

Charity number: 216873

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

WYGGESTON'S HOSPITAL CHARITY

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WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

1. INTRODUCTION

The financial statements comprise the Annual Financial Statements, Chairman's Introduction and the Trustee's Annual Report for the year 1 January 2021 to 31 December 2021.

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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CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The chairman presents her statement for the year.

Another year, another period of frustrations BUT also some successes!

Once more at Wyggestons we found ourselves battling against one of the worst pandemics of our age with constant changes both in the directives received from the Government health advisors and the rules governing lock-downs as they applied to the vulnerable and elderly. I am happy to report that through the incredible team work carried out by our Management and Staff that we have pulled through without too many negatives. There have, of course, been adverse impacts both on our finances and the mental and physical well being of our staff and residents but happily, as I write this we hope we are beginning to see the light at the end of this long, tortuous tunnel. I can only applaud all the hard work and dedication to duty that has been demonstrated throughout our team.

As Trustees it has been frustrating to once again be forced to hold the majority of our meetings on Zoom - as we too thrive on the interaction between ourselves, the Staff and residents. Happily, we have recommenced 'in person' meetings and are enjoying getting to know the new people who have taken up residence during the lock-downs.

However, it has not been a totally fallow period. We have now successfully completed the construction of the new Administration block along with a communal lounge, eight new apartments and six bungalows and all are now in full occupation! The feed back from Residents and Staff are all very positive and we are now welcoming the new residents into the very full Wyggeston social life that is once again flourishing post Covid.

As if this was not enough going on to keep us fully occupied as Trustees we also continued with bringing under our 'wing' the Trinity Hospital - which is situated in close proximity to Wyggestons and like ourselves is under the auspices of the Duchy of Lancaster.

Having carried out due diligence, we felt that it was in the interests of both charities for us, as the larger charity, to take on the day to day management of Trinity and this was effected in September 2021. The existing Trinity Trustees resigned and a new Board of Trustees was constituted consisting of nine of the Wyggestons Trustees plus the Chaplain of Trinity and the Lord Mayor of Leicester as Patron. The transition has been very smooth and we are enjoying getting to know the Trinity Residents and are anxious to enhance the offering the charity can accord them and welcoming them into the Wyggestons 'family'. We have already had the pleasure of welcoming some of the Trinity Residents to our socials.

I am sure that the future will be bright for both of these charities as a result of this close partnership.

Whilst stopping to breathe and take stock, we must also look to the future and with that in mind have just commenced a new landscaping scheme around the new buildings and are considering a refurbishment programme for the original William House.

Let us hope that the coming year will be without some of the problems we have faced in the past twelve months and we can now look forward to new more pleasant challenges in 2022!



Sandra R Powell
Chairman of the Directors of Wyggeston's Hospital and Hospital Branch Trustee
Date: 12 October 2022

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 we made a grant of £25,000 for distribution by LCL (in 2020 the grant was also £25,000).

7.1.2 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. Therefore this could also be counted a hidden grant aid. This continued during 2021.

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 2021 this was £10,000 (2020: £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 2021 and is usually made in the September of each year to coincide with the commencement of the academic year.

7.3 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

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

7.4 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; 14 new Almshouses have been developed in 2021-22.
- 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.

The average length of employee service remains at over 10 years and turnover is normally extremely low for our sector. During 2021 nine permanent employees left, of these one was made redundant following a review of the care service and two retired. One temporary members of staff assisting during the pandemic also left the Charity. Although this equals around 15% turnover (we only have 58 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 16% and 84% 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.

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.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 external economic factors which have led to increased risks for the Charity. The recent 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 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.

Going Concern

The 2022 budgets and forecasts have been drawn up and amended with consideration for the continuing impact of Covid 19 along with our ongoing planned capital projects. The budgets and forecasts are supported by a monthly reviewed cashflow analysis that is managed by the Governors and senior staff. The income being derived from the recent expansion of the Almshouses provision coupled with excellent occupancy rates and diversification of the Estate portfolio provides the Trustees with the confidence of the financial health of the Charity.

On review of these documents, the Trustees 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 12 months from the point of signing and therefore the financial statements have been prepared on this basis.

10. RESIDENTS

During 2021 there were 16 (2020 – 12) deaths and 3 (2020 – 2) transfers of residents.

10.1 William House - The Almshouse

10.1.1 Statistics

Deaths: 2 (2020 - 1)

Moved: 3 (2 internal to Agnes House) (2020 - 2 – 2 internal to Agnes House), 1 moved away from the area.

Empty flats at the year-end: 2 (2020- 2)

Average occupancy during the year was 95% (2020 - 95%)

At the year-end:-

Average age: 84 years (2020 - 79)

Average length of occupancy: 7 years (2020 - 6.2)

Youngest resident: 63 (2020 - 62)

Oldest resident: 98 (2020 - 97)

Male : Female ratio 24% : 76 % (2020 - 23% : 77%)

Total residents: 61 (2020 - 63)

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10.1.2 Building and repairs

No flats were upgraded though necessary minor repairs and maintenance items were carried out during the year. The heating system and warden call system in William House were upgraded during the year.

10.2 Agnes House - The Residential Home

10.2.1 Statistics

Average occupancy during the year was 94% (2020 - 94%)

At the year-end:-

Average age: 89 years (2020 - 90)

Average length of occupancy: 2 years (2020 - 1.4)

Youngest resident: 84 (2020 - 84)

Oldest resident: 97 (2020 - 107)

Male : Female ratio 25% : 75 % (2020 - 17% : 83%)

Deaths: 14 (2020 - 10) of which 2 were respite residents.

Vacancies at Year End: 2 (2020 - 2)

10.2.2 Building and repairs

There have been no major works to the Agnes House building during 2021. 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 2021. 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.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12. GOVERNORS

12.1 Directors / Governors

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 17 and 18.

The directors that served during the year and their term length is documented page 17 and 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 that we require for our diverse operations we take into account 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 training courses which are 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 undertaken a skills audit and assessed themselves against the Charity Governance Code during 2021 and are using these findings to review the selection process and create a succession plan. The difficulty of recruiting suitable new Trustees across the sector is well documented and the Charity is considering ways of attracting applicants from under represented groups.

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 14 to the Financial Statements.

12.3 Statistics (years) of Directors/Governors

12.3.1 Age

| | | | | | |
|-----------|----|---------|----|----------|----|
| Youngest: | 52 | Oldest: | 84 | Average: | 72 |
|-----------|----|---------|----|----------|----|

12.3.2 Length of Service

| | | | |
|---------------------|----|--------------------------|----|
| Longest:- | | | |
| Continual unbroken: | 38 | With a break of service: | 44 |

Newest:- Appointed December 2021

12.3.3 Male / Female (%)

| | | |
|-----------|---------|-----|
| Male: 65% | Female: | 35% |
|-----------|---------|-----|

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12.4 Meetings and Committees

Included below are the average attendance at the various meetings.

During the year the full board of Governors held two Special and Four Ordinary Meetings. Average attendance was as follows: Special 93%, Ordinary 93% and one Extraordinary General Meeting 88%.

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 four 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 four times during the year. Average attendance was 98%.

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 98%.

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 in 2021.

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 75%.

12.4.7 The Review Committee

Meets annually to review the level of charges to residents and the remuneration of employees. Attendance was 80%.

12.4.8 Looking Ahead

This Group reviews the strategic role and function of the Charity. The main group met 10 times during the year and a sub committee met on a regular basis to discuss internal design matters. Average attendance was 84%.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

13. INSPECTIONS AND EXTERNAL ASSESSMENTS

13.1 Statutory Inspections

The annual Health and Safety inspections carried out by our consultant was carried out in 2021 confirmed all was in good order with no areas of concern. The Local authority undertook an Infection Control Quality Audit assessments as part of their Pandemic management procedures which again found 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 in Note 13.

14.3 Staff Turnover

During 2021 nine employees left (2020 - six) of which two retired after long service with the Charity and two were short term appointments to assist during the pandemic.

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.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 Capital and Cazenove continued as our Investment Fund Managers for externally held investments during 2021.

15.4.2.1 Aberdeen Standard Capital (now trading as abrdn Capital)

Portfolio Commentary – for the year ending 31st Dec 2021

Wyggeston's Hospital have a long term investment portfolio managed by abrdn on a discretionary basis.

As at 31st December 2021, the portfolio with abrdn was valued at £5,638,761 (31st December 2020: £5,098,114). Over the course of 2021, income payments were made totalling £153,174. Having navigated the covid-related market weakness in 2020 (+8.0%), it is pleasing to report that the quality, sustainable growth approach has led to the portfolio outperforming the ARC charity peer group. On a total return basis, the portfolio returned 13.8% in 2021. This is ahead of the ARC Charities Steady Growth peer group (+12.2%).

Stock selection was the primary driver of relative and absolute performance, particularly within equities. Tactical asset allocation decisions drove relative outperformance within Fixed Income.

15.4.2.2 Cazenove Capital Investment

Across the course of 2021, the investment portfolio returned +12.9% with a closing value of £6,079,453. The combination of a strong global economic recovery and continued accommodative fiscal and monetary policy provided a supportive backdrop for most asset classes, with the global equity market returning +19.6% and UK equities +18.3%. The exception was within fixed income, where the spectre of inflation remaining higher for longer and a decision from the Bank of England to start raising interest rates at the end of the year weighed on bond prices (which move inversely to interest rates), with the UK government bond market returning -5.2%.

Within these contexts, the broker's allocation to bonds outperformed significantly (+1.9%), aided by a low exposure to conventional government bonds and shorter duration credit, whilst the equity allocation was slightly behind broader markets returning +16.6% overall. Here, whilst the sizeable allocation to US equities was beneficial, exposure within Asia and Emerging Markets detracted from returns as concerns grew around the Evergrande debt crisis and rising COVID cases. The historic income tilt of the portfolio also proved a headwind, with some of the notable income-focussed managers underperforming the benchmark as low rates continued to provide a positive backdrop for higher-growth investments. Finally, the allocation to Property was particularly beneficial, returning 18.3% over the year, but the position in Gold (-2.2%) and other diversifiers did not keep pace with the broader portfolio.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15.5 Agricultural Estate and Other Real Estate

The largest investment is the agricultural estate of just over 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 carried out every 5 years.

The last formal valuation was carried out for the year ended 31.12.2017 by Andrew Granger & Co, Chartered Surveyors & Registered Valuers who valued the Estate at £29,500,000. The next formal valuation is due as at 31.12.2022, however an uplift of £2,000,000 was recognised in 2018 due to receipt of Planning Permission for a Motorway Service Area at Rugby.

The Motorway Service Area (Rugby Services) opened to the public on the 30th April 2021. Ground rent payable to Wyggeston Hospital commenced on that day, and as a consequence, a further uplift in the value of the Estate of £4,000,000 was recognised during 2021. With additions and disposals during 2019 and 2020, the value used in the financial statements for the year ended 31.12.2021 totals £35,532,041.

15.5.1 Sales and Purchases and other actions

During 2021 no property or land was acquired/disposed.

Keeping the Estate's tenancies organised in viable blocks is always a challenge and good progress was made in this regard in 2021.

15.5.2 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.

15.5.3 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 2021 the Governors and their advisors visited the new Rugby Services being given a tour of the new site by MOTO Hospitality PLC as well as the landholding around Welford.

15.6 Pensions

Wyggeston's enrolls all its eligible employees in a workplace pension scheme under the umbrella of The Pensions Trust and complies with its auto-enrolment responsibilities.

Unlike the current scheme, which is a Defined Contribution scheme, there was a previous Defined Benefit type scheme that had an element of capital guarantee and as a group style scheme existing members are mutually liable for each other's debts. Even though very few current staff are members of this scheme, there is a potential debt on withdrawal from this scheme and that the Charity would be liable to fund.

The Governors, therefore, felt it prudent in 2013 to initially reserve a sum of £100,000 against these real and potential liabilities after receiving independent advice. This has been reviewed by our current pension advisers in 2021 and the deficit has reduced through the efficient management of the deficit and the liability is believed to be around £50,000. The Governors agreed to reduce the reserve to £69,000 accordingly. Notes 22 and 28 of the Financial Statements provide further explanation.

WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15.7 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.

15.8 Fundraising

The charity was not involved directly or indirectly in any fundraising for its own benefit during 2021 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.

15.9 Subsidiary Companies

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

15.10 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, negative funds of £2,596,663 at the end of the current year. This is calculated by taking the closing total funds, less permanent endowment, restricted funds, tangible fixed assets, designated funds and adding back loans taken out to support capital additions. A loan was acquired in order to assist in financing the development of the Cherrylease construction project. The loan has a 5 year term and bear an interest rate of 1.5% above bank base rate. The agreement also contains a "repayable on demand" clause however payment is not required until the end of the term.

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 2021 this would total £1,329,160 and thus the free reserves fall outside this range.

The level of free reserves during the year has fallen below the target set by the Governors largely as a result of the initial stages of the Lancaster House and cottages capital project being financed out of existing cash resources, in excess of projected working capital requirements. On completion of the project in 2022 the Governors intend to manage the Charity's resources with a view to recovering the level of free reserves over the medium term.

15.11 Extraordinary Repair Fund (ERF) and Cyclical Maintenance Fund (CMF)

The unplanned major works are funded from the ERF and in 2021 these were the unexpected works to replace the boiler system at William House and upgrading of internal lighting systems. The CMF are used to funds refurbishment of apartments and other planned works identified through the quinquennial survey and ongoing projects. Other general maintenance items were allocated directly to the general repairs and maintenance budget.

15.12 Transfers

The Governors reviewed the Designated funds as they have grown considerably over the years. The Charity Scheme requires Wyggestons to provide a CMF and ERF designated funds to cover costs of cyclical maintenance and extraordinary repairs but these have not been used sufficiently and were increasing by £175k per annum. It was agreed to redistribute these funds to CMF (£650k) and ERF (£300k) from December 2021.

WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15.13 Other Funds

The other funds are detailed in Note 22 of the financial statements. Governors agreed to undesignate the Agnes House Landscaping Fund and Agnes House Conservatory funds in December 2021.

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, Chris Jones, 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 13.

The remuneration package for each employee is determined 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 2021

17. PROFESSIONAL ADVISORS

The professional advisors of the Charity are:

Auditor & Accountants

Crowe U.K. LLP
Fourth floor
St James House
St James Square
Cheltenham
GL50 3PR

Bankers

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

Bankers

National Westminster Bank plc
1 Granby Street
Leicester
LE1 6EJ

Land Managing Agents

Andrew Granger and Company
Stoughton Grange
Gartree Road
Leicester
LE2 2FB

Solicitors

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

Investment Managers

abrdn 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
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Pensions Advisors

Mattioli Woods
1 New Walk Place
Leicester
LE1 6RU

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 2021

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 2021. These are listed below together with our achievements.

- We continued with the construction of the new Lancaster House (Cherryleas site) to develop 14 new properties, administration offices and community room.
- We completed the implementation of the Access Staff payroll system.
- The heating system for William House was replaced and upgraded.
- The refurbishment of communal corridors and facilities at Agnes House on the ground floor were completed.
- The work of the Looking Ahead Group continued to consider other strategic opportunities and oversee the Cherryleas development.
- We saw the opening of the Motorway Service Area project at Churchover.
- We reviewed the Policy and Procedures Manual to reflect the Charity Governance Code assessment and updated policies as necessary.
- We recommenced the annual Governors' Estate Visit.

WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21. OBJECTIVES FOR 2022

- To complete the new Lancaster House and Cottages Development project.
- To complete of the refurbishment of the Link Bridge and creation of new gardens around the scheme.
- To continue to modernise and upgrade flats in William House as necessary.
- The Renewal and upgrade of the water heating system for Agnes House.
- We will recommence the Governors visits to the Almshouses following the suspension during the Pandemic.
- To implement the new Access Care Planning system in Agnes House.
- To continue the work of the Looking Ahead Group to oversee the completion of the current projects and explore opportunities to develop the Charity's activities.
- We will formalise our partnership relationship with The Trinity Hospital Charities CIO.

WYGGESTON'S HOSPITAL CHARITY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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 | passed away 07.02.22 | 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 |
| J K McLauchlan | A E Ex F Fs R | (Ch of Estate) | 1993 25.02.28 |
| R L Pierce | E Ex F R | (V Ch of Estate) | 2007 24.06.21 |
| Mrs E M Bamford | H Ex 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 LA | | 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 Ex F Fs LA R | (V Ch of Finance) | 2019 01.02.26 |
| W Wright | E F | | 2021 25.08.28 |
| Ex-Officio (1) | | | |
| Master of the Hospital (Term of 5 years) | | | |
| Rev'd A R Leighton | E Ex F Fs H LA R | | 2019 01.11.24 |
| Nominated (9) (Term of 5 Years) | | | |
| Appointed By Leicester City Council (4) | | | |
| Dr S Barton | E F | | 2014 30.05.24 |
| W G Ginns | H | Resigned 01.12.21 | 2005 16.03.25 |
| Ms A Byrne | H | | 2022 25.03.27 |
| Vacancy x 1 | | | |
| Appointed By Leicestershire County Council Education Committee (2) | | | |
| P Osborne | E F Fs LA R A | (Ch of Finance) | 2017 01.10.22 |
| Mrs P Posnett | H | | 2018 11.03.23 |
| Appointed By Leicestershire County Council Social Services Committee (2) | | | |
| M B Page | E F Fs A LA R | Passed away 21.04.21 | 2001 |
| J W Royce | E F LA | Reappointed 2021 | 2001 27.06.26 |
| L Phillimore | E F | | 2021 01.02.26 |
| 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 |

WYGGESTON'S HOSPITAL CHARITY

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

***Committees:-**

A = Audit
Fs = Finance Sub

E = Estate
H = House and Grants

Ex = Executive
LA = Looking Ahead

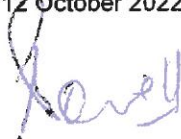
F = Finance
R = Review

Ch = Chairman

VCh = Vice Chairman

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

The Charity also operates under the name Wyggeston's Hospital Charity. The Trustees report has been approved on 12 October 2022.



Sandra R Powell

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

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 2021 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 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

WYGGESTON'S HOSPITAL CHARITY

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters 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 set out on page 15, 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were the Care Quality Commission requirements, General Data Protection Regulation and health and safety legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing and recognition of estate income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission reading minutes of meetings of those charged with governance and designing audit procedures over estate income.

In accordance with International Auditing Standards, we planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements or accounting records including any material misstatements resulting from fraud, error or non-compliance with law or regulations.

However, owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected even though the audit is properly planned and performed in accordance with the ISAs (UK). No internal control structure, no matter how effective, can eliminate the possibility that errors or irregularities may occur and remain undetected. In addition, because we use selective testing in our audit, we cannot guarantee that errors or irregularities, if present, will be detected. Accordingly, our audit should not be relied upon to disclose all such misstatements or frauds, errors or instances of non-compliance as may exist.

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.

WYGGESTON'S HOSPITAL CHARITY

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

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.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 27 October 2022

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

WYGGESTON'S HOSPITAL CHARITY

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|--|------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations | | 3,572 | 2,943 | - | 6,515 | 2,556 |
| Charitable activities | 4 | 1,415,255 | - | - | 1,415,255 | 1,395,376 |
| Investments | 5 | 1,073,015 | - | - | 1,073,015 | 871,198 |
| Other income | 6 | 89,509 | - | - | 89,509 | 115,218 |
| Total income | | 2,581,351 | 2,943 | - | 2,584,294 | 2,384,348 |
| Expenditure on: | | | | | | |
| Raising funds: | | | | | | |
| Investment manager's fees | | - | - | 60,154 | 60,154 | 55,380 |
| Estate expenditure | 7 | 214,823 | - | - | 214,823 | 231,007 |
| Charitable activities | 9 | 2,371,961 | 690 | 10,692 | 2,383,343 | 2,069,526 |
| Total expenditure | | 2,586,784 | 690 | 70,846 | 2,658,320 | 2,355,913 |
| Net (expenditure)/income before net gains/(losses) on investments | | | | | | |
| | | (5,433) | 2,253 | (70,846) | (74,026) | 28,435 |
| Net gains/(losses) on investments | | - | - | 5,163,905 | 5,163,905 | (349,085) |
| Net movement in funds | | (5,433) | 2,253 | 5,093,059 | 5,089,879 | (320,650) |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 4,977,809 | 3,320 | 41,876,124 | 46,857,253 | 47,177,903 |
| Net movement in funds | | (5,433) | 2,253 | 5,093,059 | 5,089,879 | (320,650) |
| Total funds carried forward | 22 | 4,972,376 | 5,573 | 46,969,183 | 51,947,132 | 46,857,253 |

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

WYGGESTON'S HOSPITAL CHARITY

BALANCE SHEET AS AT 31 DECEMBER 2021

| | Note | 2021 £ | 2020 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 15 | 9,104,769 | 6,020,389 |
| Listed investments | 16 | 11,715,642 | 10,613,396 |
| Investment property | 17 | 35,532,041 | 31,526,797 |
| | | <u>56,352,452</u> | <u>48,160,582</u> |
| Current assets | | | |
| Debtors | 18 | 208,276 | 206,741 |
| Cash at bank and in hand | | 861,768 | 1,476,842 |
| | | <u>1,070,044</u> | <u>1,683,583</u> |
| Creditors: amounts falling due within one year | 19 | (3,127,670) | (590,812) |
| Net current (liabilities)/assets | | <u>(2,057,626)</u> | <u>1,092,771</u> |
| Total assets less current liabilities | | <u>54,294,826</u> | <u>49,253,353</u> |
| Creditors: amounts falling due after more than one year | 20 | (2,347,694) | (2,396,100) |
| Total net assets | | <u><u>51,947,132</u></u> | <u><u>46,857,253</u></u> |
| Charity funds | | | |
| Endowment funds | 22 | 46,969,183 | 41,876,124 |
| Restricted funds | 22 | 5,573 | 3,320 |
| Unrestricted funds | 22 | 4,972,376 | 4,977,809 |
| Total funds | | <u><u>51,947,132</u></u> | <u><u>46,857,253</u></u> |

The financial statements were approved and authorised for issue by the Trustees on 12 October 2022 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 2021**

| | Note | 2021 £ | 2020 £ |
|--|------|-------------|-------------|
| Cash flows from operating activities | | | |
| Net cash (used in) operating activities | 24 | (999,052) | (683,431) |
| Cash flows from investing activities | | | |
| Dividends, interests and rents from investments | | 1,069,540 | 871,198 |
| Purchase of tangible fixed assets | | (2,921,715) | (1,897,123) |
| Proceeds from sale of investments | | 1,786,449 | 2,716,279 |
| Purchase of investments | | (1,828,938) | (2,043,085) |
| Additions to investment properties | | (8,247) | - |
| Proceeds on disposal of investment properties | | 3,003 | 1,463,800 |
| Movements in investment cash | | 104,148 | (267,443) |
| Net cash (used in)/provided by investing activities | | (1,795,760) | 843,626 |
| Cash flows from financing activities | | | |
| Cash inflows from new borrowing | | 2,200,000 | - |
| Interest on loan | | (20,262) | - |
| Net cash provided by financing activities | | 2,179,738 | - |
| Change in cash and cash equivalents in the year | | (615,074) | 160,195 |
| Cash and cash equivalents at the beginning of the year | | 1,476,842 | 1,316,647 |
| Cash and cash equivalents at the end of the year | 25 | 861,768 | 1,476,842 |

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 2021

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) (effective 1 January 2019) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The 2022 budgets and forecasts have been drawn up and amended with consideration for the continuing impact of Covid 19 along with our ongoing planned capital projects. The budgets and forecasts are supported by a monthly reviewed cashflow analysis that is managed by the Governors and senior staff. The income being derived from the recent expansion of the Almshouses provision coupled with excellent occupancy rates and diversification of the Estate portfolio provides the Trustees with the confidence of the financial health of the Charity.

On review of these documents, the Trustees 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 12 months from the point of signing and therefore the financial statements have been prepared on this basis.

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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 William House, Agnes House, Lancaster House and the Cottages. 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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 charitable organisations and Wyggeston's School Foundation as set by the Trust Deed. See Note 8 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 to which they are directly attributable.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Some assets below the value of £5,000 may also be capitalised at the discretion of management.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | | | |
|-----------------------|---|---------|---------------|
| Hospital buildings | - | 2.0% | Straight line |
| Fixtures and fittings | - | 5 - 20% | Straight line |

No depreciation has been applied to assets in the course of construction.

2.7 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.

2.8 Debtors

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

2.9 Cash at bank and in hand

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

2.10 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.

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 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 other creditors and bank loans.

2.12 Operating lease expenditure

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

2.13 Operating lease income

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. Lease incentives represent lease premium received in advance by the lessor, the aggregate benefit of which is recognised over the life of the lease.

2.14 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 28 for further details.

2.15 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.

2.16 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 22 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 22 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 22 to the financial statements.

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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:

- 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 investment property is based upon a formal valuation provided by an independent expert, Andrew Granger and Company and is carried out on a 5 yearly cycle. This expert holds a recognised and relevant qualification and has a suitable level of experience within the area with the classes of properties as held by Wyggeston's Hospital Charity. If evidence emerges of a material change in the value of investment property in the intervening years between the periodic formal valuations by the independent expert, the Governors will either consult the expert informally or engage the expert to provide an updated formal valuation as appropriate, to determine the appropriate carrying value of the investment property until the next full valuation. Please see Note 17 for the value of investment property as at 31 December 2021. The Trustees have also assessed the need for an impairment of properties held and have confirmed that no impairment is required.

4. Income from charitable activities

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------|--|---------------------------------------|---------------------------------------|
| Residency charges | 1,393,735 | 1,393,735 | 1,362,646 |
| Catering | 14,051 | 14,051 | 15,923 |
| Laundry | 1,021 | 1,021 | 1,387 |
| Sundry | 6,448 | 6,448 | 15,420 |
| Total 2021 | <u>1,415,255</u> | <u>1,415,255</u> | <u>1,395,376</u> |
| <i>Total 2020</i> | | <u><u>1,395,376</u></u> | <u><u>1,395,376</u></u> |

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Investment income

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------------------------|--|---------------------------------------|---------------------------------------|
| Rents receivable | 769,267 | 769,267 | 611,368 |
| Other estate income | 14,135 | 14,135 | 5,215 |
| Dividends from UK investments | 197,055 | 197,055 | 172,147 |
| Dividends from overseas investments | 92,425 | 92,425 | 80,889 |
| Interest receivable | 133 | 133 | 1,579 |
| Total 2021 | <u>1,073,015</u> | <u>1,073,015</u> | <u>871,198</u> |
| <i>Total 2020</i> | <u>871,198</u> | <u>871,198</u> | |

6. Other incoming resources

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------------------|--|---------------------------------------|---------------------------------------|
| HMRC Job Retention Scheme | 6,592 | 6,592 | 55,746 |
| Leicester City Council grants | 82,917 | 82,917 | 59,472 |
| Total 2021 | <u>89,509</u> | <u>89,509</u> | <u>115,218</u> |
| <i>Total 2020</i> | <u>115,218</u> | <u>115,218</u> | |

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Expenditure on raising funds

Estate expenditure

| | Unrestricted funds 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-----------------------------|--|---------------------------------------|---------------------------------------|
| Repairs | 46,110 | 46,110 | 32,636 |
| Agent's commission | 263 | 263 | 71,174 |
| Legal and professional fees | 136,065 | 136,065 | 90,675 |
| Insurance | 18,392 | 18,392 | 18,596 |
| Rates | 11,293 | 11,293 | 15,426 |
| Quincentenary costs | 2,700 | 2,700 | 2,500 |
| Total 2021 | <u>214,823</u> | <u>214,823</u> | <u>231,007</u> |
| <i>Total 2020</i> | <u>231,007</u> | <u>231,007</u> | |

8. Analysis of grants

| | Grants to Institutions 2021 £ | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|-------------------------------------|--|---------------------------------------|---------------------------------------|
| Grants for the Relief of Needy Poor | 25,000 | 25,000 | 40,040 |
| Grants, Wyggeston School Foundation | 10,000 | 10,000 | 10,000 |
| | <u>35,000</u> | <u>35,000</u> | <u>50,040</u> |

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

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Governance costs

| | 2021 £ | 2020 £ |
|----------------------------|---------------|---------------|
| Wages and salaries | 10,338 | 13,438 |
| National insurance | 672 | 873 |
| Pension costs | 393 | 511 |
| Audit and accountancy fees | 15,048 | 14,174 |
| Non-audit fees | 2,472 | 4,046 |
| Postage and stationery | 3,364 | 3,364 |
| Estate visit | 2,217 | - |
| Sundry | 233 | 337 |
| | <u>34,737</u> | <u>36,743</u> |

12. Auditor's remuneration

The auditor's remuneration amounts to an auditor fee of £18,900 (2020 - £18,070), and accounts preparation and other services fees of £10,300 (2020 - £8,275).

13. Staff costs

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Wages and salaries | 1,096,100 | 1,094,325 |
| Social security costs | 80,164 | 82,039 |
| Contribution to defined contribution pension schemes | 35,747 | 40,435 |
| | <u>1,212,011</u> | <u>1,216,799</u> |

During the year redundancy payments were made totalling £6,383 (2020: £Nil).

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

| | 2021 No. | 2020 No. |
|---------------------|-------------|-------------|
| Full time employees | 9 | 7 |
| Part time employees | 48 | 53 |
| | <u>57</u> | <u>60</u> |

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

| | Total funds 2021 £ | <i>Total funds 2020 £</i> |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Staff costs | 1,212,011 | 1,216,799 |
| Depreciation | 171,653 | 176,270 |
| Other staff costs | 13,353 | 18,420 |
| Repairs, replacements and maintenance | 446,160 | 202,401 |
| Heating, electricity and cleaning | 143,927 | 141,991 |
| Rates and insurance | 60,727 | 62,353 |
| Food and drink | 55,218 | 54,086 |
| Telephone | 5,387 | 4,677 |
| Printing, postage and stationery | 25,531 | 28,986 |
| Residents' entertainment | 9,780 | 9,032 |
| Travelling expenses | 15,510 | 8,109 |
| Subscriptions | 15,154 | 11,894 |
| Sundry expenses | 38,577 | 22,988 |
| Legal and professional fees | 83,676 | 31,114 |
| Audit and accountancy fees | 25,080 | 23,619 |
| Non-audit fees | 4,120 | 6,747 |
| Estate visit | 2,217 | - |
| Loan interest | 20,262 | - |
| Total | 2,348,343 | 2,019,486 |

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

| | Staff costs 2021 £ | Depreciation 2021 £ | Other costs 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------|--------------------------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| Hospital | 1,200,608 | 171,653 | 941,345 | 2,313,606 | 1,982,743 |
| Relief of needy poor | - | - | 25,000 | 25,000 | 40,040 |
| Wyggeston School Foundation | - | - | 10,000 | 10,000 | 10,000 |
| Governance | 11,403 | - | 23,334 | 34,737 | 36,743 |
| Total 2021 | 1,212,011 | 171,653 | 999,679 | 2,383,343 | 2,069,526 |
| <i>Total 2020</i> | <i>1,216,799</i> | <i>176,270</i> | <i>676,457</i> | <i>2,069,526</i> | |

10. Analysis of expenditure by activities

| | Activities undertaken directly 2021 £ | Grant funding of activities 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------|---|--|-----------------------------|-----------------------------|
| Hospital | 2,313,606 | - | 2,313,606 | 1,982,743 |
| Relief of needy poor | - | 25,000 | 25,000 | 40,040 |
| Wyggeston School Foundation | - | 10,000 | 10,000 | 10,000 |
| Governance | 34,737 | - | 34,737 | 36,743 |
| Total 2021 | 2,348,343 | 35,000 | 2,383,343 | 2,069,526 |
| <i>Total 2020</i> | <i>2,019,486</i> | <i>50,040</i> | <i>2,069,526</i> | |

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Analysis of grants (continued)

| | 2021 | 2020 |
|-----------------------------|---------------|---------------|
| | £ | £ |
| Name of institution | | |
| Wyggeston School Foundation | 10,000 | <i>10,000</i> |
| Leicester Charity Link | 25,000 | <i>25,000</i> |
| Bridge project | - | <i>15,000</i> |
| Other charitable grants | - | <i>40</i> |
| | 35,000 | <i>50,040</i> |

9. Analysis of expenditure on charitable activities

Summary by fund type

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total funds 2021 £ | Total funds 2020 £ |
|-----------------------------|--|--|---|---------------------------------------|---------------------------------------|
| Hospital | 2,302,224 | 690 | 10,692 | 2,313,606 | <i>1,982,743</i> |
| Relief of needy poor | 25,000 | - | - | 25,000 | <i>40,040</i> |
| Wyggeston School Foundation | 10,000 | - | - | 10,000 | <i>10,000</i> |
| Governance | 34,737 | - | - | 34,737 | <i>36,743</i> |
| Total 2021 | 2,371,961 | 690 | 10,692 | 2,383,343 | <i>2,069,526</i> |
| Total 2020 | 2,058,334 | 500 | 10,692 | 2,069,526 | |

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2021 No. | 2020 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | - | 1 |

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 £128,088 (2020-£128,881) for the year.

14. 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:

| | | 2021 £ | 2020 £ |
|--------------------|----------------------------|-----------|-----------|
| Rev'd A R Leighton | Remuneration | 31,048 | 30,108 |
| | Pension contributions paid | 2,835 | 2,752 |
| | Other benefits | 2,000 | 2,000 |

During the year Trustee expenses totalling £672 have been incurred and reimbursed to 3 Trustees relating to traveling and Governor events (2020 - £227 reimbursed to 4 Trustees for travelling and Governor events).

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible fixed assets

| | Freehold property £ | Fixtures and fittings £ | Assets under construction £ | Total £ |
|-----------------------|---------------------------|-------------------------------|--------------------------------------|-------------------|
| Cost | | | | |
| At 1 January 2021 | 4,650,349 | 3,028,669 | 2,102,208 | 9,781,226 |
| Additions | 135,495 | 81,726 | 3,038,812 | 3,256,033 |
| At 31 December 2021 | <u>4,785,844</u> | <u>3,110,395</u> | <u>5,141,020</u> | <u>13,037,259</u> |
| Depreciation | | | | |
| At 1 January 2021 | 1,539,883 | 2,220,954 | - | 3,760,837 |
| Charge for the year | 47,495 | 124,158 | - | 171,653 |
| At 31 December 2021 | <u>1,587,378</u> | <u>2,345,112</u> | <u>-</u> | <u>3,932,490</u> |
| Net book value | | | | |
| At 31 December 2021 | <u>3,198,466</u> | <u>765,283</u> | <u>5,141,020</u> | <u>9,104,769</u> |
| At 31 December 2020 | <u>3,110,466</u> | <u>807,715</u> | <u>2,102,208</u> | <u>6,020,389</u> |

16. Fixed asset investments

| | Listed investments £ |
|-------------------------------------|----------------------------|
| Valuation | |
| At 1 January 2021 | 10,613,396 |
| Additions | 1,828,938 |
| Movements in cash held with brokers | (104,148) |
| Disposals | (1,786,449) |
| Net gains on investments | 1,163,905 |
| At 31 December 2021 | <u>11,715,642</u> |

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Investment property

| | Estate Land and Buildings £ |
|---------------------|--|
| Valuation | |
| At 1 January 2021 | 31,526,797 |
| Additions | 8,247 |
| Disposal proceeds | (3,003) |
| Revaluation | 4,000,000 |
| At 31 December 2021 | 35,532,041 |

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. Subsequently a number of additions and disposals have been made.

The Governors have assessed there is evidence there has been a material increase in the value of the site operating as a Motorway Service Area following the commencement of service area operations, and therefore the commencement of rental income to the Charity, during the year. The revaluation was performed by the Governors following informal consultation with an independent specialist. The Governors have determined the total value of the site to be £6 million, leading to a revaluation surplus of £4 million in the current year (an initial revaluation surplus of £2 million was recognised in 2018 following receipt of planning permission for the site). The value of the site to the Charity lies in its rental revenue streams and therefore the valuation is based on its current rental yield.

The valuation is subject to significant estimation uncertainty and is sensitive to changes in rental yield. A change in rental yield of, say, 0.5% per annum, would result in a change of valuation ranging from £900k to £1.3 million.

The resulting total market value of the Estates Land and Buildings at 31 December 2021 is £35,532,041. The Governors have concluded that no impairment of estate assets is deemed necessary.

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 2021**

18. Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 118,571 | 112,378 |
| Other debtors | 1,200 | 6,215 |
| Prepayments and accrued income | 88,505 | 88,148 |
| | <u>208,276</u> | <u>206,741</u> |

19. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|----------------|
| Other loans | 2,200,000 | - |
| Trade creditors | 160,293 | 285,644 |
| Other taxation and social security | 67,301 | 11,050 |
| MOTO lease premium | 48,406 | 48,900 |
| Other creditors | 8,585 | 37,681 |
| Accruals | 518,340 | 131,829 |
| Deferred income | 124,745 | 75,708 |
| | <u>3,127,670</u> | <u>590,812</u> |

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

In March 2019 Wyggaston'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. The property opened on 30 April 2021 and the lease premium is therefore now being recognised.

Other loans represents a loan provided during the year by Schroder & Co Limited for the purpose of part-financing the Cherryleas construction project. The loan bears an interest rate of 1.5% above bank base rate and is secured by way of charge against the listed investments held under the management of Cazenove Capital Management. The loan agreement contains a "repayable on demand" clause and accordingly the loan is presented as a short term liability. However, the substance of the loan, as documented in the loan agreement, is that it is provided for a term of 5 years from the date of initial drawdown.

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

| | 2021 | 2020 |
|--------------------|------------------|------------------|
| | £ | £ |
| MOTO lease premium | 2,347,694 | 2,396,100 |

Income will be released as follows:

| | 2021 | 2020 |
|----------------------|------------------|------------------|
| | £ | £ |
| Within one year | 48,406 | 48,900 |
| One to two years | 47,912 | 48,406 |
| Two to five years | 140,773 | 142,255 |
| More than five years | 2,159,009 | 2,205,439 |
| | 2,396,100 | 2,445,000 |

21. Financial instruments measured at fair value

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at fair value through income and expenditure | 11,715,642 | 10,613,396 |

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 2021

22. Statement of funds

Statement of funds - current year

| | Balance at 1 January 2021 £ | Income £ | Expenditure £ | Transfers In/out £ | Gains/ (Losses) £ | Balance at 31 December 2021 £ |
|---------------------------------|-----------------------------------|------------------|--------------------|--------------------------|-------------------------|---|
| Unrestricted funds | | | | | | |
| Designated funds | | | | | | |
| Agnes House | 552,430 | - | - | (552,430) | - | - |
| Conservatory | 94,560 | - | - | (94,560) | - | - |
| Extraordinary Repair Fund | 1,300,276 | - | (14,505) | (997,607) | - | 288,164 |
| Cyclical Maintenance Fund | 499,215 | - | (18,565) | 153,085 | - | 633,735 |
| Pension Fund | 100,000 | - | - | (35,000) | - | 65,000 |
| | <u>2,546,481</u> | <u>-</u> | <u>(33,070)</u> | <u>(1,526,512)</u> | <u>-</u> | <u>986,899</u> |
| General funds | | | | | | |
| General Funds | 2,431,328 | 2,581,351 | (2,553,714) | 1,526,512 | - | 3,985,477 |
| Total Unrestricted funds | <u>4,977,809</u> | <u>2,581,351</u> | <u>(2,586,784)</u> | <u>-</u> | <u>-</u> | <u>4,972,376</u> |
| Endowment funds | | | | | | |
| Permanent Endowment | 41,876,124 | - | (70,846) | - | 5,163,905 | 46,969,183 |
| Restricted funds | | | | | | |
| Legacies- Social Activities | 3,320 | 2,443 | (190) | - | - | 5,573 |
| Founders Day | - | 500 | (500) | - | - | - |
| Total Restricted funds | <u>3,320</u> | <u>2,943</u> | <u>(690)</u> | <u>-</u> | <u>-</u> | <u>5,573</u> |
| Total of funds | <u>46,857,253</u> | <u>2,584,294</u> | <u>(2,658,320)</u> | <u>-</u> | <u>5,163,905</u> | <u>51,947,132</u> |

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Statement of funds (continued)

Statement of funds - prior year

| | <i>Balance at 1 January 2020 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains £</i> | <i>Balance at 31 December 2020 £</i> |
|---------------------------------|--|-------------------------|---------------------------|-----------------------------------|-------------------------|--|
| Designated funds | | | | | | |
| Agnes House | 579,563 | - | (27,133) | - | - | 552,430 |
| Conservatory | 99,537 | - | (4,977) | - | - | 94,560 |
| Extraordinary Repair Fund | 1,200,276 | - | - | 100,000 | - | 1,300,276 |
| Cyclical Maintenance Fund | 500,123 | - | (75,908) | 75,000 | - | 499,215 |
| Pension Fund | 100,000 | - | - | - | - | 100,000 |
| | <u>2,479,499</u> | <u>-</u> | <u>(108,018)</u> | <u>175,000</u> | <u>-</u> | <u>2,546,481</u> |
| General funds | | | | | | |
| General Funds | <u>3,815,133</u> | <u>2,383,848</u> | <u>(2,181,323)</u> | <u>(1,586,330)</u> | <u>-</u> | <u>2,431,328</u> |
| Total Unrestricted funds | <u>6,294,632</u> | <u>2,383,848</u> | <u>(2,289,341)</u> | <u>(1,411,330)</u> | <u>-</u> | <u>4,977,809</u> |
| Endowment funds | | | | | | |
| Permanent Endowment | <u>40,879,951</u> | <u>-</u> | <u>(66,072)</u> | <u>1,411,330</u> | <u>(349,085)</u> | <u>41,876,124</u> |
| Restricted funds | | | | | | |
| Legacies- Social Activities | 3,320 | - | - | - | - | 3,320 |
| Founders Day | - | 500 | (500) | - | - | - |
| Total Restricted funds | <u>3,320</u> | <u>500</u> | <u>(500)</u> | <u>-</u> | <u>-</u> | <u>3,320</u> |
| Total of funds | <u><u>47,177,903</u></u> | <u><u>2,384,348</u></u> | <u><u>(2,355,913)</u></u> | <u><u>-</u></u> | <u><u>(349,085)</u></u> | <u><u>46,857,253</u></u> |

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

22. Statement of funds - (continued)

Designated Funds represent:

i) The cost of building Agnes House, shower room conversion and the conservatory less accumulated depreciation. During the year the Trustees agreed to transfer the cost back into Unrestricted funds. Depreciation was charged against this fund in the prior year with a value of £27,133 for Agnes House, £176 for the shower room and £4,977 for the conservatory, totalling £32,110.

ii) Clause 26 of the Charity Scheme requires the Governors to transfer funds to an Extraordinary Repair Fund on an annual basis. The balance held was reviewed by the Governors during the year and determined the balance should be reduced. A transfer out has been approved in the year totalling £997,607 (2020: transfer in of £100,000). Expenditure of £14,505 was allocated against the fund in the year (2020: £Nil).

iii) Repairs and maintenance work undertaken during the year which was funded from the Cyclical Maintenance Fund totalled £18,565 (2020: £75,908). A total of £153,085 was transferred to the Cyclical Maintenance Fund during the year (2020: £75,000).

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. During the year the Governors approved a transfer out of the designated fund of £35,000 and retained a balance of £65,000. See Note 28 for further details.

Restricted funds represents:

i) Legacies- legacies are received by the Charity and are restricted for the staff and resident and resident activities; and

ii) Founders Day- A donation made by the Duchy of Lancaster to be used towards the costs of Founders Day.

The movements within the funds are explained further in the trustees report.

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Endowment funds 2021 £ | Total funds 2021 £ |
|-------------------------------------|------------------------------------|----------------------------------|---------------------------------|-----------------------------|
| Tangible fixed assets | 8,782,140 | - | 322,629 | 9,104,769 |
| Fixed asset investments | - | - | 11,715,642 | 11,715,642 |
| Investment property | 2,729,113 | - | 32,802,928 | 35,532,041 |
| Current assets | (1,063,513) | 5,573 | 2,127,984 | 1,070,044 |
| Creditors due within one year | (3,127,670) | - | - | (3,127,670) |
| Creditors due in more than one year | (2,347,694) | - | - | (2,347,694) |
| Total | 4,972,376 | 5,573 | 46,969,183 | 51,947,132 |

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

| | <i>Unrestricted funds 2020 £</i> | <i>Restricted funds 2020 £</i> | <i>Endowment funds 2020 £</i> | <i>Total funds 2020 £</i> |
|-------------------------------------|--|--|---|---------------------------------------|
| Tangible fixed assets | 5,687,068 | - | 333,321 | 6,020,389 |
| Fixed asset investments | - | - | 10,613,396 | 10,613,396 |
| Investment property | 2,729,113 | - | 28,797,684 | 31,526,797 |
| Current assets | (451,460) | 3,320 | 2,131,723 | 1,683,583 |
| Creditors due within one year | (590,812) | - | - | (590,812) |
| Creditors due in more than one year | (2,396,100) | - | - | (2,396,100) |
| Total | 4,977,809 | 3,320 | 41,876,124 | 46,857,253 |

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

| | 2021 £ | 2020 £ |
|--|--------------------|-------------------|
| Net income/expenditure for the year (as per Statement of Financial Activities) | 5,089,879 | (320,650) |
| Adjustments for: | | |
| Depreciation charges | 171,653 | 176,270 |
| Net (gains)/losses on investment assets | (5,163,905) | 349,085 |
| Dividends, interests and rents from investments | (1,069,540) | (871,198) |
| Interest on loan | 20,262 | - |
| (Increase) in debtors | (1,535) | (5,085) |
| Increase/(decrease) in creditors | 3,034 | (11,853) |
| Release of lease premium | (48,900) | - |
| Net cash (used in) operating activities | (999,052) | (683,431) |

WYGGESTON'S HOSPITAL CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Analysis of cash and cash equivalents

| | 2021 £ | 2020 £ |
|--|----------------|------------------|
| Cash at bank and in hand | 861,768 | 1,476,842 |
| Total cash and cash equivalents | 861,768 | 1,476,842 |

26. Analysis of changes in net funds

| | At 1 January 2021 £ | Cash flows £ | At 31 December 2021 £ |
|--------------------------|------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 1,476,842 | (615,074) | 861,768 |
| Debt due within 1 year | - | (2,200,000) | (2,200,000) |

27. Capital commitments

At the year-end capital work was authorised and contracted for by the Charity, but not yet completed totalling £667,034 (2020: £1,576,881).

28. Pension commitments

Historically employees of Wyggeston's Hospital Charity were 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. Note that current Wyggeston staff are not entitled to membership of this plan.

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.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m.

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

28. Pension commitments (continued)

Wyggeston's Hospital Charity paid contributions totalling £35,747 (2020: £40,435) during the accounting year. The Plan Trustee has indicated that Additional contributions of £5,272 (2020: £5,118) 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 1.18% (2020: 0.27%). The unwinding of the discount rate is recognised as a finance cost.

The Pension Fund (as shown within note 22) 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 £65,000 within this fund in the year.

| | 2021 £ | 2020 £ |
|---|--------------|---------------|
| Provision at 1 January | 15,480 | 18,560 |
| Unwinding of the discount factor | 37 | 189 |
| Deficit contributions paid | (3,641) | (3,535) |
| Re-measurements - impact of any changes in assumptions | (40) | 266 |
| Re-measurements - amendments to the contribution schedule | (8,233) | - |
| Provision at 31 December | 3,603 | 15,480 |

29. Operating lease commitments - amounts payable

At 31 December 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2021 £ | 2020 £ |
|--|---------------|-----------|
| Not later than 1 year | 4,376 | - |
| Later than 1 year and not later than 5 years | 16,905 | - |
| Later than 5 years | 7,529 | - |
| | 28,810 | - |

WYGGESTON'S HOSPITAL CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

30. Operating lease commitments - amounts receivable

In March 2019 Wyggaston's Hospital Charity entered into a 99 year lease with MOTO to develop land owned by the Charity as a Motorway Service Area.

At 31 December 2021 the Charity had future minimum lease receipts receivable under operating lease agreements as follows:

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Later than 1 year and not later than 5 years | 169,566 | 113,044 |
| Later than 5 years | 678,264 | 678,264 |
| Later than 1 year and not later than 5 years | 15,812,030 | 15,995,726 |
| | <u>16,659,860</u> | <u>16,787,034</u> |

31. Related party transactions

Wyggaston 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 (2020: £10,000) was awarded by Wyggaston's Hospital Charity to Wyggaston School Foundation. £Nil was outstanding at the year end (2020: £Nil).

The Trinity Hospital Charities CIO is a related party due to having a number of Trustees in common. During the year Wyggaston's Hospital carried out management services totalling £700 (2020: £Nil). £Nil was outstanding at the year end (2020: £Nil).