard in 2019.

15.6.1.2 Planning Permissions

Churchover area

The Charity has had a very busy year in terms of its strategic land holdings and made significant progress with its plans to create value from the Estate. In March 2019 the Charity entered into a 99 year lease with MOTO to develop the site as a Motorway Service Area that is due to open in January 2021 following onsite delays due to Covid 19 impact on the construction industry.

15.6.2 Maintenance

The Agents arrange general maintenance and insurance 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. In 2019 a visit to North Lodge Farm Harlaxton took place together with a tour of some of the smaller parcels of land in the Vale of Belvoir. There were 15 Governors together with representatives from the various advisors on the visit during 2019.

15.7 Cash

Our cash balance at the year-end (including cash held with brokers) was £1,316,647 (2018: £1,331,548).

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

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debt on withdrawal could be in the region of £90,000 (2018 - £90,000). This would only become payable in the event the Charity had no active members in the Scheme.

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 Note 27 to the Financial Statements.

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 Fundraising

The charity was not involved directly or indirectly in any fundraising for its own benefit during 2019 and is unlikely to undertake any fundraising in the near future.

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

15.11 Subsidiary Companies

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

15.12 Reserves Policy

Free reserves are calculated as the general unrestricted 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 £2,612,835 at the end of the current year, as shown in Note 21 of the Financial Statements. 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 31 December 2019 this would total £1,099,964 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 2019. Other general maintenance items were allocated directly to the general repairs and maintenance budget.

15.15 Transfers

Transfers for 2019 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 section 15.8 above.

15.17 Rebuilding Fund

The Governors agreed that following the sale of land the proceeds should be reinvested in agricultural land to maintain the estate investment. 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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15.18 Other Funds

The other funds are detailed in Note 21 of the financial statements.

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. Rev Leighton's appointment was extended for a further five years during 2019 with the approval of the Governors, Bishop of Leicester and the Duchy of Lancaster.

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.

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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

Bankers

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

Land Managing Agents

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

Solicitors

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

Investment Managers

Aberdeen Standard Capital
Bow Bells House
1 Bread Street
London
EC4M 9HH

Investment Managers

Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AY

Independent Financial Advisors

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

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

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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; and
- 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 2019. These are listed below together with our achievements.

- Commencement of work on the new Cherryleas site once planning permission was received.
- Purchase of further investment opportunity in land holding at Welford.
- Reviewed the Policy and Procedures Manual and update as necessary.
- Updated Work Book for Accounting Function and development of associated policies.
- We scheduled and undertook three Governor visits.
- Commenced the modernisation of Ex Master House flats and ongoing upgrade of flats as required.
- The Looking Ahead Group has continued to meet to oversee the Cherryleas Development and identify other strategic opportunities for the future.

21. OBJECTIVES FOR 2020

- Commence work on the new Cherryleas site to develop 14 new properties, administration offices and community room.
- Implement the new Access Staff Payroll & Care Planning system.

WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

- Review the Operational Policies of the Charity as necessary.
- To schedule three Governor visits.
- Complete the modernisation of Ex Master House flats and ongoing upgrade of flats as required.
- Refurbishment of communal corridors and facilities at Agnes House.
- Continue the work of the Looking Ahead Group to consider other strategic opportunities and oversee completion of the Cherryleas development.

22. POST BALANCE SHEET EVENTS

22.1 Covid 19 – There was a requirement to suspend all building works at Cherryleas and the former Master's House on 27th March due to the Covid-19 virus outbreak. This will delay the completion of these two projects.

22.2 Coalville – The Estate recently sold Wentworth Road, Coalville. After protracted discussions the Charity sold its holding of land to Countryside Developments for £1.5m on 19th March. The land is to be developed for affordable housing to meet local need.

22.3. Motorway Service Area – Churchover Update

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 on completion which is scheduled for January 2021. Building works to the site have been reduced due to the Covid19 outbreak and therefore the expected completion date will be revised with the resulting delay in the lease income from Moto.

Sandra R Powell

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

WYGGESTON'S HOSPITAL CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 during the year.

NAME	COMMITTEE(S)*	APPOINTED	EXPIRES
Honorary (no voting rights)			
The Lord Mayor of the City of Leicester for the time being			Annual appointment.
O D Lucas		2017	n/a
Co-opted (10) (Term of 7 Years)			
Mrs S V Hubner	E Ex F H LA R (Ch of House)	1983	26.06.24
Dr A Jarvis	Ex H R LA Resigned	1998	N/a
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 LA R (V Ch of House)	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
Mr D W Lax	A E F Fs	2019	01.02.26
Ex-Officio (1)			
Master of the Hospital (Term of 5 years)			
Rev'd A R Leighton	E Ex F Fs H LA	2019	01.11.24
Nominated (9) (Term of 5 Years)			
Appointed By Leicester City Council (4)			
Dr S Barton	E F	Re nominated 2019	2014 30.05.24
W G Ginns	H	Re nominated 2020	2005 16.03.25
S P Corrall	H	Resigned	2017
Vacancy x 1			
Appointed By Leicestershire County Council Education Committee (2)			
P Osborne	E F LA R (V Ch of Finance)	2017	01.10.22
P Posnett	H	2018	11.03.23
Appointed By Leicestershire County Council Social Services Committee (2)			
M B Page	E F (Ch of Finance) Fs A LA R	2001	12.06.21
J W Royce	E F LA	2001	27.06.21
Appointed By Leicester City NHS Primary Care Trust (1)			
O J Saunders	A E Ex F Fs LA R (V Ch of Board)	2009	14.05.24
Renominated 2020			

WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

***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.

The Charity also trades under the names Wyggeston's Hospital Charity.

WYGGESTON'S HOSPITAL CHARITY

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

Opinion

We have audited the financial statements of Wyggeston's Hospital Charity (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

WYGGESTON'S HOSPITAL CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYGGESTON'S HOSPITAL CHARITY (CONTINUED)

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.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

WYGGESTON'S HOSPITAL CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYGGESTON'S HOSPITAL CHARITY (CONTINUED)

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.

Use of our report

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

This report has not yet been signed

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

Date:

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 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Income from:						
Donations		1,166	-	-	1,166	785
Charitable activities	4	1,420,894	-	-	1,420,894	1,370,938
Investments	5	970,721	-	-	970,721	980,654
Total income		2,392,781	-	-	2,392,781	2,352,377
Expenditure on:						
Raising funds:						
Investment manager's fees		-	-	45,963	45,963	40,537
Estate expenditure	6	214,692	-	-	214,692	294,787
Charitable activities	8	1,915,401	13,180	10,692	1,939,273	1,797,278
Total expenditure		2,130,093	13,180	56,655	2,199,928	2,132,602
Net gains on investments	15	-	-	1,241,704	1,241,704	1,031,166
Net movement in funds		262,688	(13,180)	1,185,049	1,434,557	1,250,941
Reconciliation of funds:						
Total funds brought forward		5,905,319	16,500	39,279,512	45,201,331	43,950,390
Net movement in funds		262,688	(13,180)	1,185,049	1,434,557	1,250,941
Total funds carried forward		6,168,007	3,320	40,464,561	46,635,888	45,201,331

The notes on pages 26 to 48 form part of these financial statements.

WYGGESTON'S HOSPITAL CHARITY

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	3,899,184	3,556,786
Listed investments	15	10,481,661	9,029,555
Investment property	16	33,644,347	31,924,781
		48,025,192	44,511,122
Current assets			
Debtors	17	201,945	138,638
Cash at bank and in hand		1,251,628	798,788
		1,453,573	937,426
Creditors: amounts falling due within one year	18	(422,574)	(247,217)
Net current assets		1,030,999	690,209
Total assets less current liabilities/assets		49,056,191	45,201,331
Creditors: amounts falling due after more than one year	19	(2,420,303)	-
Total net assets		46,635,888	45,201,331
Charity funds			
Endowment funds	21	40,464,561	39,279,512
Restricted funds	21	3,320	16,500
Unrestricted funds	21	6,168,007	5,905,319
Total funds		46,635,888	45,201,331

The financial statements were approved and authorised for issue by the Trustees on:
and signed on their behalf by:

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

The notes on pages 26 to 48 form part of these financial statements.

WYGGESTON'S HOSPITAL CHARITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	23	1,989,190	(512,245)
		<hr/>	<hr/>
Cash flows from investing activities			
Dividends, interests and rents from investments		943,653	980,654
Purchase of intangible assets		-	(88,444)
Purchase of tangible fixed assets		(550,035)	-
Proceeds from sale of investments		1,503,050	6,480,033
Purchase of investments		(2,172,863)	(5,559,010)
Additions to investment properties		(1,727,896)	(526,180)
Proceeds on disposal of investment properties		-	210,312
		<hr/>	<hr/>
Net cash (used in)/provided by investing activities		(2,004,091)	1,497,365
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		(14,901)	985,120
Cash and cash equivalents at the beginning of the year		1,331,548	346,428
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	24	1,316,647	1,331,548
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 26 to 48 form part of these financial statements

WYGGESTON'S HOSPITAL CHARITY

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

1. General information

Wyggeston's Hospital Charity is a registered Charity with the Charities Commission in England & Wales (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.

2. Accounting policies

2.1 Basis of preparation of financial statements

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.

2.2 Going concern

At the time of approval, the COVID19 virus continues to develop and is now designated a global pandemic by the World Health Organisation. Both short term and long term effects of the rapidly escalating situation are unknown but the Trustees continue to closely monitor the developing situation.

Please refer to page 5 of our Trustees Report where we have reflected on the current situation and have outlined the impact for Wyggeston's Hospital Charity. Despite the current circumstances the Trustees believe that the Charity's financial resources and planning are sufficient to ensure the ability of the Charity to continue as a going concern for the foreseeable future and therefore these financial statements have been prepared on the going concern basis.

2.3 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, with the exception of the Moto lease which is on a 99 year lease.

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.

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.

WYGGESTON'S HOSPITAL CHARITY

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

2. Accounting policies (continued)

2.4 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.

All expenditure is inclusive of irrecoverable VAT.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more 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 the fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following basis:

Hospital buildings	-	2.0%	Straight line
Long-term leasehold property	-	2.5%	Straight line
Fixtures and fittings	-	5 - 20%	Straight line

2.6 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.

Gains or losses arising from the revaluation of investments are recognised in the Statement of Financial Activities.

2.7 Debtors

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

2.8 Cash at bank and in hand

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

WYGGESTON'S HOSPITAL CHARITY

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

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 Operating leases

Rental income due to Wyggeston's Hospital Charity, applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the Charity are credited to the Statement of Financial Activities over the lease term. The aggregate benefit of any lease incentives is recognised as a reduction in rental payments spread over the life of the lease.

2.12 Pensions

The Charity operates a defined contribution scheme open to all employees. Contributions are charged to the Statement of Financial Activities as incurred. See Note 27 for further details.

2.13 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.

2.14 Fund accounting

Permanent endowment funds 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 21 to the financial statements.

Designated funds comprise of General Funds, which have been set aside at the discretion of the Governors for specific purposes. See Note 21 to the financial statements.

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 21 to the financial statements.

WYGGESTON'S HOSPITAL CHARITY

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

3. Critical accounting estimates and areas of judgement

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 estimates and judgements have been made include the following:

Critical accounting estimates and assumptions:

- 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.
- 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 16 for the value of the Estate as at 31 December 2019. The Trustees have also assessed the need for an impairment of properties held and have confirmed that none was deemed necessary.

4. Income from charitable activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Residency charges	1,395,813	1,395,813	1,342,475
Catering	13,879	13,879	17,562
Laundry	1,528	1,528	2,088
Sundry	9,674	9,674	8,813
	<u>1,420,894</u>	<u>1,420,894</u>	<u>1,370,938</u>
<i>Total 2018</i>	<u>1,370,938</u>	<u>1,370,938</u>	

WYGGESTON'S HOSPITAL CHARITY

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

5. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Rents receivable	615,948	615,948	596,113
Other estate income	11,069	11,069	76,659
Dividends from UK investments	253,002	253,002	198,987
Dividends from overseas investments	88,935	88,935	108,327
Interest receivable	1,767	1,767	568
	<u>970,721</u>	<u>970,721</u>	<u>980,654</u>
<i>Total 2018</i>	<u>980,654</u>	<u>980,654</u>	

6. Expenditure on raising funds

Estate expenditure

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Repairs	34,906	34,906	48,061
Agent's commission	77,648	77,648	90,893
Legal and professional fees	79,344	79,344	135,871
Insurance	16,957	16,957	16,505
Rates	5,637	5,637	3,182
Quincentenary costs	200	200	275
	<u>214,692</u>	<u>214,692</u>	<u>294,787</u>
<i>Total 2018</i>	<u>294,787</u>	<u>294,787</u>	

WYGGESTON'S HOSPITAL CHARITY

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

7. Analysis of grants

	Grants to Institutions 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Grants for the Relief of Needy Poor	40,390	40,390	50,285
Grants, Wyggeston School Foundation	10,000	10,000	10,000
	<u>50,390</u>	<u>50,390</u>	<u>60,285</u>

The Charity has made the following grants to institutions during the year:

Name of institution	2019 £	<i>2018 £</i>
Wyggeston School Foundation	10,000	10,000
Leicester Charity Link	25,000	25,000
Bridge project	15,000	25,000
Other charitable grants	390	285
	<u>50,390</u>	<u>60,285</u>

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Hospital	1,822,631	13,180	10,692	1,846,503	1,696,433
Relief of needy poor	40,390	-	-	40,390	50,285
Wyggeston School Foundation	10,000	-	-	10,000	10,000
Governance	42,380	-	-	42,380	40,560
	<u>1,915,401</u>	<u>13,180</u>	<u>10,692</u>	<u>1,939,273</u>	<u>1,797,278</u>
<i>Total 2018</i>	<u>1,786,086</u>	<u>500</u>	<u>10,692</u>	<u>1,797,278</u>	

WYGGESTON'S HOSPITAL CHARITY

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

8. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs	Depreciation	Other costs	Total	<i>Total</i>
	2019	2019	2019	2019	2018
	£	£	£	£	£
Hospital	1,043,749	207,638	595,116	1,846,503	1,696,433
Relief of needy poor	-	-	40,390	40,390	50,285
Wyggeston School Foundation	-	-	10,000	10,000	10,000
Governance	14,683	-	27,697	42,380	40,560
	<u>1,058,432</u>	<u>207,638</u>	<u>673,203</u>	<u>1,939,273</u>	<u>1,797,278</u>
<i>Total 2018</i>	<u><u>950,593</u></u>	<u><u>227,276</u></u>	<u><u>619,409</u></u>	<u><u>1,797,278</u></u>	

WYGGESTON'S HOSPITAL CHARITY

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Total funds 2019 £	Total funds 2018 £
Hospital	1,846,503	-	1,846,503	1,696,433
Relief of needy poor	-	40,390	40,390	50,285
Wyggeston School Foundation	-	10,000	10,000	10,000
Governance	42,380	-	42,380	40,560
	<u>1,888,883</u>	<u>50,390</u>	<u>1,939,273</u>	<u>1,797,278</u>
<i>Total 2018</i>	<u>1,736,993</u>	<u>60,285</u>	<u>1,797,278</u>	

WYGGESTON'S HOSPITAL CHARITY

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

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	1,058,432	950,593
Depreciation	207,638	227,276
Other staff costs	17,610	12,666
Repairs, replacements and maintenance	248,067	220,490
Heating, electricity and cleaning	120,466	106,032
Rates and insurance	53,596	35,655
Food and drink	57,956	57,827
Telephone	3,933	4,904
Printing, postage and stationery	25,428	25,717
Residents' entertainment	21,977	19,244
Travelling expenses	2,908	3,338
Subscriptions	10,718	10,384
Sundry expenses	20,633	7,848
Legal and professional fees	16,440	16,040
Audit and accountancy fees	7,517	28,132
Non-audit fees	12,240	8,038
Governors' dinner	1,824	1,349
Estate visit	1,500	1,460
	<u>1,888,883</u>	<u>1,736,993</u>

WYGGESTON'S HOSPITAL CHARITY

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

10. Governance costs

	2019 £	2018 £
Wages and salaries	13,312	11,504
National insurance	865	748
Pension costs	506	437
Audit and accountancy fees	16,075	16,882
Non-audit fees	4,589	4,820
Postage and stationery	3,478	2,902
Governors' dinner	1,824	1,349
Estate visit	1,500	1,460
Sundry	231	458
	42,380	40,560

11. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £18,500 (2018 - £17,975), and accounts preparation and other services fees of £10,200 (2018 - £4,780), these amounts exclude VAT.

12. Staff costs

	2019 £	2018 £
Wages and salaries	961,921	867,256
Social security costs	58,310	55,085
Contribution to defined contribution pension schemes	38,201	28,252
	1,058,432	950,593

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

	2019 No.	2018 No.
Full time employees	10	8
Part time employees	49	47
	59	55

WYGGESTON'S HOSPITAL CHARITY

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

12. Staff costs (continued)

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

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 £110,246 (2018-£101,962) for the year.

13. Trustees' remuneration and expenses

During the year, one or more Trustees has been paid remuneration or has received other benefits from an employment with the Charity. The value of Trustees' remuneration and other benefits was as follows:

		2019	<i>2018</i>
		£	£
Rev'd A R Leighton	Remuneration	29,513	<i>30,925</i>
	Pension contributions paid	2,698	<i>2,644</i>
	Other benefits	2,000	<i>2,000</i>

During the year ended 31 December 2019, expenses totalling £915 were reimbursed or paid directly to 4 Trustees, (2018 - £5,124 to 2 Trustees) for travelling and Governor events.

WYGGESTON'S HOSPITAL CHARITY

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

14. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Assets under construction £	Total £
Cost				
At 1 January 2019	4,103,656	2,952,471	4,214	7,060,341
Additions	97,715	13,318	439,002	550,035
At 31 December 2019	<u>4,201,371</u>	<u>2,965,789</u>	<u>443,216</u>	<u>7,610,376</u>
Depreciation				
At 1 January 2019	1,539,271	1,964,284	-	3,503,555
Charge for the year	74,648	132,989	-	207,637
At 31 December 2019	<u>1,613,919</u>	<u>2,097,273</u>	<u>-</u>	<u>3,711,192</u>
Net book value				
At 31 December 2019	<u>2,587,452</u>	<u>868,516</u>	<u>443,216</u>	<u>3,899,184</u>
<i>At 31 December 2018</i>	<u>2,564,385</u>	<u>988,187</u>	<u>4,214</u>	<u>3,556,786</u>

15. Fixed asset investments

	Listed investments £
Valuation	
At 1 January 2019	9,029,555
Additions	2,172,863
Cash movement held with broker	(467,741)
Disposals	(1,494,720)
Net gains on investments	1,241,704
At 31 December 2019	<u>10,481,661</u>

WYGGESTON'S HOSPITAL CHARITY

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

16. Investment property

	Estate Land and Buildings £
Valuation	
At 1 January 2019	31,924,781
Additions	1,727,896
Disposals	(8,330)
At 31 December 2019	<u>33,644,347</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 receipt of planning permission in the prior year for the Motorway Service Area an uplift in the Estate's worth of £2,000,000 as at 31 December 2018 was recognised. The total market value of the Estates Land and Buildings after additions and disposals for 2019 is therefore £33,644,347 as at 31 December 2019. The Trustees have concluded that no impairment of estate assets are deemed necessary.

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

17. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	104,182	46,498
Other debtors	6,987	3,379
Prepayments and accrued income	90,776	88,761
	<u>201,945</u>	<u>138,638</u>

WYGGESTON'S HOSPITAL CHARITY

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

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	207,557	140,945
Other taxation and social security	13,385	11,622
MOTO lease premium	24,697	-
Other creditors	35,925	34,805
Accruals	85,876	57,734
Deferred income	55,134	2,111
	422,574	247,217

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

In March 2019 Wyggeston's Hospital Charity entered into a 99 year lease with MOTO to develop land owned by the Charity as a Motorway Service Area. The lease premium of £2.5m, less directly attributable costs of £55k, will be released to the SOFA over the duration of the lease and in line with rental payments (see Note 28). These payments begin on the earlier date of: 22 March 2022 or the date on which the property first opens for trade to the general public. It is currently anticipated to open in January 2021 following delays due to the Covid 19 impact on the construction industry.

19. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
MOTO lease premium	2,420,303	-

Income will be released as follows:

	2019 £	2018 £
Within one year	24,697	-
One to two years	24,697	-
Two to five years	74,091	-
More than five years	2,321,515	-
	2,445,000	-

WYGGESTON'S HOSPITAL CHARITY

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

20. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	<u>10,481,661</u>	<u>9,029,555</u>

Financial assets measured at fair value through income and expenditure comprise listed investments.

WYGGESTON'S HOSPITAL CHARITY

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

21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
Designated funds						
Agnes House	606,873	-	(27,310)	-	-	579,563
Conservatory	104,514	-	(4,977)	-	-	99,537
Extraordinary Repair Fund	1,100,276	-	-	100,000	-	1,200,276
Cyclical Maintenance Fund	523,298	-	(98,175)	75,000	-	500,123
Pension Fund	100,000	-	-	-	-	100,000
	<u>2,434,961</u>	<u>-</u>	<u>(130,462)</u>	<u>175,000</u>	<u>-</u>	<u>2,479,499</u>
General funds						
General Funds	<u>3,470,358</u>	<u>2,392,781</u>	<u>(1,999,631)</u>	<u>(175,000)</u>	<u>-</u>	<u>3,688,508</u>
Total Unrestricted funds	<u>5,905,319</u>	<u>2,392,781</u>	<u>(2,130,093)</u>	<u>-</u>	<u>-</u>	<u>6,168,007</u>
Endowment funds						
Permanent Endowment	<u>39,279,512</u>	<u>-</u>	<u>(56,655)</u>	<u>-</u>	<u>1,241,704</u>	<u>40,464,561</u>
Restricted funds						
J M Haines legacy	<u>16,500</u>	<u>-</u>	<u>(13,180)</u>	<u>-</u>	<u>-</u>	<u>3,320</u>
Total of funds	<u><u>45,201,331</u></u>	<u><u>2,392,781</u></u>	<u><u>(2,199,928)</u></u>	<u><u>-</u></u>	<u><u>1,241,704</u></u>	<u><u>46,635,888</u></u>

WYGGESTON'S HOSPITAL CHARITY

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

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Unrestricted funds						
Designated funds						
Agnes House	634,183	-	(27,310)	-	-	606,873
Conservatory	109,491	-	(4,977)	-	-	104,514
Extraordinary Repair Fund	1,000,276	-	-	100,000	-	1,100,276
Cyclical Maintenance Fund	530,367	-	(82,069)	75,000	-	523,298
Pension Fund	100,000	-	-	-	-	100,000
	<u>2,374,317</u>	<u>-</u>	<u>(114,356)</u>	<u>175,000</u>	<u>-</u>	<u>2,434,961</u>
General funds						
General Funds	3,262,738	2,351,877	(1,969,257)	(175,000)	-	3,470,358
Total Unrestricted funds	<u>5,637,055</u>	<u>2,351,877</u>	<u>(2,083,613)</u>	<u>-</u>	<u>-</u>	<u>5,905,319</u>
Endowment funds						
Permanent Endowment	38,296,835	-	(48,489)	-	1,031,166	39,279,512
Restricted funds						
J M Haines legacy	16,500	500	(500)	-	-	16,500
Total of funds	<u><u>43,950,390</u></u>	<u><u>2,352,377</u></u>	<u><u>(2,132,602)</u></u>	<u><u>-</u></u>	<u><u>1,031,166</u></u>	<u><u>45,201,331</u></u>

WYGGESTON'S HOSPITAL CHARITY

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

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 (2018: £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 £98,175 (2018: £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 27 for further details.

Restricted funds represent:

(i) The Duchy of Lancaster donates £500 annually to pay for the annual tea, held after the Annual Founders Day event. These funds were been fully spent during the prior 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.

WYGGESTON'S HOSPITAL CHARITY

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

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	3,555,172	-	344,012	3,899,184
Fixed asset investments	-	-	10,481,661	10,481,661
Investment property	4,005,459	-	29,638,888	33,644,347
Current assets	1,450,253	3,320	-	1,453,573
Creditors due within one year	(422,574)	-	-	(422,574)
Creditors due in more than one year	(2,420,303)	-	-	(2,420,303)
Total	6,168,007	3,320	40,464,561	46,635,888

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Endowment funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	3,202,081	-	354,705	3,556,786
Fixed asset investments	-	-	9,029,555	9,029,555
Investment property	2,029,529	-	29,895,252	31,924,781
Current assets	920,926	16,500	-	937,426
Creditors due within one year	(247,217)	-	-	(247,217)
Total	5,905,319	16,500	39,279,512	45,201,331

WYGGESTON'S HOSPITAL CHARITY

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

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2019	2018
	£	£
Net income for the year (as per Statement of Financial Activities)	1,434,557	1,250,941
	<hr/>	<hr/>
Adjustments for:		
Depreciation charges	207,637	227,276
Net (gains) on investment assets	(1,241,704)	(1,031,166)
Dividends, interests and rents from investments	(943,653)	(980,654)
(Increase) in debtors	(63,307)	(15,065)
Increase in creditors	2,595,660	36,423
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	1,989,190	(512,245)
	<hr/> <hr/>	<hr/> <hr/>

24. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,251,628	798,788
Cash with investment broker	65,019	532,760
	<hr/>	<hr/>
Total cash and cash equivalents	1,316,647	1,331,548
	<hr/> <hr/>	<hr/> <hr/>

25. Analysis of Net Debt

	At 1 January 2019	Cash flows	At 31 December 2019
	£	£	£
Cash at bank and in hand	798,788	452,840	1,251,628
	<hr/>	<hr/>	<hr/>
	798,788	452,840	1,251,628
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

26. Capital commitments

At the year-end the following was authorised and contracted for by the Charity, but not yet completed
£187,340 (2018: £Nil)

WYGGESTON'S HOSPITAL CHARITY

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

27. 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 £38,201 (2018: £28,252) during the accounting period. The Plan Trustee has indicated that Additional contributions of £4,969 (2018: £4,824) 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 1.13% (2018: 1.75%). The unwinding of the discount rate is recognised as a finance cost.

The Pension Fund (as shown within note 21) 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.

	2019 £	2018 £
Provision at 1 January 2019	21,488	31,057
Unwinding of the discount factor	342	405
Deficit contributions paid	(3,555)	(3,821)
Re-measurements - impact of any changes in assumptions	285	(232)
Re-measurements - amendments to the contribution schedule	-	(5,921)
Provision at 31 December 2019	18,560	21,488

WYGGESTON'S HOSPITAL CHARITY

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

28. Operating lease commitments

At 31 December 2019 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	948	1,896
Later than 1 year and not later than 5 years	-	948
	<u>948</u>	<u>2,844</u>

In March 2019 Wyggeston's Hospital Charity entered into a 99 year lease with MOTO to develop land owned by the Charity as a Motorway Service Area. The annual rentals of £169,566 will begin on the earlier date of: 22 March 2022 or the date on which the property first opens for trade to the general public. It is currently anticipated to open in January 2021 following delays due to the Covid 19 impact on the construction industry.

At 31 December 2019 the Charity had future minimum lease receipts due under operating lease agreements as follows:

	2019 £	2018 £
Later than 1 year and not later than 5 years	678,264	-
Later than 5 years	15,896,813	-
	<u>16,575,077</u>	<u>-</u>

29. 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 (2018: £25,000) was made by Wyggeston's Hospital Charity to Leicester Charity Link. £Nil was outstanding at the year-end (2018: £nil).

Wyggeston School 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 (2018 - £10,000) was awarded by Wyggeston's Hospital Charity to Wyggeston School Foundation. This was outstanding for payment at the year-end (2018 - £nil).

WYGGESTON'S HOSPITAL CHARITY

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

30. Post balance sheet events

Covid 19 – There was a requirement to suspend all building works at Cherryleas and the former Master's House on 27th March due to the Covid-19 virus outbreak. This will delay the completion of these two projects.

Coalville – The Estate recently sold Wentworth Road, Coalville. After protracted discussions the Charity sold its holding of land to Countryside Developments for £1.5m on 19th March. The land is to be developed for affordable housing to meet local need.

Motorway Service Area – Churchover Update - 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 on completion which is scheduled for January 2021. Building works to the site have been reduced due to the Covid19 outbreak and therefore the expected completion date will be revised with the resulting delay in the lease income from Moto.